



CANADA

Debates of the Senate

1st SESSION

•

39th PARLIAMENT

•

VOLUME 143

•

NUMBER 54

OFFICIAL REPORT
(HANSARD)

Tuesday, November 28, 2006



THE HONOURABLE NOËL A. KINSELLA
SPEAKER

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(Daily index of proceedings appears at back of this issue).

Debates and Publications: Chambers Building, Room 943, Tel. 996-0193

Published by the Senate
Available from PWGSC – Publishing and Depository Services, Ottawa, Ontario K1A 0S5.
Also available on the Internet: <http://www.parl.gc.ca>

THE SENATE

Tuesday, November 28, 2006

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

Prayers.

[Translation]

THE LATE CHIEF WARRANT OFFICER ROBERT GIROUARD THE LATE CORPORAL ALBERT STORM

SILENT TRIBUTE

The Hon. the Speaker: Honourable senators, before we begin, I would ask you to rise and observe one minute of silence in tribute to Chief Warrant Officer Robert Girouard and Corporal Albert Storm, who were killed tragically yesterday while serving their country in Afghanistan.

Thank you, honourable senators.

Honourable senators then stood in silent tribute.

[English]

SENATORS' STATEMENTS

THE HONOURABLE NOËL A. KINSELLA

HAPPY BIRTHDAY

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, I should like to draw your attention to the fact that His Honour is celebrating his birthday today. On behalf of all senators on this side and I am sure the other side as well, I wish him a very happy birthday.

Hon. Senators: Hear, hear!

THE LATE JOHN ALLAN CAMERON, O.C.

Hon. Terry M. Mercer: Honourable senators, last week we lost one of Nova Scotia's most loved cultural ambassadors, John Allan Cameron, after a lengthy battle with cancer.

Long before the Celtic music scene exploded onto the world stage, there was "Johnallan." Indeed, he ignited the spark that brought Celtic music from his native home in Glencoe Station, near Mabou, Cape Breton, Nova Scotia, to the homes and stages of the world.

Honourable senators, the "ministering minstrel" was a true master of his craft. He played the 12-string guitar with the same voracity as Buddy MacMaster on the fiddle or even Jerry Lee Lewis on the piano. He was that good.

His true craft was the infectious way he could transform a small party into a festival, a kitchen into a concert hall. We shall miss his signature shouts of "yes" and the way in which he got us out of our seats with his music and into the middle of the church hall.

Honourable senators, his legacy will live on through the music he loved so much and spread all over the world. It will also live on through the people who shared in it. People from Halifax to Nashville and beyond knew that when Johnallan smiled, the music had already begun.

I extend my thoughts and prayers to his family and friends. We should all take comfort in knowing, as the *Halifax Chronicle-Herald* said, that "there's a kitchen party in heaven," and I am sure Johnallan has even convinced St. Peter himself to dance a jig or two.

VANIER CUP 2006

Hon. David Tkachuk: Honourable senators, this weekend in the Vanier Cup, the football team from my alma mater, the University of Saskatchewan, went down to defeat at the hands of Laval. It was a hard-fought game played in conditions fit neither for man nor, it seems, for Husky.

In spite of the weather, the players from both teams played their hearts out, with Laval eventually edging out a win by a score of 13 to 8. Still, the University of Saskatchewan team, which has won three Vanier Cups in seven appearances, has much to be proud of. Not least, they took this loss with the good grace that is so often lacking in elite athletes today. No excuses were offered, honourable senators, as Huskies Coach Brian Towriss explained the loss:

In the end, Laval came up and played great. Hats off to those guys and hopefully we get to see them again next year.

While the newspapers referred to some bad calls by the referees that went against Saskatchewan, Huskies receiver Leighton Heron was having none of it. He was quoted in the paper as saying:

I'm not going to get on the refs. They've got a hard enough job. It is tough to see everything. We just didn't make enough plays throughout the entire game.

That is what I call sportsmanship and class.

The city of Saskatoon did itself exceedingly proud as the host of this much-storied event. As my hometown newspaper, the *StarPhoenix*, said about this year's Vanier Cup in my fair city: Somebody finally did it right!

What has long been an afterthought was turned instead into a showcase for Canadian university football, with a week of parties, galas, cabarets, side shows and, of course, the main event, football — and nary a problem for police or ambulance workers to deal with, other than frostbite.

To all the organizers, volunteers, coaches and most of all the players: Well done.

• (1410)

DOMESTIC VIOLENCE AGAINST WOMEN

Hon. Lorna Milne: Honourable senators, I want to take this opportunity to make you aware of a campaign launched yesterday in Madrid, Spain, by the Council of Europe Parliamentary Assembly, entitled “Parliaments united in combating domestic violence against women.” I also would like to thank the Speaker of the Senate for his enthusiastic support of this initiative by recording the Parliament of Canada’s declaration of support for this campaign.

