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THE HONOURABLE DAN HAYS
SPEAKER

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THE SENATE

Tuesday, December 14, 2004

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

Prayers.

SENATORS' STATEMENTS

TRIBUTES

THE LATE HONOURABLE PHILIPPE DEANE GIGANTÈS

The Hon. the Speaker: Honourable senators, I received a notice from the Leader of the Government, who requests, pursuant to rule 22(10), that the time provided for the consideration of Senators' Statements be extended today for the purpose of paying tribute to the Honourable Philippe Gigantès, our former colleague, whose death occurred on December 9, 2004.

I would remind honourable senators that, pursuant to our rules, each senator will be allowed three minutes and may speak only once, for a maximum time of tributes of 15 minutes.

Hon. Sharon Carstairs: *Sailor, Spy, Senator, Scribe.* This is the title of Philippe Gigantès' final book, yet unpublished, which I had the privilege to read several months ago, having obtained it on a disc given to me on my last visit with him.

I had my last visit with Philippe in September at Ste. Anne's Hospital where he had lived for the last few years. Shortly after this visit, he went in and out of coma, but remained comfortable, surrounded by his immediate family.

The book outlines his highly diverse background. He was indeed a sailor, both in Greece and with the British navy. He was a spy, working for MI5. He was, as we all know, a senator; and as numerous books, articles and reviews attest, he was certainly a scribe.

Philippe was also a very special person. I know that because, during our shared years in the Senate and for the last five years, we have been good friends, sharing phone calls and visits. Philippe had a great love of his children and his grandchildren, and to visit him was to see their most recent photographs, and for the grandchildren, their most recent works of art.

To know Philippe was to understand a man who was extremely well read in the politics of the world. He had strong opinions on the way the world was governed, all based in a Periclean view of democracy.

Proud of his Greek heritage, he was a strong Canadian nationalist. Honoured by both countries, as well as the United Kingdom, he was reluctant to tell others of his accomplishments. I learned by accident on a visit to Ste. Anne's that he was awarded more medals than any other veteran in the hospital.

Philippe had been captured by the North Koreans during the Korean War. Although he was in Korea as a war correspondent, his captors knew of his previous career as a spy and he was tortured as a spy. At one point during his recent illness, the medications he was on caused him to relive all of those torture experiences in ways that some Holocaust victims also go through these horrific experiences.

Fortunately, because of my work in palliative care, I was able to get care for Philippe at the Jewish General Hospital in Montreal, where Dr. Bernard Lapointe, who had experience with Holocaust victims, was able to relieve his mental and physical pain.

Philippe was deeply grateful to Dr. Lapointe and his staff and full of praise for those who looked after him at Ste. Anne's — and he would want them to know the enormous regard he had for them.

His love of children and young people extended to many outside his immediate family. He took special interest in the Senate pages, and many of them have kept in touch with him. In his hospital room were photos of the children of nurses and other employees. Indeed, the 2003 Christmas card of our clerk, a photograph of his two daughters, was on display. This was the essence of Philippe. Children were the future and he wanted only the best for them.

To his family, his wife Susan, his three daughters and his three grandchildren, and to his good friends Jacques Hébert and Michel Rochon, and to Miss Sharp, one of his very favourite pages — her name is Elizabeth, but she was always Miss Sharp to Philippe — I offer my sincere condolences.

[Translation]

Hon. Terry Stratton (Deputy Leader of the Opposition): Honourable senators, I would like to pay tribute today to one of our former colleagues, Philippe Gigantès, who died last week. Even before coming to Canada in 1965, Senator Gigantès had had a wholly remarkable life.

[English]

Greek by birth, he served as a British naval intelligence agent during the Second World War, and later, as a journalist covering the Korean War, he was wounded and held in a North Korean prison camp for almost three years. He also worked at the United Nations, and returned to Greece in the 1960s to serve as secretary-general to King Constantine and as the country's minister of culture.

At the beginning of his life here in Canada, Senator Gigantès was a journalist with *The Globe and Mail*, but in time he would undertake a wide range of other pursuits. He held positions at several universities across the country, and was the author of 14 books on a variety of topics.

In the 1970s, he came to Ottawa to take the position of senior executive officer with the Official Languages Commission. He worked as a speech writer and advisor to former Prime Minister Pierre Elliott Trudeau, who appointed him to the Senate in 1984. He served 14 years in this chamber and was the first Canadian senator of Greek origin.

Senator Gigantès also is in the record books in another way, having the distinction of delivering the longest speech ever in a Canadian legislature, during the GST debate back in 1990. We shared very different views on that particular topic, but the passion and fortitude needed to undertake a speech of just under 18 hours in total is certainly to be respected. It is no wonder we have a set of rules today.

Philippe Gigantès led a long and varied life, and his contributions to the Senate and to Canada as a whole will not be soon forgotten. On behalf of all senators on this side of the chamber, I offer my condolences to his family.

• (1410)

Hon. Jeremiah S. Grafstein: Honourable senators, our dear friend Philippe Gigantès has left us. What can we say about this true Renaissance man, who represented the best of the old and the new world? Perhaps the best tribute would be to repeat what Philippe proclaimed about himself.

He said that he was a great lover. He loved literature and art, he loved poetry, he loved journalism, and he loved politics. He was once asked what was his religion. He answered that it was journalism and politics. He loved writing, and he was an excellent writer. He loved youth, he loved the Senate, he loved to speak, and you will recall the great GST debate when he made one of the longest, if not the longest, speech in this chamber. He loved to listen to the speakers, and he loved good food and clothes. He loved to travel, he loved languages and he was adept at many languages. He loved good friends and stimulating conversation. He loved Mr. Trudeau. He loved the Liberal Party. He loved Israel because he loved all democracies. He loved courage and he was a courageous soldier. He loved his roots in Greece but, above all, he loved Canada more. Yes, Philippe Gigantès was a lover of Canada.

We will never forget his loves and his hates. We will remember his hates as well as his loves, for he was a very, very passionate man. Our hearts go out to his wife and family who loved and cared for him. To them our deepest condolences.

Above all, we will miss the pleasure of his usual spirited company. I say to him in Greek, Philippe, we love you.

Hon. Joyce Fairbairn: In terms of living, I doubt that any of our colleagues present or past could claim to have as rollicking, dangerous, patriotic, adventurous, controversial and just plain joyous a life as that of our former colleague Philippe Gigantès who died last week after a prolonged and vigorous battle with cancer.

I was one of Philippe's fans long before I ever met him. As a young journalist I admired him from afar, not for his writing, because we did not get *The London Observer*, *The Globe and Mail*

or *La Presse* back in Lethbridge, Alberta. Instead I came to know him from radio and television, as "Philip Deane" — or just plain Phil — broadcasting from Washington and points around the world with great knowledge, experience, and a kind of overpowering manner touched with humour and sharp edges that prompted admiration or outrage, depending on your point of view. However, you always got the news.

You have heard from others about his war history in the British navy, as a spy, or as a prisoner of war in Korea, on which he wrote an absolutely breathless account of that very sad period in his life. You have heard of him as a teacher — at one point joyfully stirring things up at the University of Lethbridge as Dean of Arts and Science and professor of classics — an appropriate calling given his Greek heritage and the proud history of his family.

We worked as colleagues in the office of Prime Minister Pierre Elliott Trudeau, but our most lasting years of collaboration were here in this Senate, warriors of the GST filibuster, co-workers on literacy and educating young people, and training in all its dimensions.

He loved this place, and the very honour of being a senator. He was fiercely loyal to the Liberal Party of Canada. However, his greatest joy of all in life was to be a citizen of this country where he fought with passion for a Canada that always includes a strong Quebec.

I am proud to remember him as a dear friend, and I send my very best wishes and condolences to the family he loved. Courageous to the end, he has left them with great and joyous memories.

Hon. Peter A. Stollery: Honourable senators, I just want to add my few words to those who are made sorry by the passing of Philippe. He was an old friend of mine. I knew him for an awfully long time, and I am very sorry that he has passed away. As we all know, he was a great character. I just would like to say to his family, that he is fondly remembered by those of us who knew him for many years. I remember him as not only a senator, but also as a candidate for the Liberals when he ran in the early 1980s. At any rate, I would not want this moment to pass without saying a word in honour of Philippe.

[Translation]

THE RIGHT TO A HEALTHY ENVIRONMENT

Hon. Lise Bacon: Honourable senators, in all societies around the world, concern for the protection of the environment has been increasing for many years.

Despite Canada's efforts, especially through adoption of the Canadian Environmental Protection Act in 1998, or ratification of the Kyoto Protocol on reduction of greenhouse gases, we still have room for improvement. We can always do better in terms of protecting the environment. There is still one notion that is not reflected in our environmental legislation; that is the right to a healthy environment.

This is not a new concept. In 1972, when the Stockholm Declaration was adopted, the first principle recognized that protection of the environment can be linked to human rights. It states:

Man has the fundamental right to freedom, equality and adequate conditions of life, in an environment of a quality that permits a life of dignity and well-being.

The choice of terms in the declaration is not accidental.

Many of us will remember very vividly the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992. The first principle of the Rio Declaration, adopted at the end of the conference, states that "Human beings are at the centre of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature." While the right to a healthy environment is not specifically included, it is nevertheless clearly promoted.

The Stockholm and Rio declarations do not of themselves create legal restrictions, but they have indeed paved the way for the formal recognition of the right to a healthy environment in several constitutional documents and in numerous environmental laws.

Countries such as South Africa, Ecuador, Portugal and Belgium have enshrined this right in their constitutions, while Mexico and Indonesia have recognized this right through legislation.

Even though the notion of the right to a healthy environment is still not well defined, it is increasingly accepted that there is a link between this right and the other human rights.

In that respect, the recent tabling of a draft bill in the Quebec National Assembly which recognizes this right under the heading of economic and social rights in the Quebec Charter of Rights and Liberties of the Person is significant. We should keep in mind that the Charter is a quasi-constitutional act and that it has considerable symbolic weight. Thus, it represents a very important and progressive step toward recognition of the right to a healthy environment in Canada.

I salute and encourage this initiative by the Government of Quebec and hope that it will serve as an inspiration to the rest of the country.

[English]

THE YEAR OF THE VETERAN

Hon. Michael A. Meighen: Honourable senators, as we all know, the Government of Canada has declared 2005 as the Year of the Veteran. Throughout the year, high-profile ceremonies and special events taking place across Canada and overseas will recognize the sixtieth anniversary of the end of the Second World War, and pay tribute to all of our veterans.

While a comprehensive list of events will be announced when the Year of the Veteran is officially launched this afternoon, some of the highlights include recognizing Second World War veterans on Victory in Europe Day, V E Day, in May and again in August to mark Victory in the Pacific Day, V J Day; the opening of the new Canadian War Museum in May with veterans as the first guests of honour; the unveiling of the Seventh Book of Remembrance on Parliament Hill to commemorate Canadian Forces members killed in service since the Korean War;

continuing the restoration work at the Canadian National Vimy Memorial in France; community initiatives that will pass the torch of remembrance to young Canadians; and finally, helping veterans themselves share their stories with our youth.

• (1420)

[Translation]

Nearly 1.75 million Canadians fought in the First and Second World Wars and the Korean War. Over 116,000 of them sacrificed their lives. Since the Korean War, over 125,000 Canadians have served in foreign countries to ensure peace, and more than 1,000 of them have lost their lives.

[English]

The Department of Veterans Affairs, veterans and veterans organizations are already involved in the planning of the Year of the Veteran. Please watch the Veterans Affairs website at www.vac-acc.gc.ca for information on upcoming events in your area.

In the meantime, I would like to invite all senators and their staff to join the Minister of Veterans Affairs and veterans in room 200 West Block from 3 p.m. to 5 p.m. today for the official launch of the Year of the Veteran.

WOMEN, PEACE AND SECURITY

SECOND ANNUAL SYMPOSIUM

Hon. Mobina S. B. Jaffer: Honourable senators, Canada is recognized internationally for the support of United Nations Security Council Resolution 1325. We have earned this reputation from the hard work of those who spend their lives committed to women, peace and security agenda.

I was honoured to be in the presence of these people last week. On December 8, women and men from across Canada met for the second annual symposium of the Canadian Committee on Women, Peace and Security. We came together as activists, academics, parliamentarians and representatives of government and civil society. Our goal was the same: to bring women's voices to the peace table. We examined lessons learned from other countries, but we also took the opportunity to discuss Canada's responsibility to implement United Nations Security Council Resolution 1325.

Among other commitments, the resolution calls for the inclusion of women in peace processes and gender training for our peacekeepers. While it is important to support those outside our borders, it is also crucial to look inside Canada to ensure that we are setting our own high standards.

Common sense dictates that women should be central to peacemaking, but the people who typically negotiate peace settlements are overwhelmingly men. Male negotiators sometimes worry that having women participate in the discussion might change the tone of the meeting. They are right. Women often come to the peace table with more at stake than men. They come as widows, mothers and victims of rape, but they

are still carrying the hope for the future and the will to survive. This allows women to remain focused on the goal and to remember that the largest victims of this war are people, not politics and geography.

This is the reason, among many others, that Security Council Resolution 1325 was created and passed. Canada was at the Security Council at that time and has since been a flagship in the implementation of the resolution. It is through the work of the Canadian Committee on Women, Peace and Security that this is most apparent.

Honourable senators, I would like to thank all those who participated in this event last Wednesday and express my gratitude to Senator Andreychuk and the Canada-Africa Parliamentary Association and the Gender and Peacebuilding Working Group for their support.

[Translation]

THE HONOURABLE HERBERT O. SPARROW

TRIBUTES

Hon. Pierre De Bané: Honourable senators, I want to pay tribute to Senator Herbert Sparrow, who will retire on his seventy-fifth birthday, which is on January 4, 2005.

As you all know, Senator Sparrow, the most senior member of the Senate, has been sitting as a senator for Saskatchewan for nearly 37 years. In fact, he is the last senator to have been appointed by Prime Minister Lester B. Pearson.

[English]

Many things have changed since Senator Sparrow was named to the Senate on February 9, 1968 and the changes have often been for the better. Some of those positive changes are the direct result of the work Senator Sparrow has carried out here.

Senator Sparrow is a true credit to this institution. Throughout his long career he has displayed courage, perseverance and independence of thought. He served on numerous committees, including the Agriculture and Forestry Committee, the Fisheries Committee, the Finance Committee, the Foreign Affairs Committee and special committees on poverty and the mass media. To each of these he brought his dedication and his common sense.

[Translation]

In what was surely his greatest success, he chaired the committee that published the 1984 report entitled *Soil at Risk*. More than anything else, this report led farmers to adopt practices to promote soil conservation. This report was a major influence and was distributed in Canada and abroad.

[English]

Senator Sparrow was also involved in producing major reports on the long-term stabilization of the Canadian beef industry and herbicide pricing. While participating in a study on poverty, he spent a week with skid row bums in Vancouver so that he could better understand what poverty was all about. It was that kind of dedication that made Senator Sparrow a model senator.

[Senator Jaffer]

His efforts have been recognized at home and abroad. Among his numerous awards, he is the recipient of the United Nations Environmental Leadership Medal Certificate of Distinction for his work in the area of soil conservation. McGill University bestowed on him an honorary doctorate of science. He was also the recipient of the prestigious H.R. MacMillan Laureate in Agriculture, which is presented only once every five years to the individual who has made the most significant contribution to agriculture in Canada during that period. It is one of the most important awards in Canadian agriculture.

[Translation]

In addition to a long career in public office, Senator Sparrow has also a great deal of experience in the private sector, most notably as a businessman, farmer and rancher in his province of birth. Before being appointed to the Senate, he was the alderman for the city of North Battleford from 1957 to 1965.

[English]

The Hon. the Speaker: Senator De Bané, we have a long list of speakers. I regret to inform you that your three minutes are up.

[Later]

Hon. Francis William Mahovlich: Honourable senators, Senator Sparrow was appointed to the Senate the year after the Toronto Maple Leafs won their last Stanley Cup. He accomplished some great work here in the Senate, particularly his work in agriculture. Some of his awards include honorary life membership in the Agricultural Institute of Canada; the University of Guelph H.R. MacMillan Laureate Award in Agriculture; and, in 2001, induction into the Saskatchewan Agricultural Hall of Fame — all for writing about dirt.

All great cowboys have a certain strut, and Senator Sparrow is no exception. Although his strut is not like John Wayne's, Senator Sparrow's is recognizable from a distance when he walks the halls of the Centre Block. He reminds me of Gary Cooper, in *High Noon*, walking down the main street to a gun fight. Senator Sparrow has one shoulder that is six inches lower than the other; he was probably hit in a bar fight, but still won the fight.

My heroes have always been cowboys. The Senate will miss Senator Sparrow. I wish him happy trails as he struts into the sunset.

CITIZENSHIP AND IMMIGRATION

EXTENSION OF VISA OF BONDARENKO FAMILY

Hon. Wilfred P. Moore: Honourable senators, last week I questioned the Leader of the Government in the Senate with regard to seeking an extension of time for the Bondarenko family of Russia to remain in Nova Scotia before venturing outside of Canada to make their immigration applications. By way of information to the Senate, I am pleased to report that this past Sunday morning, December 12, just as the Bondarenko family was about to again set sail from Halifax into the North Atlantic bound for Bermuda, they were contacted by the Canada Border Services Agency and advised that the exclusion order pertaining to them had been extended from December 14 to June 30, 2005.

The Bondarenko family intends to sail to Lunenburg this week where a berth has been provided for the sailboat by Lunenburg Industrial Foundry & Engineering Ltd. I understand that the family has also been offered an onshore residence in which to live. I know that the good people of Lunenburg will rally to the aid of Mr. and Ms. Bondarenko and their two young boys.

I wish to record my thanks to Deputy Prime Minister Anne McLellan, Minister responsible for the Canada Border Services Agency, for this most compassionate and timely decision; to colleagues on both sides of this chamber for their interest, and the encouragement they gave to me; and to the many Nova Scotians who expressed their concern for the welfare of the Bondarenko family and who supported me in my work herein.

This is a wonderful Christmastide story, honourable senators, with a safe and happy ending. This is the fulfilment of one of the most precious roles of the Senate — representing the rights of minorities.

• (1430)

ROUTINE PROCEEDINGS

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

SECOND REPORT OF COMMITTEE PRESENTED

Hon. George J. Furey, Chair of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Tuesday, December 14, 2004

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

SECOND REPORT

Your Committee recommends that the following funds be released for fiscal year 2004-05.

Aboriginal Peoples (Legislation)

Professional and Other Services	\$ 10,300
Transportation and Communications	\$ 7,870
Other Expenditures	\$ 1,500
Total	\$ 19,670

Banking, Trade and Commerce (Legislation)

Professional and Other Services	\$ 6,800
Transportation and Communications	\$ 0
Other Expenditures	\$ 7,500
Total	\$ 14,300

Energy, the Environment and Natural Resources (Legislation)

Professional and Other Services	\$ 3,000
Transportation and Communications	\$ 0
Other Expenditures	\$ 1,000
Total	\$ 4,000

Legal and Constitutional Affairs (Legislation)

Professional and Other Services	\$ 21,500
Transportation and Communications	\$ 25,320
Other Expenditures	\$ 1,000
Total	\$ 47,820

(includes funds for conference attendance)

National Finance (Legislation)

Professional and Other Services	\$ 16,900
Transportation and Communications	\$ 5,000
Other Expenditures	\$ 500
Total	\$ 22,400

Official Languages (Legislation)

Professional and Other Services	\$ 7,000
Transportation and Communications	\$ 10,500
Other Expenditures	\$ 500
Total	\$ 18,000

Social Affairs, Science and Technology (Legislation)

Professional and Other Services	\$ 3,000
Transportation and Communications	\$ 0
Other Expenditures	\$ 1,000
Total	\$ 4,000

Transport and Communications (Legislation)

Professional and Other Services	\$ 5,000
Transportation and Communications	\$ 0
Other Expenditures	\$ 1,000
Total	\$ 6,000

GEORGE FUREY

Chair

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Furey, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

BUDGET AND AUTHORIZATION TO TRAVEL— REPORT OF COMMITTEE ON STUDY OF ISSUES RELATED TO MANDATE PRESENTED

Hon. Tommy Banks, Chair of the Standing Senate Committee on Energy, the Environment and Natural Resources, presented the following report:

Tuesday, December 14, 2004

The Standing Senate Committee on Energy, the Environment and Natural Resources has the honour to present its

FOURTH REPORT

Your Committee, which was authorized by the Senate on Tuesday, October 19, 2004, to examine and report on emerging issues related to its mandate, respectfully requests that it be empowered to adjourn from place to place within Canada and to travel inside and outside Canada, for the purpose of such study.

Pursuant to chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget application submitted was printed in the *Journals of the Senate* on November 4, 2004. On November 17, 2004, the Senate approved the release of \$11,200 to the Committee. The report of the Standing Committee on Internal Economy, Budgets and Administration recommending the release of additional funds is appended to this report.

Respectfully submitted,

TOMMY BANKS
Chair

(For text of budget, see today's Journals of the Senate, Appendix A, p. 316.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Banks, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

[Translation]

OFFICIAL LANGUAGES

BUDGET—REPORT OF COMMITTEE ON STUDY
ON OPERATION OF OFFICIAL LANGUAGES ACT
AND RELEVANT REGULATIONS, DIRECTIVES
AND REPORTS

Hon. Eymard G. Corbin, Chair of the Standing Senate Committee on Official Languages, presented the following report:

Tuesday, December 14, 2004

The Standing Senate Committee on Official Languages has the honour to table its

THIRD REPORT

Your Committee, which was authorized by the Senate on Wednesday, November 3, 2004, to study and to report from time to time on the application of the Official Languages Act, respectfully requests that it be empowered to engage the services of such technical, clerical and other personnel as may be necessary.

Pursuant to chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that Committee are appended to this report.

Respectfully submitted,

EYMARD G. CORBIN
Chair

(For text of budget, see today's Journals of the Senate, Appendix B, p. 317.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

[Senator Banks]

On motion of Senator Corbin, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

[English]

STUDY ON DEVELOPMENT AND MARKETING OF VALUE-ADDED AGRICULTURAL, AGRI-FOOD AND FOREST PRODUCTS

REPORT OF AGRICULTURE
AND FORESTRY COMMITTEE TABLED

Hon. Joyce Fairbairn: Honourable senators, I have the honour to table the second report of the Standing Senate Committee on Agriculture and Forestry entitled *Value-added Agriculture in Canada*.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Fairbairn, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

AGRICULTURE AND FORESTRY

BUDGET AND AUTHORIZATION TO ENGAGE
SERVICES—REPORT OF COMMITTEE ON STUDY
OF DEVELOPMENT AND MARKETING
OF VALUE-ADDED AGRICULTURAL, AGRI-FOOD
AND FOREST PRODUCTS PRESENTED

Hon. Joyce Fairbairn, Chair of the Standing Senate Committee on Agriculture and Forestry, presented the following report:

Tuesday, December 14, 2004

The Standing Senate Committee on Agriculture and Forestry has the honour to present its

THIRD REPORT

Your Committee, which was authorized by the Senate on Tuesday, October 19, 2004, to examine the issues related to the development and marketing of value-added agricultural, agri-food and forest products, on the domestic and international markets, respectfully requests for the purpose of this study that it be empowered to engage the services of such counsel, technical, clerical and other personnel as may be necessary.

Pursuant to chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that Committee are appended to this report.

Respectfully submitted,

JOYCE FAIRBAIRN P.C.
Chair

(For text of budget, see today's Journals of the Senate, Appendix C, p. 323.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Fairbairn, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

BUDGET AND AUTHORIZATION TO ENGAGE
SERVICES—REPORT OF COMMITTEE ON
STUDY OF PRESENT STATE AND FUTURE
OF AGRICULTURE AND FORESTRY PRESENTED

Hon. Joyce Fairbairn, Chair of the Standing Senate Committee on Agriculture and Forestry, presented the following report:

Tuesday, December 14, 2004

The Standing Senate Committee on Agriculture and Forestry has the honour to present its

FOURTH REPORT

Your Committee, which was authorized by the Senate on Tuesday, October 19, 2004, to hear from time to time witnesses, including both individuals and representatives from organizations, on the present state and the future of agriculture and forestry in Canada, respectfully requests for the purpose of this study that it be empowered to engage the services of such counsel, technical, clerical and other personnel as may be necessary and to travel outside of Canada.

Pursuant to Chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that Committee are appended to this report.