Domestic violence against women is a serious assault on human dignity and prevents women from enjoying fundamental rights. Statistics confirm that domestic violence against women, whether physical, sexual, psychological or deriving from economic dependence, knows no geographical, age or ethnic distinction and affects every type of family relationship and every social setting.

This assault on human dignity is perpetrated in silence, and often to general indifference, in many homes. Whether we are national, regional or local elected representatives or simple citizens, this problem concerns us all. It is our individual and collective responsibility to break the silence and act on behalf of the values defended by the Government of Canada and the Council of Europe, which are charged with protecting human rights.

In Canada, charging and prosecution policies aimed at combating the problem of domestic violence were introduced by the Royal Canadian Mounted Police in the early 1980s. These policies were a response to concerns that victims of domestic violence were not receiving adequate protection from the criminal justice system. Transferring the onus of laying charges to the police and Crown prosecutors removed the pressure from the victims, sending a clear message that domestic violence is not a private matter but a serious and unacceptable social problem and a clear violation of the law.

Honourable senators, an act of domestic violence is rarely an isolated incident. According to a 2002 report prepared by Ministers responsible for the Status of Women in Canada, in about two thirds of all cases of domestic violence against women, the violence occurred more than once, and one quarter to one third involved more than 10 episodes.

In light of this sobering evidence, domestic violence against women is a serious and unacceptable assault on human dignity, and we must continue to provide protection for individuals who find themselves in this vulnerable position.

Over the past week, parliaments throughout Europe are having “Days of Action” to raise awareness of this growing problem, and I ask honourable senators to join me in supporting these important initiatives.

PRIME MINISTER

MOTION TO DECLARE QUEBEC A NATION WITHIN CANADA

Hon. Consiglio Di Nino: Honourable senators, I rise today to praise Prime Minister Harper for his bold and inspired response to the question of the status of the Québécois within Canada. Without his intervention, the debate on this issue in Montreal this weekend and the Bloc motion in Parliament could have further seriously inflamed this always controversial subject.

Prime Minister Harper turned the potentially disastrous debate into what may very well be a real turning point for the unity of our country — indeed, a defining moment for the future of Canada.

I also praise the members of the other place, particularly the Leader of the Opposition and the Leader of the NDP, for their overwhelming support of the Prime Minister’s motion.

A commentator suggested that this may have been Prime Minister Harper’s finest hour. I see it as another example of his principled leadership.

[Translation]

MCGILL UNIVERSITY

WOMEN IN HOUSE PROGRAM

Hon. Lucie Pépin: Honourable senators, one of the greatest challenges our democracy faces is increasing women’s representation in Parliament. As you are all aware, Canadian women are under-represented in our legislative assemblies, but worse yet, our presence in these institutions has been stalled at just over one-fifth of the seats for several years now.

It is urgent that our respective parties take an interest in this frustrating problem. While the low representation of women in government is troubling, I am very pleased that young Canadian women are working on solutions. The McGill Political Science Students Association’s Women in House program is part of that worthy initiative.

Established in 2001, the program’s primary objective is to interest young women in political life in order to increase the number of women in government. The Women in House program is founded on the principle that to effect real change, women must work together and support one another.

So, every year, several McGill University students are given the opportunity to come to Ottawa. Participants take advantage of their visit to familiarize themselves with parliamentary work from a woman’s perspective and to network with women in politics.

This year’s annual visit took place last week, on November 20 and 21.

• (1415)

I therefore spent the entire day on Tuesday accompanied by Catherine Rosseau-Saine, a third-year student combining Honours political science with the social studies of medicine program.

She is a dynamic student who is motivated by the desire to play a genuine role in improving society. Throughout the entire time we spent together, Catherine demonstrated her passion for serving the public. Frankly, listening to young people such as Catherine, I am convinced that if our political system was more welcoming, and if it was easier for women to enter politics, it would be to the great delight of many dozens of these young women. Full of enthusiasm, this next generation of politicians is already prepared to take up the torch and all they are waiting for now is the opportunity to become involved.

In closing, I would like to wish this excellent initiative all the best for the future and offer my congratulations to Chi Nguyen and Gallit Dobner, the women who first started the program, and to all the women who have ensured its coordination over the years. I would also like to extend my thanks to all the fine people inside and outside of this chamber who contributed to the success of this program.

[English]

THE LATE JOHN ALLAN CAMERON, O.C.

Hon. Jane Cordy: Honourable senators, Canadians have lost one of our music pioneers. John Allan Cameron, who was known as the “godfather” of Celtic music, died last week after a lengthy battle with cancer.