Respectfully submitted,

JOYCE FAIRBAIRN P.C.
Chair

(For text of budget, see today's Journals of the Senate, Appendix D, p. 328.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Fairbairn, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

TRANSPORT AND COMMUNICATIONS

BUDGET AND AUTHORIZATION TO TRAVEL—
REPORT OF COMMITTEE ON STUDY OF
MEDIA INDUSTRIES PRESENTED

Hon. Sharon Carstairs, for Senator Fraser, Chair of the Standing Senate Committee on Transport and Communications, presented the following report:

Tuesday, December 14, 2004

The Standing Senate Committee on Transport and Communications has the honour to present its

THIRD REPORT

Your Committee, which was authorized by the Senate on Tuesday, October 19, 2004 to examine and report on the current state of Canadian media industries; emerging trends and developments in these industries; the media's role, rights, and responsibilities in Canadian society; and current and appropriate future policies relating thereto, respectfully requests that it be empowered to travel outside Canada for the purpose of its study.

Pursuant to chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget application submitted was printed in the *Journals of the Senate* of November 18, 2004, on which date the Senate approved the release of \$100,000 to the Committee. The report of the Standing Committee on Internal Economy, Budgets, and Administration recommending the release of additional funds is appended to this report.

Respectfully submitted,

JOAN FRASER
Chair

(For text of budget, see today's Journals of the Senate, Appendix E, p. 334.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Carstairs, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

BUDGET AND AUTHORIZATION TO TRAVEL
AND ENGAGE SERVICES—REPORT
OF COMMITTEE ON STUDY OF STATE
OF HEALTH CARE SYSTEM PRESENTED

Hon. Wilbert J. Keon, Deputy Chair of the Standing Senate Committee on Social Affairs, Science and Technology, presented the following report:

Tuesday, December 14, 2004

The Standing Senate Committee on Social Affairs, Science and Technology has the honour to present its

SIXTH REPORT

Your Committee, which was authorized by the Senate on Thursday, October 7, 2004 to examine and report on issues arising from, and developments since, the tabling of its final report on the state of the health care system in Canada in October 2002 and in particular was authorized to examine issues concerning mental health and mental illness, respectfully requests that it be empowered to adjourn from place to place within Canada and to engage the services of such counsel, technical, clerical and other personnel as may be necessary for the purpose of such study.

Pursuant to chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that Committee are appended to this report.

Respectfully submitted,

WILBERT JOSEPH KEON
Deputy Chair

(For text of budget, see today's Journals of the Senate, Appendix F, p. 335.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Keon, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

STUDY OF LEGAL ISSUES AFFECTING ON-RESERVE MATRIMONIAL REAL PROPERTY ON BREAKDOWN OF MARRIAGE OR COMMON LAW RELATIONSHIP

REPORT OF HUMAN RIGHTS COMMITTEE TABLED

Hon. A. Raynell Andreychuk: Honourable senators, I have the honour to table the fourth report of the Standing Senate Committee on Human Rights, an interim report entitled: *On-Reserve Matrimonial Real Property: Still waiting*.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Andreychuk, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

• (1440)

HUMAN RIGHTS

BUDGET AND AUTHORIZATION TO TRAVEL— REPORT OF COMMITTEE ON STUDY OF INTERNATIONAL OBLIGATIONS REGARDING CHILDREN'S RIGHTS AND FREEDOMS PRESENTED

Hon. A. Raynell Andreychuk, Chair of the Standing Senate Committee on Human Rights, presented the following report:

Tuesday, December 14, 2004

The Standing Senate Committee on Human Rights has the honour to present its

FIFTH REPORT

Your Committee, which was authorized by the Senate on Wednesday, November 3, 2004, to examine and report upon Canada's international obligations in regard to the rights and freedoms of children, respectfully requests for the purpose of this study that it be empowered to travel outside of Canada.

[Senator Keon]

Pursuant to chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget application submitted was printed in the *Journals of the Senate* on November 18, 2004. On November 24, 2004, the Senate approved the release of \$56,250 to the Committee. The report of the Standing Committee on Internal Economy, Budgets and Administration recommending the release of additional funds is appended to this report.

Respectfully submitted,

A. RAYNELL ANDREYCHUK
Chair

(For text of budget, see today's Journals of the Senate, Appendix G, p. 342.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Andreychuk, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

BUDGET—REPORT OF COMMITTEE ON STUDY OF ISSUES RELATED TO NATIONAL AND INTERNATIONAL OBLIGATIONS PRESENTED

Hon. A. Raynell Andreychuk, Chair of the Standing Senate Committee on Human Rights, presented the following report:

Tuesday, December 14, 2004

The Standing Senate Committee on Human Rights has the honour to present its

SIXTH REPORT

Your Committee was authorized by the Senate on Wednesday, November 3, 2004, to examine and monitor issues relating to human rights and, *inter alia*, to review the machinery of government dealing with Canada's international and national human rights obligations.

Pursuant to chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget application submitted was printed in the *Journals of the Senate* on November 18, 2004. On November 24, 2004, the Senate approved the release of \$18,575 to the Committee. The report of the Standing Committee on Internal Economy, Budgets and Administration recommending the release of additional funds is appended to this report.

Respectfully submitted,

A. RAYNELL ANDREYCHUK
Chair

(For text of budget, see today's Journals of the Senate, Appendix H, p. 343.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Andreychuk, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

BUDGET AND AUTHORIZATION TO ENGAGE
SERVICES—REPORT OF COMMITTEE ON STUDY
OF CASES OF ALLEGED DISCRIMINATION IN
HIRING AND PROMOTION PRACTICES
AND EMPLOYMENT EQUITY FOR MINORITY GROUPS
IN FEDERAL PUBLIC SERVICE PRESENTED

Hon. A. Raynell Andreychuk, Chair of the Standing Senate Committee on Human Rights, presented the following report:

Tuesday, December 14, 2004

The Standing Senate Committee on Human Rights has the honour to present its

SEVENTH REPORT

Your Committee, which was authorized by the Senate on Wednesday, November 3, 2004, to invite from time to time the President of Treasury Board, the President of the Public Service Commission, their officials, as well as other witnesses to appear before the Committee for the purpose of examining cases of alleged discrimination in the hiring and promotion practices of the Federal Public Service and to study the extent to which targets to achieve employment equity for minority groups are being met, respectfully requests for the purpose of this study that it be empowered to engage the services of such counsel, technical, clerical and other personnel as may be necessary.

Pursuant to chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that Committee are appended to this report.

Respectfully submitted,

A. RAYNELL ANDREYCHUK
Chair

(For text of budget, see today's Journals of the Senate, Appendix I, p. 344.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Andreychuk, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

BUDGET AND AUTHORIZATION TO ENGAGE
SERVICES—REPORT OF COMMITTEE ON STUDY
OF LEGAL ISSUES AFFECTING ON-RESERVE
MATRIMONIAL REAL PROPERTY
ON BREAKDOWN OF MARRIAGE
OR COMMON LAW RELATIONSHIP PRESENTED

Hon. A. Raynell Andreychuk, Chair of the Standing Senate Committee on Human Rights, presented the following report:

Tuesday, December 14, 2004

The Standing Senate Committee on Human Rights has the honour to present its

EIGHTH REPORT

Your Committee, which was authorized by the Senate on Wednesday, November 3, 2004, to invite the Minister of Indian and Northern Affairs to appear with his officials before the Committee for the purpose of updating the members of the Committee on actions taken concerning the recommendations contained in the Committee's report entitled: *A Hard Bed to lie in: Matrimonial Real Property on Reserve*, tabled in the Senate November 4, 2003, respectfully requests for the purpose of this study that it be empowered to engage the services of such counsel, technical, clerical and other personnel as may be necessary.

Pursuant to chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that Committee are appended to this report.

Respectfully submitted,

A. RAYNELL ANDREYCHUK
Chair

(For text of budget, see today's Journals of the Senate, Appendix J, p. 349.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Andreychuk, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

STUDY ON CHARITABLE GIVING

REPORT OF BANKING, TRADE
AND COMMERCE COMMITTEE TABLED

Hon. Jeremiah S. Grafstein: Honourable senators, I have the honour to table, in both official languages, the fourth report of the Standing Senate Committee on Banking, Trade and Commerce dealing with its special study on issues respecting charitable giving in Canada, entitled: *The Public Good and Private Funds: The Federal Tax Treatment of Charitable Giving by Individuals and Corporations*.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Grafstein, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

BANKING, TRADE AND COMMERCE

BUDGET AND AUTHORIZATION TO ENGAGE SERVICES—REPORT OF COMMITTEE ON STUDY OF CHARITABLE GIVING PRESENTED

Hon. Jerahmiel S. Grafstein, Chair of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Tuesday, December 14, 2004

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

FIFTH REPORT

Your Committee, which was authorized by the Senate on Thursday, November 18, 2004 to examine and report on issues dealing with charitable giving in Canada, respectfully requests that it be empowered to engage the services of such counsel and technical, clerical and other personnel as may be necessary, for the purpose of such study.

Pursuant to chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that Committee are appended to this report.

Respectfully submitted,

JERAHMIEL S. GRAFSTEIN
Chair

(For text of budget, see today's Journals of the Senate, Appendix K, p. 354.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Grafstein, report placed on the orders of the day for consideration at the next sitting of the Senate.

BUDGET AND AUTHORIZATION TO ENGAGE SERVICES—REPORT OF COMMITTEE ON STUDY OF STATE OF DOMESTIC AND INTERNATIONAL FINANCIAL SYSTEM PRESENTED

Hon. Jerahmiel S. Grafstein, Chair of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Tuesday, December 14, 2004

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

SIXTH REPORT

Your Committee, which was authorized by the Senate on Wednesday, October 20, 2004 to examine and report upon the present state of the domestic and international financial system, respectfully requests that it be empowered to engage

the services of such counsel and technical, clerical and other personnel as may be necessary, for the purpose of such study.

Pursuant to Chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that Committee are appended to this report.

Respectfully submitted,

JERAHMIEL S. GRAFSTEIN
Chair

(For text of budget, see today's Journals of the Senate, Appendix L, p. 360.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Grafstein, report placed on the Orders of the Day for consideration at the next sitting of Senate.

BUDGET AND AUTHORIZATION TO ENGAGE SERVICES—REPORT OF COMMITTEE ON STUDY OF CONSUMER ISSUES ARISING IN FINANCIAL SERVICES SECTOR PRESENTED

Hon. Jerahmiel S. Grafstein, Chair of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Tuesday, December 14, 2004

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

SEVENTH REPORT

Your Committee, which was authorized by the Senate on Tuesday, November 16, 2004 to examine and report on consumer issues arising in the financial services sector, respectfully requests that it be empowered to engage the services of such counsel and technical, clerical and other personnel as may be necessary, for the purpose of such study.

Pursuant to chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that Committee are appended to this report.

Respectfully submitted,

JERAHMIEL S. GRAFSTEIN
Chair

(For text of budget, see today's Journals of the Senate, Appendix M, p. 365.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Grafstein, report placed on the Orders of the Day for consideration at the next sitting of Senate.

NATIONAL SECURITY AND DEFENCE

BUDGET—REPORT OF COMMITTEE ON STUDY OF NATIONAL SECURITY POLICY PRESENTED

Hon. Colin Kenny, Chair of the Standing Senate Committee on National Security and Defence, presented the following report:

Tuesday, December 14, 2004

The Standing Committee on National Security and Defence has the honour to present its

FOURTH REPORT

Your Committee was authorized by the Senate on Wednesday, October 20, 2004, to examine and report on the national security policy for Canada.

Pursuant to chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget application submitted was printed in the *Journals of the Senate* on November 4, 2004. On November 16, 2004, the Senate approved the release of \$124,928 to the Committee. The report of the Standing Committee on Internal Economy, Budgets and Administration recommending the release of additional funds is appended to this report.

Respectfully submitted,

COLIN KENNY
Chair

(For text of budget, see today's Journals of the Senate, Appendix N, p. 371.)

• (1450)

Hon. Terry Stratton (Deputy Leader of the Opposition): Honourable senators, while the report is there, may we have the appendix to the report read as well?