John Allan was studying for the priesthood in the 1960s when he realized that his calling might be spreading the music of Cape Breton rather than the gospel. He received a dispensation from the Pope to leave the seminary in 1964 and his career as an entertainer began.

John Allan was an exceptional performer, who thoroughly engaged his audience. Those of us fortunate enough to hear him clapped our hands and stomped our feet in time to the music. He always seemed to be having so much fun when he was on stage. As we say in Cape Breton, “It was like a big kitchen party,” and the audience felt part of the show.

John Allan opened the doors for so many traditional Scottish musicians, such as the Rankin Family, the Barra MacNeils and Natalie McMaster. He paved the way and was a mentor to many young musicians, in particular those from Cape Breton.

Always wearing his kilt, John Allan began his career on *The Don Messer Show* and *Singalong Jubilee*. He was on national television with his own shows, *John Allan Cameron* on CTV, and *The John Allan Cameron Show* on CBC. Many of the CBC shows were taped at Mount St. Vincent University.

In 2003, John Allan received the Order of Canada for his lifetime contribution to the arts and for the role he played in the promotion of Celtic music and culture. As the *Cape Breton Post* stated, “If Cape Breton music had a best friend, John Allan Cameron was it.”

While John Allan’s music will live on, he will be missed.

[Senator Pépin]

PUBLIC SAFETY

FIREARMS CENTRE— PROPOSAL TO ABOLISH LONG-GUN REGISTRY

Hon. Nick G. Sibbeston: Honourable senators, on Thursday Senator Milne spoke about the gun registry and mentioned the high level of gun ownership in the North. She also noted that death by guns on a per capita basis is higher than it is in the United States. Both of these facts are true, but the latter is not a result of the former. Newfoundland, for example, has the third highest gun ownership but the third lowest rate of firearm deaths. The North also has unacceptably high rates of suicide, violent crime and, especially deplorable, domestic abuse.

Honourable senators, the gun registry has not and cannot reduce these statistics. There is an underlying social reality beneath these conditions. The legacy of colonialism, racism, residential schools, alcohol and drug abuse are the factors that we must address. In some areas of the North, there are severe social problems that the long-gun registry will not resolve.

Guns are central to the traditional way of life practised by Aboriginal people for generations. We use them to hunt for our food and to protect us from predators not only in the bush but also in our communities. In my hometown, it is not uncommon to see bears frequently cross our yards throughout the summer, so it is necessary to have a gun handy. People in our communities know that preserving our traditional way of life is vital if we are to overcome the social problems we face. In reality, guns are not the problem in the North; they are part of the solution. The gun registry was designed for southern people with southern problems. It may be that they need it. In the North, however, it has been a failure. It has interfered with traditional lifestyles and generated anger and defiance.

• (1420)

I am glad the long-gun registry is being cancelled. I hope the government replaces it with something sensible — and something that is good for the North; something that will also apply to the North. That is the reality of our situation. We have such diversity in the North and it is so different from the South that we need to deal differently with the gun situation.

Two winters ago, we went hunting and shot 21 caribou. Last fall, we shot two moose, seven caribou, one sheep and dozens of grouse.

[Translation]

ROUTINE PROCEEDINGS

AUDITOR GENERAL

NOVEMBER 2006 REPORT TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table, in both official languages, the Auditor General’s November 2006 Report, pursuant to subsection 7.(3) of the Auditor General Act.

DEPARTMENTAL PERFORMANCES

2005-06 ANNUAL REPORTS TABLED

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I have the honour to table, in both official languages, the Departmental Performance Reports for the period ended March 31, 2006.

STUDY ON CURRENT STATE OF MEDIA INDUSTRIES

GOVERNMENT RESPONSE TO TRANSPORT AND COMMUNICATIONS COMMITTEE REPORT TABLED

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I have the honour of tabling, in both official languages, the government's response to the second report of the Standing Senate Committee on Transport and Communications, entitled *Final Report on the Canadian News Media*.

FOREIGN AFFAIRS

GLOBAL PARTNERSHIP PROGRAM—REPORT TABLED

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I have the honour of tabling, in both official languages, the report by the Minister of Foreign Affairs entitled *Global Partnership Program: Making a Difference*.

[English]

FISHERIES AND OCEANS

BUDGET—STUDY ON ISSUES RELATING TO NEW AND EVOLVING POLICY FRAMEWORK FOR MANAGING FISHERIES AND OCEANS—REPORT OF COMMITTEE PRESENTED

Hon. Bill Rompkey, Chair of the Standing Senate Committee on Fisheries and Oceans, presented the following report:

Tuesday, November 28, 2006

The Standing Senate Committee on Fisheries and Oceans has the honour to present its

FOURTH REPORT

Your Committee was authorized by the Senate on Tuesday, May 16, 2006, to examine and report on issues relating to the federal government's new and evolving policy framework for managing Canada's fisheries and oceans.

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 June 22, 2006. On June 27, 2006, the Senate approved the release of \$210,056 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,

WILLIAM ROMPKEY
Chair

(For text of budget, see today's Journals of the Senate, Appendix, p. 851.)

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

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

COMMITTEE OF SELECTION

FIFTH REPORT OF COMMITTEE PRESENTED

Hon. Terry Stratton, Chair of the Committee of Selection, presented the following report:

Tuesday, November 28, 2006

The Committee of Selection has the honour to present its

FIFTH REPORT

Your Committee recommends a change of membership to the following committee:

Standing Senate Committee on National Security and Defence

The Honourable Senator Tkachuk added as a member of the Standing Senate Committee on National Security and Defence for the substitution pending for the Honourable Senator Poulin.

Respectfully submitted,

TERRY STRATTON
Chair

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

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

• (1425)

[Translation]

LEGAL AND CONSTITUTIONAL AFFAIRS

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

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(a), I move:

That the Standing Senate Committee on Legal and Constitutional Affairs have the power to sit today, Tuesday, November 28, 2006, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

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

Hon. Senators: Agreed.

[*English*]

Hon. Anne C. Cools: Honourable senators, I wonder why it is necessary that the committee sit outside of its regularly scheduled time period. Could the Honourable Senator Comeau give an explanation? Unanimous consent should be rarely asked for and used. Increasingly, it is used as a matter of routine. There should be a good reason for this request.

Senator Comeau: Honourable senators, we have a great number of bills presently before this committee, starting with the message from the House of Commons on Bill C-2. The work has been stacking up before the Standing Senate Committee on Legal and Constitutional Affairs. As such, the committee wishes to spend some quality time on a great number of these bills. The committee would like permission to sit while the Senate is sitting today in order to proceed with this work.

Senator Cools: Honourable senators, I understand. Maybe I was not clear. I am trying to find out why the committee wants to meet today while the Senate is sitting. I am a member of this place and I know of the various references that have been made to the committee. I am just very curious as to why suddenly, out of the blue, the committee must sit today. One of the reasons I ask is that member senators are supposed to be able to plan their affairs and to live within a reasonable expectation that committees will sit at their scheduled times. We know that I am not a member of any committee, but it was very disturbing for me to just receive two hours' notice, after I had already scheduled all my affairs, that a committee was suddenly sitting.

The honourable senator says that the committee has before it Bill C-2. Do I understand him to say that the committee will be dealing with Bill C-2 this afternoon?

Senator Comeau: Honourable senators, I will check what in fact the committee will be dealing with.

This afternoon the committee will deal with Bill C-2 and Bill S-3. Over the coming days the committee will deal with Bill C-19, Bill C-16, Bill S-1001 and Bill S-213. This is a short week; we will not be sitting on Thursday in order that the other side can go to its leadership convention in Montreal. We will only be sitting today and tomorrow, and tomorrow will be a short day, wrapping up at 4 p.m.

We are getting close to the Christmas break. It is a matter of the number of hours this committee needs to put in. If the committee were to meet during the committee hours as scheduled by the Senate, it would not get through the government business and private members' business that needs to be tackled. With the Christmas break coming shortly, a number of bills would not be completed.

• (1430)

Senator Cools: Honourable senators, I am not receiving an answer that meets with my satisfaction. A few days ago, a member for the government rose and asked that the Legal Committee report on the message no later than December 7. When the

honourable senator chose that date, he must have had an idea that it would be a difficult target to meet.

The honourable senator is in charge of the agenda and was in charge of asking the Senate to set a date. Now he is saying that it is an unrealistic deadline to meet. As a result, he is now asking that we allow a committee to meet at irregular hours. I find that odd. The government is in charge of the agenda, and of moving business ahead in a timely way that does not put the entire system under terrible stress and strain.

The Hon. the Speaker: Honourable senators, the Deputy Leader of the Government, under Government Notices of Motions, has asked leave to move a motion. Is leave granted?

Some Hon. Senators: Agreed.

Senator Cools: No.

The Hon. the Speaker: Leave is not granted.

Are there other government notices of motions?

Senator Comeau: I ask for leave to move that the Standing Senate Committee on Legal and Constitutional Affairs have leave to meet when the Senate rises today at the completion of its business.

The Hon. the Speaker: The Deputy Leader of the Government is asking for leave of the house that, when the Senate rises today, the Standing Senate Committee on Legal and Constitutional Affairs be allowed to sit. It is my understanding of the rules that leave is not required for that request, that that is a matter between the whips.