Clerk at the Table: Appendix (B) to the report:

Tuesday, December 14, 2004

The Standing Committee on Internal Economy, Budgets and Administration has examined the budget presented to it by the Standing Senate Committee on National Security and Defence for the proposed expenditures of the said Committee for the fiscal year ending March 31, 2005 for the purpose of its Special Study on the need for a National Security Policy, as authorized by the Senate on Wednesday, October 20, 2004. The approved budget is as follows:

Professional and Other Services	\$ 107,320
Transportation and Communications	\$ 398,252
Other Expenditures	\$ 20,100
Total	\$ 525,672

(includes funding for public hearings, fact-finding missions and conference attendance)

Respectfully submitted,

GEORGE FUREY
Chair

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Kenny, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

ABORIGINAL PEOPLES

BUDGET AND AUTHORIZATION TO ENGAGE SERVICES AND TRAVEL—REPORT OF COMMITTEE ON STUDY OF INVOLVEMENT OF ABORIGINAL COMMUNITIES AND BUSINESSES IN ECONOMIC DEVELOPMENT ACTIVITIES PRESENTED

Hon. Nick G. Sibbeston, Chair of the Standing Senate Committee on Aboriginal Peoples, presented the following report:

Tuesday, December 14, 2004

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

SECOND REPORT

Your Committee, which was authorized by the Senate on Thursday, November 4, 2004, to examine and report on the involvement of Aboriginal communities and businesses in economic development activities in Canada, respectfully requests that it be empowered to engage the services of such counsel and technical, clerical and other personnel as may be necessary, and to adjourn from place to place within Canada and to travel inside Canada, for the purpose of such study.

Pursuant to chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that Committee are appended to this report.

Respectfully submitted,

NICK G. SIBBESTON
Chair

(For text of budget, see today's Journals of the Senate, Appendix O, p. 372.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator Sibbeston, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

[Translation]

**MIGRATORY BIRDS CONVENTION ACT, 1994
CANADIAN ENVIRONMENTAL PROTECTION ACT, 1999**

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-15, to amend the Migratory Birds Convention Act, 1994 and the Canadian Environmental Protection Act, 1999.

Bill read first time.

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

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

INTER-PARLIAMENTARY FORUM OF THE AMERICAS

**VISIT TO MEXICAN CONGRESS, NOVEMBER 8-10, 2004—
REPORT TABLED**

Hon. Céline Hervieux-Payette: Honourable senators, I have the honour to table, in both official languages, the report of the Inter-Parliamentary Forum of the Americas (FIPA) held at the Mexican Congress, in Mexico City, Mexico, from November 8 to 10, 2004.

[English]

**CANADA-UNITED STATES
INTER-PARLIAMENTARY GROUP**

**AGRICULTURAL TOUR FOR U.S. CONGRESSIONAL
STAFFERS, SEPTEMBER 21-23, 2004**

**ATLANTIC PROVINCES CHAMBERS OF COMMERCE:
ATLANTICA PROSPERITY MEETING,
SEPTEMBER 30-OCTOBER 1, 2004—REPORTS TABLED**

Hon. Jeremiah S. Grafstein: Honourable senators, I have the honour, on behalf of the Canada-United States Inter-Parliamentary Group, to table, in both official languages, two reports: The report of the Canadian delegation to the Agricultural Tour for U.S. Congressional Staffers held in Calgary, Alberta, from September 21-23, 2004; and the report of the Canadian delegation of Atlantic provinces chambers of commerce, Atlantica prosperity meeting held in Bangor, Maine, from September 30 to October 1, 2004.

QUESTION PERIOD

TRANSPORT

AIRLINE INDUSTRY—AIRPORT RENTS

Hon. W. David Angus: Honourable senators, this could well be the stuff of year-end goodies for the airline industry from the

government. I hope it happens. According to an article in *The Globe and Mail* of December 10, Transport Minister Lapierre has a plan that will include the interim step of freezing airport rentals for 2005 and that, later, they will be permanently lowered.

My question for the government leader in the Senate is this: Can he please confirm that the government will follow up on this proposal and that these rents will be frozen for 2005 at 2004 levels; or will they in fact be raised by \$34 million or 11.9 per cent on January 1, as originally planned? If the response to the first part of my question is yes, can the leader tell us when these rents will be permanently lowered?

Hon. Jack Austin (Leader of the Government): Honourable senators, the matter raised by Senator Angus is under active consideration by the government.

Senator Angus: Honourable senators, I am not sure what that means.

Transport Minister Lapierre's immediate two predecessors also expressed their intentions to lower airport rents, which they acknowledged to be excessive and a real problem for the beleaguered travelling public and the airline industry in Canada. Alas, nothing happened. Airport rents continued, and they are still an exorbitant cost to Canadian airlines and to our travelling public.

My question to the Leader of the Government is this: Can the minister please explain what the public policy rationale is for maintaining airport rentals at such excessive levels, especially since they are in no way based on usage or services rendered by the users?

Senator Austin: Honourable senators, the rationale is the subject of active consideration today. The policy of creating non-profit management corporations for Canada's airports was one initiated by the Mulroney government and contracts were entered into by that government. Those contracts, of course, are the contracts which Senator Angus is now asking be re-examined.

• (1500)

FOREIGN AFFAIRS

ZIMBABWE—ELECTION MONITORING

Hon. A. Raynell Andreychuk: With respect to the delayed answer yesterday to my question regarding Radio Canada International cutbacks, I fully appreciate that CBC works as an autonomous Crown corporation. However, in respect of Radio Canada International cutbacks in its Ukrainian programming, in my mind the Government of Canada should send the signal that we care about diversity and respect the freedom of information flows in countries that we support; this would not be seen as government interference in CBC matters. We regularly comment on supporting bilingualism and multiculturalism, and we should do that in this case. I put that on the record.

My question for the Leader of the Government is about elections. Currently, Canada is involved in Ukraine with election monitoring vis-à-vis the upcoming second presidential runoff elections. One wonders whether more effort up front might have resulted in a free and fairer election last time around. However, that is something for further analysis. Suffice it to say that all those who monitor elections say that the process of monitoring begins long before election day. Ensuring a free and fair election involves an independent electoral commission and access to information to ensure that there is an informed public.

Canada has had a long-standing relationship in Zimbabwe, where an election will take place in March 2005. I believe that there is an incredible amount of goodwill that Canada can exercise in ensuring that the opposition has some access to the press and that there is some semblance of a free and fair election. All the signs now are negative. Canada should exercise its remaining goodwill, both with the Government of Zimbabwe and with the neighbouring countries, to encourage them, under the South African Development Community rules, to live up to the statements made by Zimbabwe and others in the SADC elections declaration.

The Australian government has expressed extreme regret over the incarceration of Mr. Bennett, a Zimbabwean opposition MP, who finds himself in deplorable jail conditions for political reasons. Canada should speak out strongly in support of this opposition member and others.

What will Canada do now to attempt to assist the people in Zimbabwe to have a free and fair election?

Hon. Jack Austin (Leader of the Government): Honourable senators, I will try to answer to the issues that Senator Andreychuk has raised. First, with respect to the Canadian Broadcasting Corporation, as the senator noted, it is an independent corporation. One of the most sensitive issues in Canadian public policy relates to the role of government with respect to the Canadian Broadcasting Corporation.

It has been said over and over again that government should not interfere in the administration or policy of the Canadian Broadcasting Corporation. That is a position that I myself endorse.

The most influence that can be brought on the Canadian Broadcasting Corporation is from the Canadian public. There is nothing more sensitive to an entity such as the Canadian Broadcasting Corporation than public opinion and audience support. I would suggest to Senator Andreychuk that we all have the obligation to mobilize that public opinion so that the Canadian Broadcasting Corporation truly serves the Canadian public interest.

With respect to election monitoring in Ukraine, Canada has been among the most active and most forward in that exercise. As I mentioned earlier in this chamber, four senators from this place are among those who were monitors of the last round. With

respect to the forthcoming round, 500 election observers will be prepared by various experts on the kinds of functions they should perform to ensure that the process is well understood by the international community. We are hopeful that it will be a fair and effective process.

With respect to Zimbabwe, the problem that Senator Andreychuk raises is, of course, quite real. Canada has made representations to a number of countries, both inside and outside Africa, with respect to the situation there. The pivotal country is South Africa, and I have had discussions, as I am sure Senator Andreychuk has, with Amnesty International regarding Zimbabwe and the role of neighbouring countries, which is regrettably very slight in terms of the internal situation in Zimbabwe. Canada has raised this issue with those neighbours and with South Africa, regrettably without any real support by those countries that have their own interests in the Zimbabwe situation.

I would also add that Canada has raised the matter at the United Nations in discussions there. Beyond our voice, I am not aware that we can take any overt action in the matter. However, Canada is certainly on the side of pointing at Zimbabwe as a very serious international concern.

Senator Andreychuk: I appreciate the difficulty in making any impact on the Mugabe government, which seems not to respond to anyone. I appreciate that a SADC mechanism has set out the guidelines for all countries around Zimbabwe. They were the guidelines and targets to be attained, so we should continue the pressure to ensure that they follow their own guidelines. This is not something that we are imposing on them. These are the rules they said they wished to live by and they are quite valid rules to push for.

Second, of course, we should not forget that 25 per cent of the Zimbabwean population has been forced out of the country, which is intolerable for any country. Those people have left under desperate conditions.

The final point is that food has now become a weapon in Zimbabwe. A country rich and plentiful in resources and arable land should not be in the position in which Zimbabwe currently finds itself. The international community, through the United Nations, should be encouraged to step in more forcefully.

Senator Austin: Certainly, I support the representations of Senator Andreychuk.

NATIONAL DEFENCE

LOCATION OF NEW HEADQUARTERS

Hon. J. Michael Forrestall: My question is for the Leader of the Government in the Senate. Might I ask the leader whether he can confirm that discussions took place last week with regard to a Public Works purchase of land in Gatineau near the casino, that one of the proposed tenants is the Department of National Defence and that, in fact, it is the proposed future site of a new headquarters for DND?

Hon. Jack Austin (Leader of the Government): Honourable senators, since yesterday I have made inquiries, but I have as yet had no information given to me regarding the conjecture of Senator Forrestall with respect to the purchase of a site in Gatineau for the Department of National Defence.

I hope that by tomorrow I will be able to provide the honourable senator with a response. Regrettably, I have nothing more to tell him at the moment.

• (1510)

Senator Forrestall: I hope the leader can provide an answer by tomorrow, because I have had enough of asking about National Defence headquarters. Let us find a suitable spot, move it, and stop misleading people all over the region of Ottawa and Gatineau, so that they can plan their futures. The minister will appreciate that there has been an upset for about two years now. It has gone on long enough.

Senator Austin: Senator Forrestall and I are in total agreement that the Department of National Defence deserves a much better headquarters. However, the process of finding such a site is a complex one involving an enormous number of issues of suitability, cost and other factors. As in all negotiations, and as Senator Forrestall is aware, patience is a virtue.

Senator Forrestall: I rather thought that Senator Murray dealt with that one yesterday in fine fashion.

HEALTH

REACTION TO UNITED STATES FOOD AND DRUG ADMINISTRATION ASSESSMENT OF THE DRUG BEXTRA

Hon. Wilbert J. Keon: Honourable senators, my question for the Leader of the Government in the Senate deals with the disclosure of possible health risks associated with the popular painkiller known as Bextra. Bextra is most often used to treat osteoarthritis. Last week, the U.S. Food and Drug Administration announced the results from a new study that revealed people who take Bextra after cardiac surgery have an increased risk of heart attacks, strokes and blood clots. Bextra is in the same class of drugs as Vioxx, which was pulled from the stores in late September for similar concerns. Could the Leader of the Government in the Senate tell us what Health Canada's response is to the study results involving Bextra?

Hon. Jack Austin (Leader of the Government): Honourable senators, I will seek the information.

MONITORING OF INHIBITOR DRUGS

Hon. Wilbert J. Keon: Honourable senators, shortly after Vioxx's recall, Health Canada announced it would closely monitor all drugs in the class known as Cox-2 inhibitors over issues of cardiovascular safety. Could the Leader of the Government in the Senate make inquiries and report back to us whether Health Canada has yet received trial data for Vioxx from Merck, and if it will request similar information from Bextra's manufacturer, Pfizer?

Hon. Jack Austin (Leader of the Government): Honourable senators, I would be happy to pursue those questions.

NATIONAL DEFENCE

MOOSE JAW—AVAILABILITY OF SEARCH AND RESCUE HELICOPTERS

Hon. Michael A. Meighen: Honourable senators, we were all saddened on Friday to hear of the loss of Captain Miles Selby, one of Canada's finest pilots, who was involved in that dreadful collision in the skies over Mossbank, Saskatchewan. He will be remembered for his courage and service to his country — and for his dedication to the Snowbirds — a national icon and a source of great pride to all Canadians.

As we have seen too often, this government has adopted the dubious practice of taking note of the sorry state of Canada's military and its lack of resources only in the aftermath of a tragic accident. Rescuers at CFB Moose Jaw were forced to drive 47 minutes by truck in order to arrive at the scene of the accident, since search and rescue helicopters had been eliminated at the base.