[*Translation*]

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

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

That the Standing Senate Committee on Legal and Constitutional Affairs have the power to sit on Monday, December 4, 2006, Tuesday, December 5, 2006, Wednesday, December 6, 2006 and Thursday, December 7, 2006, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

ADJOURNMENT

NOTICE OF MOTION

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

That when the Senate adjourns on Wednesday, November 29, 2006, it do stand adjourned until Tuesday, December 5, 2006, at 2 p.m.

• (1435)

[English]

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO STUDY LITERACY PROGRAMS

Hon. Art Eggleton: Honourable senators, I give notice that at the next sitting of the Senate, I will move:

That the Standing Senate Committee on Social Affairs, Science and Technology be authorized to examine the future of literacy programs in Canada, the consolidation of federal funding and the role of literacy organizations in promoting education and employment skills in Canada.

HUMAN RIGHTS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXTEND DATE OF FINAL REPORT ON STUDY OF INTERNATIONAL OBLIGATIONS REGARDING CHILDREN'S RIGHTS AND FREEDOMS

Hon. A. Raynell Andreychuk: Honourable senators, I give notice that at the next sitting of the Senate, I will move:

That notwithstanding the Order of the Senate adopted on Thursday, April 27, 2006, the Standing Senate Committee on Human Rights, which was authorized to examine and report upon Canada's international obligations in regards to the rights and freedoms of children, be empowered to extend the date of presenting its final report from December 31, 2006 to March 31, 2007 and that the Committee retain until June 30, 2007 all powers necessary to publicize its findings.

QUESTION PERIOD

FINANCE

INCOME TRUSTS—CHANGE IN TAX TREATMENT—INCOME SPLITTING PROPOSAL

Hon. Daniel Hays (Leader of the Opposition): Honourable senators, previously in Question Period, we have asked the Leader of the Government in the Senate — and I bring it to her attention once again — about the dramatic reversal of the promise in the Conservative election platform not to change the tax treatment of income trusts.

In the days since October 31 when that announcement was made, the full impact of it is sinking in more and more with those people affected. Just to remind everyone, the market cap of the income trust index is around \$200 billion, and the loss so far is in the area of \$20 to \$25 billion for the people who had invested in that particular vehicle.

This announcement by the government has prompted a series of meetings among people affected and people who have an interest

in this area with the Department of Finance and, in particular, with the Minister of Finance. As someone who commutes between Calgary and Ottawa, I think it is fair to say that people are beating a path to the door of the government to make representations on why this move is unacceptable. More important, however, is to convey that what was announced and the statement that elaborated on how the government intended to proceed is also unacceptable, and to make representations on what is wrong with it. The ways and means motion concerning this move was very brief.

First, can the minister confirm that these consultations are, in fact, being received with a view to modifying or improving what it is that the government will eventually bring forward as legislation, pursuant to the ways and means motion?

Hon. Marjory LeBreton (Leader of the Government): I thank the honourable senator for his question.

Honourable senators, Minister Flaherty, as you know, took the decision on income trusts in the interests of tax fairness. There is no question, as I believe as he stated, that there are representations being made to him today by representatives of the oil and gas industry. As Minister Flaherty has said, he is quite willing to meet and discuss these issues with anyone who wishes to meet with him. He is absolutely more than willing to discuss future plans.

• (1440)

As for the decision the government made on income trusts, Minister Flaherty has stated many times that his decision will not be changed.

Senator Hays: If the minister can comment on some of the specifics, one issue that comes up all the time is the time frame in which investors and the income trusts themselves have to adjust to the new regime, which is four years, assuming the change is to remain in place as she says. Senator Grafstein dealt with this point earlier in a question, but can the Leader of the Government in the Senate confirm that this issue is the subject matter of reconsideration on the part of the government?

To highlight another major concern of the income trust industry and those who manage the trusts, there is a restriction of 15 per cent on the capital that the trust has in terms of how many additional units of an income trust can be issued to finance capital acquisitions or acquisitions of additional assets. Prior to October 31, that was unlimited. I am told the average amount of units issued based on capital is around 20 per cent. Therefore, can the Leader of the Government in the Senate please advise that the government is open to change on these two matters?

Senator LeBreton: The Minister of Finance has clearly stated he is not changing the four-year period that he announced on October 31.

Concerning the other matters to which the honourable senator referred, many are highly speculative, and I will simply take the question as notice.

Senator Hays: This is a dangerous area because people's investments are seriously compromised as a result of the announcement. Dramatic change would affect values for most

small investors, and their losses have already been realized. There tends to be a panic when there is an announcement in the nature of the one of October 31 and assets are sold. As I believe I mentioned in an earlier question, the lack of time between the announcement and its coming into effect, which was overnight, did not allow many of them to have an opportunity to consult with advisers, which I understand.

Nonetheless, the industry and investors are anxious to see change and to see the government open to change. I take it from the answers of the Leader of the Government that this is the case on all but the four years. We will see how strong those representations are. I hope at a later date that I will get a different answer.

One of the ameliorating features of the announcement was income splitting. It has come to my attention that the Canadian Association of Income Funds has come forward with the following statement:

The increase in the Tax Credit for Age and the splitting of pensions will offer marginal compensation, if any, to the great majority of investors who are struggling with heavy losses.

In other words, an attempt to reach out to seniors and retired people to soften the blow of the announcement has received this response. Is that another area where we can expect the government to be responsive to the many investors who have lost so much as a result of the change?

Senator LeBreton: There is no question that pension splitting has been tremendously well received by seniors' organizations and many Canadians. In addition, the age credit was increased by \$1,000 retroactive to January 1, 2006.

• (1445)

With regard to the people who sold quickly, as the honourable senator says, it was clear when the minister made the announcement on October 31 that the people who had money invested in income trusts had four years to divest. It is therefore unfortunate that people went right out and sold their investments, and perhaps did not first contact their investment dealers.

In his economic statement last week, the Minister of Finance laid out certain areas where the government is planning to proceed. There was some speculation about income splitting and other matters of interest. However, this was an economic statement and not a budget. The speculation arose, it seems to me, because economic statements in previous years had sometimes been treated as a sort of mini budget, and I think that is where some of the expectation came from.

The Minister of Finance is cognizant of all of the issues facing the income trust sector and the oil and gas sector, for instance, and he is meeting with the people involved. Last Friday, he addressed the Economic Club of Toronto, saying that he is more than willing to talk to anyone. He will not only take the opportunity to hear what people have to say but also to explain what he, as Minister of Finance, is doing on behalf of the government.

[Senator Hays]

Senator Hays: One of the representations by the energy sector is that they be exempted in the same way that real estate investment trusts are exempted. It is hoped that that will be seriously considered. A comment on that would be appreciated.

On November 21, when the Leader of the Government in the Senate answered a question — and I had not noted her answer until it was drawn to my attention — she indicated in her closing remarks that she has not seen any evidence that individuals have lost large sums of money. I wonder if she could clarify that for us.

Senator LeBreton: I suppose it is because I do not have a lot of money myself. I was making a personal observation, which is borne out by some of the comments I have read in the newspapers and in the public opinion poll. People do understand that the government had to make this decision. It was made in the interest of tax fairness. We could not tolerate a situation where large corporations were shifting the tax burden more and more onto the backs of low- and middle-income earners.

Insofar as the question about the oil and gas sector is concerned, that is for the Minister of Finance to respond to. I will simply take it as notice.

REGISTERED RETIREMENT SAVINGS PLANS— TAX TREATMENT

Hon. Hugh Segal: Honourable senators, I want to be clear that I am offering no advice, counsel or representation on the issue of income trusts. When the Leader of the Government in the Senate makes inquiries, as she has undertaken to do, could she look into the circumstance that senior citizens face, after they have turned their RRSPs into RRIFs, which they must do at a certain age. Under the tax laws of Canada, they must withdraw a certain amount every year. On that withdrawal, they are now taxed at the highest marginal rate when, in fact, over the years that they were, as modest investors, building up their RRSPs, most of the growth has been through capital gains.

Perhaps the Leader of the Government in the Senate might make inquiries in this respect, as to whether such seniors could be allowed to withdraw those monies at the capital gains taxation rate as opposed to the highest marginal tax rate. That would be a genuine relief for seniors, without causing any difficulty, I believe, to the fiscal structure of the country overall.

Hon. Marjory LeBreton (Leader of the Government): I thank the honourable senator for his question and I appreciate it. I will be happy to refer that matter to the Minister of Finance.

I am closing in on the age when I will be in that same category. That is all the money that I have. I am not a wealthy person, as the honourable senator knows, but I will be very happy to refer the question to the Minister of Finance for a specific answer.

• (1450)

AGRICULTURE AND AGRI-FOOD

REDUCTIONS TO FUNDING OF ENVIRONMENTAL PROGRAMS

Hon. Tommy Banks: My question is to the Leader of the Government in the Senate.

In May, the government asked various government departments to remove the word “Kyoto” from climate change websites.

Senator Mercer: How much does that cost?

Senator Banks: In June, the government asked departments to take down the website all together; Climatechange.ca is gone; it no longer exists.