My question is for the Leader of the Government in the Senate. We are told that a rescue helicopter based at CFB Moose Jaw would have taken just as long to get to the crash site. However, what would have happened had the crash occurred further away from the base? What if the crash had occurred far from any road or during severe weather? How quickly could a truck get to the accident site and get a victim to hospital, compared to a helicopter?

If the government will allow Canada's elite pilots to fly antique aircraft, does the government not feel it necessary to provide some sort of modern air search and rescue capability at a base where Canada's most advanced pilot training takes place?

Hon. Jack Austin (Leader of the Government): Honourable senators, first I want to say to Senator Meighen that the phrase "antique aircraft" is not an accurate description of the Snowbird aircraft, the Tudor jets. As Senator Meighen well knows, they are maintained in prime condition. The age of the aircraft is not relevant. What is relevant is the nature of their condition, their operability and their safety. The Canadian Armed Forces says unequivocally the aircraft are in top operating shape.

With respect to the hypothetical question of how far out might the accident have taken place, honourable senators, the question is a speculative one. With respect to the accident that took place, the military say that their ability to reach the site of the accident was absolutely admirable and that they could not have reached that site, as Senator Meighen said, with any other equipment more quickly.

Senator Meighen is questioning the military judgment of those responsible for the operation of the Snowbirds at their base in Saskatchewan. That judgment is one made by the military. It is not a judgment in which the government itself at the political level plays any role.

Senator Meighen: I congratulate the Leader of the Government in the Senate for the adroitness of his reply. Unfortunately, I do not think he answered the question.

The fact of the matter is that the military had to deploy the search and rescue aircraft that they had where they could, in view of cutbacks imposed by this government. They do not have, as I think the leader will agree with me, sufficient search and rescue helicopters.

Is the leader saying that it would not be wise to have a search and rescue helicopter at CFB Moose Jaw where all of our advanced flying schools are located, and where, far from being hypothetical, it is entirely possible, through the fault of no one, that an accident could take place far from the base, given the fact these aircraft travel at the speeds that they do? If there were an injured airman or airwoman at the crash site, far from the base, I suggest to him that there is no way in God's green earth that a truck could get there and back as fast as a helicopter.

Senator Austin: Honourable senators, I will report Senator Meighen's representation to the Minister of National Defence.

SNOWBIRDS—MAINTENANCE OF AIRCRAFT

Hon. Terry Stratton (Deputy Leader of the Opposition): I have a short supplementary question, if I may. The Leader of the Government has told us that these aircraft are maintained at a high level. How many hours of maintenance does it take to allow for one hour of flying? I want to compare that to the time required to maintain helicopters, or, precisely, the Sea Kings. Are we talking about a similar time frame?

Hon. Jack Austin (Leader of the Government): I do not have the specific answer to Senator Stratton's question, but I will be happy to ask that question of the Minister of National Defence.

AGRICULTURE AND AGRI-FOOD

BOVINE SPONGIFORM ENCEPHALOPATHY— AID TO CATTLE INDUSTRY

Hon. Gerry St. Germain: My question is to the Leader of the Government in the Senate, and it relates to the BSE scenario. Just last week, the Canadian Dairy Commission raised industrial milk prices by 7.8 per cent to help farmers hurt by the BSE crisis. Restaurants, grocery stores and consumer groups have opposed this hike. Instead, they wanted the government to provide compensation to the BSE-related farmers through the tax system. Can the Leader of the Government please tell us why their request fell on deaf ears?

Hon. Jack Austin (Leader of the Government): Honourable senators, I do not have an answer to that question, nor do I know the background, so I will be happy to provide the answer as soon as possible.

Senator St. Germain: The deficiencies of this government's BSE aid efforts have become more apparent with each passing day, with over \$6 billion lost by farmers in rural Canada due to the BSE issue. More comprehensive financial assistance is needed. Beyond studying more proposals, what is the government doing? Has the government given any consideration to a one-time cull

removal of \$500 a head? I asked about that in this place and I received a delayed answer that did not even deal with the proposal that was put forward in regard to this. The dairy commission's increase is directly related to this cull-cow compensation program. What is the government doing to relieve this situation in the dairy and beef industries in rural Canada?

• (1520)

Senator Austin: Honourable senators, I have answered questions on this subject in the last few weeks and have told this chamber that the Government of Canada is monitoring the situation day by day. The Minister of Agriculture spends more time on this subject than on any other.

The Government of Canada has assisted the cattle industry with in excess of \$500 million to date and has projected that it will be supporting the industry this year and next with an additional several hundred million dollars.

The financial condition of the industry is being monitored and discussions are constantly underway with the provinces and the industry.

CANADA-UNITED STATES RELATIONS

BOVINE SPONGIFORM ENCEPHALOPATHY— OPENING OF BORDER TO BEEF EXPORTS

Hon. Gerry St. Germain: Honourable senators, it depends where the assistance goes. The need is not at the packing houses but at the cow-calf and dairy operation level.

Minister Pettigrew, who is in charge of this file, clearly stated, before the visit of George W. Bush, President of the United States, that a timeline for the resolution of this issue would be enunciated upon the President's visit. He said that on CTV, where I and millions of other Canadians heard it. Minister Pettigrew spoke in a confident manner, indicating that this was virtually a slam dunk, that we would receive a timeline at that time, and to date we have not received a definitive timeline.

Can the Leader of the Government in the Senate comment on the position of the minister who is responsible for this issue?

Hon. Jack Austin (Leader of the Government): Honourable senators, Senator St. Germain asked me that exact question previously, and I gave him the answer to it. The timeline is set by U.S. law, and nothing can shorten the process that is underway in the United States Department of Agriculture. The assessment done there is forwarded to the budget office for review. When those legal steps are completed, the United States administration will be in a position to make a final ruling with respect to opening the border to Canadian cattle.

Senator St. Germain: Honourable senators, I agree with the leader that a formal process has to be conducted, but the indication was that we would receive a timeline after the process was completed. Farmers are suffering; they have lost \$6 billion due to this crisis.

The Leader of the Government refers to \$500 million. I know that the provinces contributed as well. I am not saying that the intentions are not good, but I believe that some of the money has gone to the wrong place.

Did the President of the United States tell us what the timeline would be after the formal process? That is totally within his control and that is the key.

Senator Austin: Honourable senators, the Minister of Foreign Affairs was informing Canadians that a formal U.S. legal process provides an answer, and it will be available in the spring of 2005. I do not have the exact date at hand, but I can provide it to my honourable friend.

It is the expectation of the Government of Canada that when that legal process has been completed the United States will act rapidly to implement a favourable recommendation from the process now underway.

[Translation]

DELAYED ANSWERS TO ORAL QUESTIONS

Honourable Bill Rompkey (Deputy Leader of the Government): Honourable senators, I have the honour to present five delayed answers to oral questions raised in the Senate. The first is in response to an oral question raised in the Senate on December 7, 2004, by Senator Angus, regarding guidelines on bank mergers. The second is a delayed answer to an oral question raised on November 23, 2004, by Senator Angus, regarding the airline security charge surplus.

[English]

I have a response to an oral question raised in the Senate on December 7 by Senator Forrestall regarding the International Atomic Energy Agency; a response to an oral question raised on November 24 by Senator St. Germain regarding measures the Canadian government is taking to help trucking companies understand and apply the new United States rules for crossing the border; a response to an oral question raised on December 7 by Senator Tkachuk concerning bovine spongiform encephalopathy, effect on the cattle industry; and a response to oral questions raised in the Senate on November 23 by Senator Forrestall regarding the Department of National Defence, security needs of Canadian Maritime approaches.

FINANCE

GUIDELINES ON BANK MERGERS

(Response to question raised by Hon. W. David Angus on December 7, 2004)

Question 1:

Can the Leader of the Government in the Senate please advise us as to the reasons for the ongoing delay in arriving at a decision on this matter [bank mergers] and when we might expect an announcement on the guidelines?

[Senator St. Germain]

Answer:

On June 23, 2003, the government released a paper that responded to the reports of the two Parliamentary Committees, which provided their views on the public interest considerations that should apply in reviewing a large bank merger application.

This paper did three things:

It clarified the public interest considerations to be taken into account by the Minister of Finance in making a decision respecting an application to merge two large banks;

It sought public input on potential policy changes respecting several broader financial sector issues raised in the committees' reports and during the public hearings on bank mergers; and

It provided clarity on the timetable for merger proposals and committed to deliver final positions on the issues in the paper along with revised merger review guidelines by June 30, 2004.

This timeline was delayed as a result of the June 28th election.

This fall, the Minister of Finance has been consulting with the CEOs of large Canadian banks and insurance companies. The government is taking into consideration the comments heard during these consultations and will release its response and the guidelines in due course.

Question 2:

Could the Minister advise the Senate as to whether the government is contemplating measures to promote competition as a way of smoothing over public opinion prior to announcing a new framework for bank mergers?

Answer:

Strong competition is essential to quality, price and innovation in the marketplace. One of the four main thrusts of Bill C-8, the last round of financial sector reform, was to put in place a framework to foster domestic competition.

The government also asked for public input on a number of further initiatives aimed at enhancing competition in the June 2003 paper, and has received detailed submissions from institutions, consumer groups, and members of the public.

The government will take into account the broad range of views that has been expressed as it works out the approach on the merger issue. The views on these competition measures will form part of the government's response on mergers more generally.

Question 3:

First, how much money did the Department of Finance pay to Ipsos-Reid for this poll? Second, who in Finance Canada requisitioned the poll? Was it the Minister or the communications department? Finally, was the work for this survey and contract put to competitive tender? If not, why not?

Answer:

The Department of Finance paid Ipsos-Reid \$3900 for this poll.

The poll was commissioned by the Department's Consultations and Communications branch.

The Department of Finance followed appropriate guidelines to commission the research through the Department of Public Works and Government Services. Since Ipsos-Reid has a standing offer with the Department of Public Works and Government Services, no competitive tender was required.

TRANSPORT**AUDITOR GENERAL'S REPORT—
AIRLINE SECURITY CHARGE SURPLUS**

(Response to question raised by Hon. W. David Angus on November 23, 2004)

In the December 2001 budget, the government allocated \$7.7 billion through 2006-07 for a comprehensive plan to enhance personal and economic security for Canadians. This amount included \$2.2 billion to make air travel more secure in accordance with rigorous new national standards, including the creation of a new federal air security authority, the Canadian Air Transport Security Authority (CATSA).

To fund the enhanced air travel security system, the Air Travellers Security Charge (ATSC) was introduced, to be paid by air travellers effective April 1, 2002. The charge was established at a level sufficient to fund the enhanced air travel security system through 2006-07. The enhanced air travel security system benefits principally and directly travellers who use the Canadian air transportation system. In these circumstances, a user charge is fair and fiscally responsible.

At the time the ATSC was announced, the government indicated that it would review the charge over time to ensure that revenue remains in line with costs for the enhanced air travel security system over a five-year period.

In Budget 2003, following up on its commitment, the government presented a review of revenue and costs, identifying a total of \$329 million over five years available to reduce the charge. The charge for roundtrip domestic air travel was reduced to \$14 from \$24, effective March 1, 2003.

In Budget 2004, the government presented its second review, indicating an additional \$203 million over five years

available to reduce the charge. The charge was reduced to \$12 from \$14 for roundtrip domestic air travel, to \$10 from \$12 for transborder air travel and to \$20 from \$24 for other international air travel, effective April 1, 2004.

Further, as part of its commitment to review the charge over time, the government requested that the Auditor General of Canada perform an audit of revenue from the charge and expenses for the enhanced air travel security system. The presentation of audited financial information will help to ensure transparency and accountability.

The first report from the Auditor General, covering the period from September 11, 2001 to March 31, 2003, was released by the Department of Finance on November 17, 2004. The report shows that revenues generated by the ATSC over this period exceeded expenses, consistent with the analysis underlying the first two reviews, and reductions, presented in Budget 2003 and Budget 2004.

Information in the audited statements not already considered in the first two reviews of the ATSC will be carried over to the next review. Audits will be conducted annually through 2006-07.

The government remains committed to balancing revenues and costs over a five-year period. Future reviews will continue to provide updated financial information, and any adjustments to the charge will be undertaken as necessary.