That seems to be a continued process, a measurement of where the government is going. According to the estimates tabled on September 26 by various government departments, there will be a further scaling back of government environmental spending. For example, Agriculture Canada, which spends \$331 million annually on environmental matters, will be spending less than one half of that by 2008-09, \$158.5 million, on agricultural matters relating to the environment. Nothing could be more important in this country. Natural Resources Canada is showing further reductions in what that department will be spending as well.

Over the last six years it has been my privilege to get to know some of the people who work in various government departments on matters of the environment, as it is within the purview of the committee I chair. Those people are very committed and were hired not just on the basis of their objectivity, but for their knowledge and their commitment to the concept of sustainable development and interest in the environment.

Those people are now, according to reports, being asked to assist the government in finding ways to rationalize the government's reduction in attention and spending on environmental matters and to tell the government now what their reaction will be when these cuts take place.

That seems an awkward thing to do, to say to someone, we will cut funding in your program area, which will probably result in the loss of your job; would you please tell us how to rationalize that and what your public reaction will be when that happens?

Are those reports at all true? Are employees being asked to do those things?

Hon. Marjory LeBreton (Leader of the Government): I thank the honourable senator for the question.

First, with regard to the question about the word “Kyoto,” I wonder if Senator Banks has looked at the Environment Canada website. There are many references to Kyoto on the website, including the minister's speech in Nairobi. If the honourable senator has looked on the Environment Canada website, he will see that the word “Kyoto” has not been removed.

With regard to the speculation in the newspapers, I have seen the same newspaper articles. I cannot in all good judgment comment on stories where people are making assumptions on the basis of something that has obviously been reported in the paper. Therefore, I will simply make a commitment to the honourable senator that I will make inquiries of the Department of Agriculture, because he specifically mentioned agriculture, as to what is the basis of these news stories and what, if anything, they have asked these employees to do.

NATURAL RESOURCES

POSSIBLE REDUCTION IN STAFF INVOLVED IN THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Hon. Tommy Banks: We would be grateful for that. The website to which I referred was not the Environment Canada website. It was climatechange.ca which had “Kyoto” removed from it and then the website was taken down in its entirety.

In addition to the inquiry, would the Leader of the Government please ask NRCan, which intends to reduce its employees by about 300 between now and next year or the year after, how many of those employees are employees whose specific jobs deal with the environment and sustainable development, if any? There may not be any. Could the government leader include that with the answers she seeks to obtain?

• (1455)

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, I would be most happy to do that.

THE SENATE

HOUSE OF COMMONS MOTION TO DECLARE QUEBEC A NATION WITHIN CANADA

Hon. Lowell Murray: Honourable senators, is it the intention of the government to present to the Senate a motion identical to that which passed the House of Commons last night?

I seem to recall that 10 or 11 years ago, when the House of Commons passed a motion initiated by the Chrétien government to affirm the distinct society and to pledge that Parliament would be guided by that fact, that reality, that the motion, after it was passed by the House of Commons, was presented to and approved in this place.

Hon. Marjory LeBreton (Leader of the Government): I thank the honourable senator for that question. As he knows, the motion the Prime Minister tabled in the other place was in response to a motion that had been placed by the separatist Bloc Québécois; and it is not the intention of the government to place a motion before the Senate.

JUSTICE

JUDICIAL APPOINTMENTS—PROPOSAL TO PLACE POLICE REPRESENTATIVES ON SELECTION COMMITTEES

Hon. Lorna Milne: Honourable senators, my question is to the Leader of the Government in the Senate.

Last week, Statistics Canada released figures showing the country has more police officers than ever before. Now the Minister of Justice proposes to put police representatives on the committees that select federal judges. This would, in effect, give the government the balance on these committees and allow them to politically control all future judicial appointments.

The Chief Justice of the Supreme Court of Canada believes this is wrong; the Canadian Bar Association believes this is wrong; and I believe ordinary Canadians believe this is wrong.

Keeping in mind that accountability is what ordinary working Canadians, people who pay their bills and taxes, expect from their political leaders, when will the Leader of the Government in the Senate tell the Minister of Justice to be accountable, and that this plan to politically control the judicial selection process is unacceptable to Canadians?

Hon. Marjory LeBreton (Leader of the Government): I thank the honourable senator for the question.

Honourable senators, I have no intention of telling the Minister of Justice any such thing. I have noticed the objections of the Chief Justice of the Supreme Court of Canada and the Canadian Bar Association. I am very familiar with the judicial review process; I worked with it for many years myself. I do not believe it will politicize the process by adding an individual to represent the police, who are the very people that must deal with the victims. They are the first responders to people that have suffered at the hands of criminals.

Senator Milne: Honourable senators, since the Leader of the Government in the Senate is unwilling to take the principled action of advising the Minister of Justice that his proposal is dangerous and undemocratic, perhaps the honourable senator could bring forward a proposal to include others in the selection process of our judges. I can think of other knowledgeable members of the community — perhaps ministers or rabbis, victims of crime, prostitutes and the wrongly accused.