FOREIGN AFFAIRS**INTERNATIONAL ATOMIC ENERGY AGENCY—
CUTBACK OF FUNDS FOR VERIFICATION PURPOSES**

(Response to question raised by Hon. J. Michael Forrestall on December 7, 2004)

Canada is a strong and active supporter of International Atomic Energy Agency (IAEA) activities, especially nuclear safeguards and security.

The Agency plays a key role in the nuclear non-proliferation regime, given its responsibilities under the Nuclear Non-Proliferation Treaty (NPT) for the implementation of nuclear safeguards, designed to verify the peaceful nature of nuclear energy programs, and its efforts to secure nuclear and radiological material.

Spurred by the recognition that the Agency needed a significant increase to its safeguards budget, at FAC's request, Treasury Board in 2003 made an exception, it's first ever, to its long-standing policy of zero increases in the budgets of international organizations.

Canada thus strongly supported a political compromise which provided for a USD \$25 million and 10 per cent increase in the Agency's budget over 2004-2007 to increase the Agency's capacity to verify the non-diversion of nuclear material and technology to weapons programs.

As a result of the increase in the Agency's safeguards budget, Canada's assessed share of the Agency's budget for 2004 rose by CAD \$749,000.

Canada's CAD \$4 million donation in 2003 also makes it the second largest donor to the Agency's Nuclear Security Fund, intended to increase the security of nuclear and radiological material, especially to prevent its use by terrorists.

Canada pays its assessed share of the Agency's budget in full every year. Canada's contribution for 2004 amounted to CAD \$9.1 million.

TRANSPORT

CANADA-UNITED STATES BORDER— REQUIREMENT OF TRUCKING INDUSTRY TO SUBMIT CARGO INFORMATION IN ADVANCE

(Response to question raised by Hon. Gerry St. Germain on November 24, 2004)

The Minister of Transport is aware of the problem that small and medium-sized trucking companies are facing when trying to understand and comply with the new United States (U.S.) rules concerning advance cargo information required by the U.S. Customs and Border Protection Agency.

Extensive consultations were held with the trucking industry and other stakeholders and their input was taken into consideration in the final U.S. regulations. In 2002 and early in 2003, when the new U.S. rules were first publicized, in addition to the outreach activities of the U.S. government, the Canadian government in collaboration with the Canadian Trucking Alliance and other trucking associations organized several workshops to better inform the trucking companies of these new U.S. rules and how to comply with them. As well, the Canada Border Service Agency (CBSA), Transport Canada and the Department of Foreign Affairs through various conferences and meetings with representatives of the trucking industry, exporters and other businesses involved in the logistics chain have informed these groups about the new U.S. rules. The Canadian government relies on these organizations to better inform their members. In addition, the CBSA is also providing background information on their web site regarding joint programs with the U.S. such as the Fast And Secured Trade program to help trucking companies comply with the new U.S. customs requirements.

Furthermore, the U.S. Homeland Security Secretary, Tom Ridge and Customs and Border Protection (CBP) commissioner, Robert Bonner, have provided assurance that CBP will follow a practice of "informed compliance" and that truckers who have not provided advance notification to U.S. agencies will not be turned back from the border or have to pay a fine for a reasonable period of time (i.e., until January 31, 2005).

AGRICULTURE AND AGRI-FOOD

BOVINE SPONGIFORM ENCEPHALOPATHY— EFFECT ON CATTLE INDUSTRY

(Response to question raised by Hon. David Tkachuk on December 7, 2004)

Severe economic losses have been experienced in the entire ruminant livestock industry and at all levels of the affected value-chain since the detection of BSE.

The growth in the Canadian beef cattle sector over the past decade has been fueled by exports, with the U.S. being the primary destination, accounting for 78 per cent of beef exports and nearly 100 per cent of live exports. By 2002, the Canadian cattle industry had expanded to the point where it was worth an estimated \$7.7 billion per year. As such, border closures have had a devastating impact for producers, rural communities, and related agri-businesses, including the entire ruminant livestock industry.

In June 2004, Statistics Canada published the report entitled *Canada's Beef Cattle Sector and the Impact of BSE on Farm Family Income*. The study indicates that in 2003, Canadian farm cash receipts from cattle and calves were estimated at \$5.2 billion, a sharp drop of \$2.5 billion from the previous year.

Federal and provincial governments are working in close collaboration with stakeholders at all levels of the value-chain to identify and alleviate pressures. Governments, in consultation with industry, have continuously worked to pursue the best course of action in finding solutions to the BSE situation.

To date, Federal-Provincial-Territorial governments committed \$2.5 billion in targeted national BSE programs, including: the BSE Recovery Program, announced June 2003; the Cull Animal Program, announced November 2003; and the Transitional Industry Support Program, announced March 2004.

Following intensified consultations among federal and provincial governments and with industry during the months of July and August 2004, consensus was obtained on the need to shift from a short-term strategy of maintaining the industry until the US border reopens live cattle, to a long-term strategy to ensure sustainability and profitability.

On September 10, 2004, a package to reposition the industry was announced. This package provides \$488 million of federal assistance and contains a suite of measures that are designed to reposition the beef and cattle industry for profitability in the current environment, and after borders reopen. This four-part strategy will focus on: continuing efforts to reopen the U.S. border to live animal exports; encouraging an increase in domestic slaughter and processing capacity; continuing to assist producers until additional processing capacity comes online; and increasing Canada's international market share in beef by expanding our position as a premium beef exporter.

The financial support announced before September 10th has assisted to offset a portion of the financial hurt to the ruminant industry. The package announced on September 10th, was designed to deal with structural issues in an industry operating in a different environment to that which existed prior the confirmation of BSE in the Canadian herd.

NATIONAL DEFENCE

FOREIGN SHIPS IN CANADIAN WATERS— PROTECTION OF NORTHERN WATERS

(Response to question raised by Hon. J. Michael Forrestall on November 23, 2004)

Every day thousands of ships pass through Canadian areas of interest. As part of ongoing national security measures, the Canadian Forces play an important role in monitoring that traffic.

The Canadian Forces maintain a “Recognized Maritime Picture.” This ‘picture’ is compiled using information from various sources — such as visual surveys and electronic sensor data — and provides a comprehensive view of Canada’s maritime approaches at any given moment.

In conjunction with these monitoring efforts, initiatives such as the creation of the Maritime Security Operations Centres, experiments with Uninhabited Aerial Vehicles and High Frequency Surface Wave Radar, and increased sovereignty patrols are addressing the security issues of the Canadian maritime approaches.

Recent media reports have highlighted potential transgression of Canadian Arctic waters by foreign vessels. While the Canadian Forces do monitor these areas, it is the responsibility of the Canadian Coast Guard to track vessels in Canadian waters.

QUESTION ON THE ORDER PAPER

REQUEST FOR ANSWER

Hon. John Lynch-Staunton: Honourable senators, can I ask the Deputy Leader of the Government if I can expect an answer to my written question that has been on the Order Paper since early October?

Hon. Bill Rompkey (Deputy Leader of the Government): I will certainly see if I can expedite the answer for Senator Lynch-Staunton.

BUSINESS OF THE SENATE

Hon. Terry Stratton (Deputy Leader of the Opposition): Before going to Orders of the Day, although we have received many reports, I understand that we still have not received all the reports. I would like to ensure that all senators have received a copy of each report.

Could we be assured that this will be done before the end of the day?

The Hon. the Speaker: Honourable senators, I have noted that and will speak to the table to ensure that the reports that were the subject of earlier business are distributed.

[Translation]

ORDERS OF THE DAY

APPROPRIATION BILL NO. 2, 2004-05

SECOND READING

Hon. Joseph A. Day moved the second reading of Bill C-34, for granting to Her Majesty certain sums of money for the Public Service of Canada for the financial year ending March 31, 2005.

He said: Honourable senators, the bill before you today, Appropriation Bill No. 2 for 2004-05, provides for the release of the balance of funds in the 2004-05 Main Estimates, which were tabled in the Senate on October 8, 2004.

The government presents its estimates to Parliament to support its request for authorization to spend public funds. They contain information on both budgetary and non-budgetary spending authorities.

• (1530)

Parliament then studies the supply bills to authorize expenditures. The amount of \$183 billion from the Main Estimates for 2004-05 is included in the expenses forecast by the Minister of Finance in the February 2003 federal budget, in the November 2003 economic and financial update, and in Part I of the Main Estimates for 2004-05.

[English]

Honourable senators, your Standing Senate Committee on National Finance has a standing mandate to look into and consider the various estimates as they are presented, in particular, the Main Estimates we are discussing here today.

Our committee is ably chaired by Senator Oliver, and I would congratulate him on the fine work that we have been doing over the past several months with respect to these Main Estimates. I would thank honourable senators who had the opportunity to participate in our particular Senate standing committee.

I must say at this stage, that we do miss two of our former long-term serving colleagues, Senators Bolduc and Beaudoin. This is the first exercise that we have undertaken without them serving on the committee.

We are fortunate in having Senator Murray continue as a member of the committee, although in a different capacity than previously, when he was Chair of the National Finance Committee. I am pleased that he has been able to continue to serve. We also have had the value of the institutional knowledge of Senator Cools in serving on our committee, also in a different capacity than previously.

We have continued to study the Main Estimates. Most recently, we discussed those Main Estimates in some detail with Treasury Board Secretariat officials in their appearance before our committee on November 23 of this year.

The 2004-05 Main Estimates total \$186.1 billion, of which \$183 billion is budgetary expenditures and \$2.8 billion is non-budgetary expenditures. Let me explain the difference, honourable senators.

Budgetary expenditures include the cost of servicing the public debt, operating and capital expenditures, transfer payments to other levels of government, organizations or individuals, and payments to Crown corporations. Non-budgetary expenditures are outlays that result in a change in the composition of the financial assets of the government, but are not expenditures as such.

In 2004-05, these expenditures are represented primarily by payments to various international financial institutions and loans disbursed by the Canada Student Financial Assistance Act, with the anticipation of those funds coming back in due course as the loans are repaid.

Both budgetary and non-budgetary expenditures may be authorized through appropriations, such as we are dealing with here with this appropriations bill, or by individual statutes. Accordingly, the figure of \$186 billion is split into two different expenditures.

The first is appropriated or voted items, for which spending authority is being sought. For 2004-05, these items amount to approximately \$65 billion, or 35 per cent of the published Main Estimates. Thirty-five per cent are voted.

The second is statutory items for which spending is authorized through stand-alone legislation approved by Parliament. These include Employment Insurance benefits, elderly benefits, Canada Health and Social Transfers and transfers to the provinces and territories. For 2004-05, these items amounted to \$121 billion, or approximately 65 per cent of the total Main Estimates for the year, which are covered by other statutes.

Therefore, dealing with the \$65 billion, which is appropriated or voted items in these Main Estimates for this fiscal year, authority to spend \$50 billion was already provided back in June by Parliament, in Appropriation Act, No. 1. The balance of \$15 billion is now being sought through this Appropriation Bill, No. 2, or Bill C-34.

Honourable senators, I wish to inform you that the appropriation sought through this bill is somewhat less than the amount reflected in the Main Estimates for this particular year, which was tabled in the Senate on October 8, 2004.

In the other place, recently, the Standing Committee on Government Operations and Estimates recommended that vote 1, under the heading of "Governor General" in the Main Estimates — and the total amount of that is \$17 million, less

the amount granted in interim supply — be reduced by 10 per cent of what was still outstanding in the operation portion of the Governor General's budget, which amounted to \$417,000.

In addition, the same committee recommended that vote 1 for the Privy Council in the Main Estimates, in the amount of \$111 million, less the amount granted in interim supply, be reduced by the sum of \$127,000. All of the other items that appear in the Main Estimates that had not been previously appropriated in Appropriation Bill, No. 1 are now before you for approval, amounting to approximately \$15 billion.

Honourable senators, these recommendations were accepted in the other place. The appropriation bill that is before you reflects the two changes — the Governor General and the Privy Council Office — and all other items have been approved in the other place.

Honourable senators, it is my respectful request that we now approve second reading of this appropriation bill.

Hon. Senators: Hear, hear!

Hon. John Lynch-Staunton: Will Senator Day allow a question?

Senator Day: I will be pleased to answer.

Senator Lynch-Staunton: Could the honourable senator explain the reduction of the Governor General's budget, that is, what the purpose of that is, what impact it is supposed to have, and why we should go along with it? Leaving personalities aside, we are talking about the Crown, an essential element in Parliament. I have never seen this done before for whatever reason, and I hope this action is justified. I should like to know what is behind this.

Senator Day: I thank the honourable senator for his question. I will attempt to answer. I was not present at the committee hearing that dealt with this particular matter in the other place.

I can say that the motion to reduce was moved by one of the members, Louise Thibault. The motion was considered. The amount was \$417,000 under vote 1, which was 10 per cent of the outstanding amount of the operating budget of the Governor General that had not already been approved. Therefore, 10 per cent of that amount was recommended by that committee.

There was some suggestion that the Governor General should immediately show good faith by reducing the funds through the reallocation that is going on — reducing her expenditures by 5 per cent. With this particular motion, the proposal was that it would assist the Governor General by suggesting a saving of 10 per cent at this time. There seemed to have been some dissatisfaction with some of the activity that was going on with respect to the Governor General's travel.

• (1540)

The government has accepted this reduction, presumably in consultation with the Governor General, and my recommendation to this chamber is that we follow suit with the government and accept the reduction.

[Senator Day]

Senator Lynch-Staunton: Can the honourable senator explain which parts of the Governor General's budget have been affected? Does — as I heard on the radio this morning — it mean a lessening of activities on skating rinks for children and cutbacks with respect to Order of Canada ceremonies?

Having to reduce activities in these areas — if the radio report is correct — has nothing to do with the Governor General personally but, rather, with essential activities of the Crown. If my suggestion is correct, that the cutbacks are related to activities that have nothing to do with the person but to activities attached to the person that are essential, perhaps the amount should be reinstated.

Senator Day: The amount that had been outstanding and not approved as yet on behalf of the Governor General's vote 1, which is operations, was \$4 million. It was suggested by Ms. Thibault, a member in the other place, that the Governor General's budget be reduced by 10 per cent — \$417,000. The Governor General, within her operating budget, determines how those funds should be used.

As did Senator Lynch-Staunton, I read the comments from both the Governor General and members of the other place; clearly, a debate on the matter was taking place. I am sure that the Governor General will wisely consider the manner in which she will save the \$417,000 out of an operating budget of \$16 million.

Hon. Noël A. Kinsella (Leader of the Opposition): My question to the honourable senator is this: Does he think it is within the capacity of the Senate to amend this bill, to add money to it — in other words, to reinstate funds?

If we accept the proposition that is being considered here, would this not be adding to the budget? Do we have the capacity to do that?

Senator Day: I hesitate to speculate with opinions. I can say to the honourable senator that this reduction has been considered by the government. The government has requested the amount in appropriations less this amount that we are discussing with respect to the Governor General. If the government is content with that amount, I would suggest that this house should accept that amount.

Senator Kinsella: I should like to have the honourable senator's opinion as to whether the Senate could make such an amendment to the bill that is now before us.

Senator Day: I understand the honourable senator's question. He is asking me to speculate. My view has always been that this body is better able and equipped to reduce rather than to add to proposed government expenditures.

Hon. Jack Austin (Leader of the Government): Honourable senators, I do have a question. I find it fascinating to have representatives of the Conservative Party in this chamber

questioning the behaviour of representatives of their party in the other chamber, because it was, to my astonishment, members of the Conservative Party in the other chamber who led the parade to reduce the Governor General's funds in this particular budget. It was the Liberal government that defended the Governor General, as it had every right and responsibility so to do.

I do not know what the purpose of the exercise is because, as Senator Day has said — if I understand his answer — the government maintained the budget of the Governor General and the House of Commons thought otherwise and voted otherwise. I do not believe that, in this chamber, we should exercise an authority that I do not think we have, which is to deal with what would in effect be a reinstatement.

I am not sure that Senator Lynch-Staunton was proposing a reinstatement. I think he was questioning. However, I found the line of questioning as hard to follow as I think my colleague Senator Day did.

Senator Lynch-Staunton: I was unaware that the Senate had to march in lockstep with the House of Commons. If so, perhaps the ethics bill would have gone through in the last Parliament instead of this one. Let us not get into a your-guy-said-something-in-the-other-place, you-have-to-follow-here kind of approach.

We asked why the amount was reduced. The only answer Senator Day could give was that they told him to say that. There is no logical reason for it, except some individual dislike of the office or some exaggerated assessment of spending by that office, which has yet to be proven. The Governor General has been criticized for a trip she took in the Arctic. That trip was sanctioned by the Department of Foreign Affairs and largely financed by it.

Whatever one feels about the office of the Governor General, unfair criticisms are being made. It seems to be a new practice to pick on Governor General Clarkson, and on the office in particular. As long as the office is there, we should show respect for it.

I am hearing about a \$400,000 cut in the operating budget, \$400,000 that has nothing to do with her personally but rather with the responsibilities she has to carry out. Canadians will be penalized as a result of this cut. I have not had a satisfactory challenge to that conclusion.

Senator Austin: Honourable senators, I should like to engage in this process — whatever it is — by saying that I completely agree with Senator Lynch-Staunton. I am delighted that he is taking the same position that the government took in the other place with respect to this aspect of the Governor General's budget.

However, at this point, if I may say to honourable colleagues, we have received the bill from the other place and there is no purpose in attempting to take any steps that would provide for any reinstatement.

Senator Kinsella: Honourable senators, our debate at this point speaks to a matter of order. The question put simply is this: Is it in order for the Senate to move an amendment to a bill of this nature that would increase monies that are not in the bill? I agree with the Leader of the Government in the Senate. I understood him to say that he is of the view that the Senate does not have that within its capacity. I think he is correct in that view.

Therefore, much of our debate is moot, to say the least, but only because we also have another debate going on in this place about the oath of allegiance, which has many Canadians wondering whether the Senate of Canada is a defender of our parliamentary monarchical system. On this particular issue, we should make the record clear that it is not in order for us to amend this matter in any event.

• (1550)

Senator Lynch-Staunton: Honourable senators, the government has not defended the Governor General. No minister has stood to defend her. No one in this chamber has defended her. All we are hearing is that the House of Commons decided this, and therefore we have to agree with it. No one stood up in the other place and said that the Governor General deserves better treatment and greater respect.

Senator Austin: The honourable senator is wrong. The Treasury Board defended her.

Senator Lynch-Staunton: I read the debates on the estimates; there is nothing in Hansard. We are told that the government supports the reduction. No matter what one minister may have said, the government supports it, which I think is an insult to the office. That is not what the Senate is all about.

Senator Austin: Talk to your colleagues in the other place.

Hon. Donald H. Oliver: Honourable senators, I stood four times wanting to speak earlier, but my remarks are redundant now. I will not bother.

Hon. Serge Joyal: Honourable senators, I want to be on the record on this issue because I have a clear conviction about the status of the Governor General and the status of Parliament in relation to the expenses linked to the position of the Governor General of Canada as being the representative of the Queen of Canada.

If we look into the history of how responsible government came about, it was essentially for Parliament to take the final decision on the way that appropriation should be made. Many people in the other place and in the general public have the impression that the Governor General put together a budget and then sent it to Parliament, with Parliament having no other thing to do than to vote for it. This is not at all the way the convention operates in our system.

There is the Privy Council. I am a privy councillor. The Crown does not have any freedom to act but on the advice of the chief of the Privy Council, the Prime Minister. The convention is that the Prime Minister meets regularly with the Governor General to

keep her informed of the activities of the Privy Council, which is the cabinet.

The budget for the Governor General is put together on the advice of the Prime Minister as the head of the Privy Council. When the Governor General put together a list of activities, there are activities that she had no choice but to do because she is the representative of the Crown.

As the honourable former leader of the opposition stated, when the Governor General grants the Order of Canada, she is not doing something of her choice. She is requested to grant the Order of Canada because Her Majesty, the Queen of Canada, is the sovereign of the Order of Canada. This is an activity of the Crown that the Governor General must perform as long as she is the representative of the Queen of Canada.

A very bad perception has now been created that the Governor General acts on her own impulse. The impression is that she could decide which trips to take, the cost of those trips, and who should be involved in those trips. When she leaves the country to represent Canada abroad, she does not do it on her own. She makes those trips because the chief of the executive council of Canada has advised her to do it. That is the principle behind how our system functions.

The government leader has stated it clearly. It is wrong to create and nurture the perception that we have to clip the wings of this Governor General because she seems to be spending too freely. That is not the way it is.

The minister of the Crown, who is a member of the executive council of the government, has to defend the Governor General. It is why we are privy councillors. That is the fundamental reason we have a Privy Council. If we are not serving those principles, we undermine the very roots of our system.

That is wrong. I have said before in this chamber during Senators' Statements and in some other publications that this is the system. If we do not like the system, let us change the system and address the question front and centre. However, do not let the system be undermined or fall into disrepute through the ignorance of Canadians not understanding the system and through our inability to explain it.

This is a very important element. If we do not defend the institutions of this country — and when I say “institutions,” I mean the government — we really undermine the trust that Canadians place in their government. We are not serving Canadians if ministers of the Crown do not explain to them how the system works.

Honourable senators, I have said before that an acting minister of the Crown has an obligation. He or she has taken an oath — as we have taken an oath — to advise the Crown on the way that the executive capacity of the Crown should be exercised. This concept is something so fundamental that we would be well advised to use the opportunity that we have to state the essential elements of the system. In all fairness, we should state how well it has worked in the past for the benefit of all Canadians.

Senator Austin: Is the honourable senator aware that the item relating to the Governor General was reduced in a committee of the other place and that the government defended the Governor General by reinstating the item in its motion? That reinstatement was defeated by the opposition, led by the Leader of the Opposition. Is the honourable senator aware that that was the process?

Senator Joyal: I thank the honourable senator for his comments. I read the debate in Hansard of the other place and the minutes of the committee. I listened very carefully to Senator Carstairs' comments during Senators' Statements last week or the week before.

I read in the paper about the initiative that the government took to reinstate the \$417,000 amount that was reduced, and it was defeated in a late vote last Thursday night, if I remember well. We had adjourned at that point.

I deplore the result. I am not critical of the government efforts to have tried to reinstate the amount. The government came to the conclusion that the \$417,000 required to perform the role of the Governor General must be consistent with the first move that they made in putting that amount of money in the original estimates.

I understand the reasons behind the politicking, but I deplore the end result.

I understand the comments made by the Honourable Leader of the Opposition that we are in a difficult situation in the Senate to reinstate the amount of money considering our constitutional power. We have to recognize that limitation. However, it is important that we voice our concern here because we are part of the integrity of the system. It is important for us to state those principles.

• (1600)

[Translation]

The Hon. the Speaker: Honourable senators, are you ready for the question?

Some Hon. Senators: Question!

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

Motion agreed to and bill read second time.

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

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

APPROPRIATION BILL NO. 3, 2004-05

SECOND READING

Hon. Joseph A. Day moved that Bill C-35, for granting to Her Majesty certain sums of money for the Public Service of Canada for the financial year ending March 31, 2005, be read the second time.

He said: Honourable senators, this Bill C-35, Appropriation Bill No. 3, 2004-05, provides for the release of the full amount of the funds provided for in the 2004-05 Supplementary Estimates (A) and now seeks parliamentary approval to spend \$2.9 billion as voted expenditures. These expenditures were granted based on the spending forecast by the Minister of Finance in the federal budget of March 2004.

Honourable senators, since it is impossible to predict with absolute certainty all the financial needs of the government, this act provides an opportunity to seek and receive Parliament's approval for additional expenditures and transfers of funds. The 2004-05 Supplementary Estimates (A) were tabled in the Senate on November 4, 2004 and referred to the Standing Senate Committee on National Finance. These are the first supplementary estimates for the current financial year ending March 31, 2005.

[English]

Supplementary Estimates (A), 2004-05, totals \$2.7 billion, of which \$2.9 billion is voted. This amount of \$2.9 billion is offset by a \$0.2 billion decrease in projected statutory spending from amounts forecasted in the Main Estimates for this year. This is due to a decrease in expected public debt charges and a revised forecast of provincial transfer payments. As a result, the net financial requirement for the supplementary estimates will be \$2.7 billion.

Supplementary Estimates (A), 2004-05, was discussed in some detail with the Treasury Board Secretariat officials in their appearance before the Standing Senate Committee on National Finance in November of this year. The report that resulted from our investigation and those meetings was adopted by the Senate on December 8 of this year.

Of the voted budgetary amount of \$2.9 billion, some of the most important items for which approval is required are as follows: \$189 million for additional costs for the Canadian Forces deployment to Afghanistan; \$162 million for international assistance to Haiti and Afghanistan; \$158 million for compensation adjustments to departments and agencies as a result of recently negotiated collective agreements; and \$132 million for public security initiatives, marine security, Smart Border Declaration initiatives and national security policy.

Honourable senators can see from the various items that the specific amounts could not have been predicted when the initial budget was put. The amounts were indeterminable at that time, and that is the reason for the supplementary estimates. In addition, as I indicated earlier, there is a net decrease of \$0.2 billion in the forecasted statutory spending, not the voted spending; an \$800 million decrease expected in public debt charges due to lower than forecasted interest rates; and a \$762 million decrease due to a revised forecast of transfer payments to the provincial governments after census taking and income tax assessments.

Honourable senators, while preparing for the arrival of the bill, the National Finance Committee was involved in reviewing the processes and procedures for reporting. We were pleased to view a number of formatting changes that appeared in the supplementary estimates.

The aim of these changes is to provide greater transparency and consistency of information in the estimates documents, and greater clarity so that the reader may understand the documentation without requiring an additional explanation of each entry. The principal changes in the formatting are a ministry summary table preceding each ministry, making it much easier to follow; an explanation of gross funding requirements; and an explanation of funds available to offset new funding requirements.

In addition, a feature found in these estimates is a summary of horizontal initiatives that go between various departments. That was introduced in one of the previous estimates, and we found that to be helpful because it drew together one subject matter that covers many departments and it told us the global expense for the particular subject matter.

Government spending for these programs is distributed throughout a number of departments and agencies. The expanded use of this was a result, in part, of the Finance Committee's urging. These changes allow honourable senators to view more information on new spending. The government-wide reallocation initiative now becomes more transparent to the Senate in terms of the net amount of spending authority being requested and other information such as how offsets are being used. The ministry summary section has also been improved. Information on transfers between votes and transfers between organizations due to restructuring is also reflected. As well, details of information on new appropriations are now presented in two columns for ease of reference. Many of these changes presented were the result of urging by the Finance Committee, and we were pleased that the minister acknowledged that during his appearance before the committee.

Honourable senators, these changes are just the beginning of a process designed by the Treasury Board Secretariat to improve reporting to Parliament. The members of the Finance Committee had been invited to participate in that ongoing review of the presentation of documents, and we have accepted that invitation on behalf of the Senate. We look forward to continuing to participate with the Treasury Board Secretariat in improving the reporting and transparency of the documentation.

Honourable senators, that concludes my remarks with respect to the Supplementary Estimates (A). The Finance Committee will continue its mandate to deal with the Main Estimates and report to the Senate at the end of March, 2005. I would urge honourable senators to support Bill C-35, Supplementary Estimates (A), at second reading.

• (1610)

Hon. Donald H. Oliver: Honourable senators, I wish to join this debate, and I thank the Honourable Senator Day for his very detailed review of the provisions of this particular appropriation bill. As he pointed out, the Supplementary Estimates (A), 2004-05, on which this bill is based, were referred to the Standing Senate Committee on National Finance on November 16, 2004, just a month ago.

The committee held two meetings to review these supplementary estimates. At the first meeting, officials from the Treasury Board Secretariat provided explanations on the structure and content of the supplementary estimates, and at the second meeting the Honourable Reg Alcock, the President of the Treasury Board, explained to the committee further changes to the government spending plans contained in the supplementary estimates. Senator Day has referred to some of these in part, and I wish to add to and elaborate on a few of those in the time I have remaining.

Honourable senators, the Standing Senate Committee on National Finance reported on the Supplementary Estimates (A), 2004-05, to the Senate on December 7, 2004, on the basis of the information gathered from these two meetings. I will not take much of your time, but I do want to share some of the information on these observations contained in the committee's report. I believe this will facilitate the Senate's consideration of the appropriation bill now before us.

First, the committee was pleased to see that a number of changes to the format of the supplementary estimates have been introduced with the Supplementary Estimates (A), 2004-05. I believe these changes provide greater transparency and consistency of information in the estimates document.

In my view, honourable senators, one of the most fundamental changes introduced with these supplementary estimates relates to more detailed departmental information. Let me explain.

In the past when existing spending authorities were no longer needed, they were simply used to offset departmental requests for new spending authorities, but they were not displayed in the supplementary estimates. Under the new format just started, the gross requirements and the net amounts of authorities available for each individual department are now displayed. This practice clearly enhances transparency in reporting to Parliament and makes it easier for all Canadians to understand.

Honourable senators, transparency is a key factor in strengthening the accountability, oversight and management of government spending, and accountability and transparency are two of the words that are at the essence of what this committee has been doing in the last few months.

The President of the Treasury Board informed the committee that further changes are in the works to improve the estimates documents. He invited the Standing Senate Committee on National Finance to take part in a consultation with the Treasury Board Secretariat on proposed changes. As honourable senators will recall, this is not the first occasion that the Standing Senate Committee on National Finance has been called upon to comment on proposed changes to the practices and the policies of the Treasury Board Secretariat. A past concern that recurs and recurred in our last report relates to the Treasury Board vote 5 government contingencies. I referred to this item when tabling the report on the supplementary estimates last week.

[Senator Day]

Allow me to remind honourable senators that funding provided to government departments and agencies under Treasury Board vote 5 is either for pay list shortfalls, such as severance pay and parental benefits, which cannot be predetermined, or for what is called "miscellaneous, minor and unforeseen" expenditures that were not provided for in the Main Estimates and which are required before supplementary estimates are tabled.

Honourable senators can recognize from the language of "miscellaneous, minor and unforeseen" that this opens the door unless there is a more clearly defined definition. That is what this committee has been attempting to do for many sessions.

More precisely, in June 2002, the Standing Senate Committee on National Finance tabled a report containing nine recommendations regarding the use of the Treasury Board vote 5. Its wording and the guidelines to analysts analyze how assessing departmental requests for contingency funding is actually done. Since that time, the committee has had ongoing discussions with officials of the Treasury Board Secretariat about its 2002 recommendations and possible changes that should dictate the use of Treasury Board vote 5.

Minister Alcock informed our committee the last time he was there that he is now considering the following options: changes to the wording in the introduction of the Main Estimates to provide better context around the use of Treasury Board vote 5 by departments and agencies; alteration to the wording of the vote itself; an approved framework governing the use of vote 5; and, finally, a set of Treasury Board approved guidelines or criteria to accompany the framework. He indicated that he hoped this new set of documents would be available to us before Christmas.

Let me assure honourable senators that the committee intends to follow up on this matter when it resumes its hearings after the holiday season. The potential for the misuse of Treasury Board funding is too great to allow the matter to rest without a response to the committee's earlier recommendations.

Honourable senators, Senator Day has already told you about the importance of the new horizontal reporting. It is now possible to track information on initiatives undertaken by multiple departments. The committee was pleased to learn that the new expenditure management information system, known as EMIS, will reduce the potential for duplication and allow for better decision-making and improved governance of horizontal initiatives. This EMIS system, however, is not without its complications. The use of electronic tools to report expenditures and performance data must be introduced gradually because it could be very disruptive to the public service, which is unaccustomed to providing information that is both current and transparent. Minister Alcock stressed that both the employees and the managers in the public service will require time to develop the mindset that is compatible with a more dynamic "evergreen" model of reporting government spending.

Minister Alcock mentioned another difficulty that could arise with the introduction of electronic reporting and the increasing ability of parliamentarians and perhaps citizens to assess detailed expenditure plans, and that problem is the tendency to want to

micromanage the public service. Minister Alcock raised the concern that this tendency to micromanage may manifest itself in ministers at the Treasury Board Secretariat and in committees of Parliament itself. Many, armed with this new information, will want to second-guess the spending decisions taken by public service managers. He indicated that the current work on defining accountability in government and the public service must establish clear objectives that will be used to assess the performance of deputies and senior staff.

In his appearance before the National Finance Committee on the supplementary estimates, Minister Alcock also talked about new initiatives that will alter the way that government spending is now managed. In particular, he explained the role of the Subcommittee of the Treasury Board on Expenditure Review, which essentially is to identify low priority programs that could be eliminated or at least reduced. He stated that the federal government is seeking to generate savings amounting to \$12 billion over the next five years that will be reallocated to higher priority areas.

He also noted that half of these savings will come from departments' identification of their lowest 5 per cent spending priorities, while the other half will come from savings on central government activities through improvements in management efficiency; namely, three particular areas: procurement, property management and service delivery from the Department of Public Works.

Honourable senators, I wish to stress that the review of the supplementary estimates also provided committee members with an opportunity to question Minister Alcock about internal audits and the role of deputy ministers. You will agree that sound internal audits allow departments to properly assess and monitor their management practices in the achievements of those objectives.

Minister Alcock also reminded the committee that the Office of the Comptroller General of Canada was re-established in June 2004, with one of its key duties being to set or review financial accounting and auditing standards and policies for the federal government. He also indicated that he recently announced a multi-year initiative to strengthen the internal audit function across the federal government. This multi-year initiative, which is under the lead of the Comptroller General, will provide internal audit services to 63 departments and agencies that have limited and sometimes no internal audit resources.

As stated in our last report, the committee welcomes this multi-year initiative to strengthen the internal audit function of federal departments and agencies. We also welcome the minister's commitment to make deputy ministers more accountable for the overall operations for their departments and hold them to account for their outcomes.

Honourable senators, this concludes my remarks on the Supplementary Estimates (A), and I assure you that the committee will continue its due diligence to ensure that there is both transparency and accountability in relation to the estimates of the government.

• (1620)

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

Hon. Senators: Question!

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

Motion agreed to and bill read second time.

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

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

STATE OF POST-SECONDARY EDUCATION

INQUIRY—ORDER STANDS

On the Order:

Resuming debate on the inquiry of the Honourable Senator Callbeck calling the attention of the Senate to the state of post-secondary education in Canada.—(*Honourable Senator Kinsella*)

Hon. Terry Stratton (Deputy Leader of the Opposition): Honourable senators, Senator Kinsella intended to speak to this item today. Unfortunately, he had to attend a meeting of the shadow cabinet. Therefore, he begs the indulgence of honourable senators with respect to this matter.

Order stands.

THE SENATE

RULES OF THE SENATE— MOTION TO CHANGE RULE 135— OATH OF ALLEGIANCE—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Lavigne, seconded by the Honourable Senator Robichaud, P.C.:

That the *Rules of the Senate* be amended by adding after rule 135 the following:

135.1 Every Senator shall, after taking his or her Seat, take and subscribe an oath of allegiance to Canada, in the following form, before the Speaker or a person authorized to take the oath:

I, (*full name of the Senator*), do swear (*or solemnly affirm*) that I will be faithful and bear true

allegiance to Canada.—(*Honourable Senator Corbin*)

Hon. Francis William Mahovlich: Honourable senators, I rise today to support the motion put by Senator Lavigne with regard to senators swearing an oath of allegiance to Canada in addition to the oath we all took when we came to this chamber.

Canada is a country unlike any other in the world, for so many reasons. Our climate is different from one end of the country to the other, our national symbols recognized around the world include beavers and maple leaves, and anyone who truly knows our country knows that hockey is in our blood.

Canada is also special because of our system of government. The people who work in this building are here because they represent the rights and views of Canadians. We, as parliamentarians, represent those who live on Pelee Island, Ontario; Grise Fiord, Nunavut; Beaver Creek, Yukon and Blackhead, Newfoundland — Canada's most southern, northern, western and eastern towns. We also represent all those between these four points.

Senators are appointed to the Senate to represent the individual provinces and territories of this vast country. Without them we would not have a Canada. There are currently one dozen senators who were born outside of Canada — just over 13 per cent of us. In addition to these 12 senators, quite a few have lived outside the country for one reason or another during their lives. Yet, each of them chose either to not relinquish his or her citizenship to Canada or to proactively obtain it.

People become Canadian citizens because they want to be Canadian. According to the 2001 census, more Canadians than ever identified their ethnic origin as "Canadian."

Honourable senators, if we did not support this motion, it would seem that we are ashamed to be Canadian. Being Canadian is something of which we should all be proud. We should gladly affirm our allegiance to Canada when taking office in this historic and nationally recognized institution.

I love this country, and have no shame in saying that, either here today or when taking an oath. When I played in the famous 1972 Canada versus the Soviet Union hockey game, I played with one thought in mind: Canada.

On motion of Senator Rompkey, debate adjourned.

BUSINESS OF THE SENATE

The Hon. the Speaker: I would advise honourable senators that I am informed, I hope correctly, that all reports have now been distributed.

The Senate adjourned until Wednesday, December 15, 2004, at 1:30 p.m.

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