Honourable senators, can the Leader of the Government table the appropriate section of the Conservative Party of Canada's election campaign documentation where it asks Canadians for a mandate to have the Prime Minister and the Minister of Justice make such basic changes to one of the foundation blocks of our democracy and the rule of law, an impartial and apolitical judiciary?

Senator LeBreton: Our government, like any government, supports an impartial and apolitical judiciary. I fail to see how adding one more individual to an advisory body advising the government on judicial appointments is undemocratic. As a matter of fact, I have had the opposite feedback from people. They believe that it has been too restrictive and are delighted that one additional person will be added to these various selection committees across the country. Who better than a police representative, a person who ultimately works with the justice system and, in many cases, represents the person who has been victimized by crime?

• (1500)

Senator Milne: I have a supplementary question for the Leader of the Government. I believe that the courts have always listened to the evidence before them that is presented by lawyers of the accused, on the one hand, and by the police, on the other hand. Now, the government is asking the police to have a hand in the selection of judges, who must eventually judge the police. I think

this is absolutely wrong and is counter to Canadian democracy. The honourable leader can take that for a question if she so chooses.

Senator LeBreton: Honourable senators, I believe that Senator Milne is suggesting that anyone who is a prosecutor or a criminal lawyer should not be a judge, according to her argument. I have gone through the court process, the Crown presented the case on behalf of the victims, and the defence lawyers presented the case on behalf of the accused.

It does not make sense to me when I hear Senator Milne talk about an impartial judiciary and make the example of police appearing before the courts. Many current judges worked in the judicial system as either prosecutors or defence lawyers before becoming judges. Using the logic of the honourable senator, neither prosecutors nor defence lawyers would be eligible for judgeships.

Hon. Yoine Goldstein: Honourable senators, the hallmark of the judicial system and judges is to act and behave independently. The hallmark of law enforcement officers is to enforce laws.

Can the Leader of the Government in the Senate tell the house if any other countries in the world have law enforcement officers sitting in judgment and determination as to who will sit as a judge in that country?

Senator LeBreton: Honourable senators, many countries in the world do not have a system of judicial advisory bodies. As I mentioned in my answer to the Honourable Senator Milne, I once worked with such judicial advisory bodies. As honourable senators know well, many countries have no such system. I fail to see how adding another individual from outside the legal community to the judicial advisory group would be deemed undemocratic and how that would not be, ultimately, of great assistance to the judicial advisory group in selecting potential judges.

Senator Goldstein: I will make the question more precise. All Commonwealth countries enjoy the same kind of system in respect of the appointment of judges that we enjoy. Can the leader point to any Commonwealth countries that have police determining who will be judges?

Senator LeBreton: That is an interesting bit of history because the judicial advisory system in this country is relatively recent, having been started by the government of former Prime Minister Mulroney. This is not a hard and fast rule in Commonwealth countries but, in response to the honourable senator's question, I will ask the Minister of Justice and his officials to provide the house with models of such countries.

[Translation]

DELAYED ANSWER TO ORAL QUESTION

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I have the honour of presenting a delayed answer to a question raised on November 1, 2006, by Senator Banks regarding the abolishment of the Law Commission of Canada.

[Senator Milne]

JUSTICE

ABOLISHMENT OF LAW COMMISSION OF CANADA

(Response to question raised by Hon. Tommy Banks on November 1, 2006)

The *Law Commission of Canada Act*, which brought the Commission into being, was passed by Parliament and came into effect over one decade ago. To borrow the precise words of Senator Banks, the “express will” of this current Parliament is voiced through the Budget. That budget, which included a promise to cut spending, was voted on and passed in Parliament earlier this year, in 2006, by all parties. Parliament’s will is being carried out right now. Canadians want tax savings. The people of Canada voted this Government into power on the promise of fiscal restraint.

One of the promises in that Budget is to save Canadian taxpayers \$2 billion. The decision to cut funding to the Law Commission of Canada was one of many decisions made on September 25 to comply with the Government’s promise to the Canadian public in the budget to find \$1 billion in spending cuts for taxpayers this year.

Spending efficiencies are a high priority for Canadians. Efficiency was achieved in this case by eliminating overlap and duplication in services. Commissioning independent contractors to do legal research and to conduct public consultations on law reform are both functions that the Law Commission of Canada performed. Various other sectors within Canadian society also have capacity to do both. As the Honourable Minister of Justice stated in his appearance on Monday, November 6, 2006, before the House of Commons Standing Committee on Justice and Human Rights, we believe Canadians would agree that using taxpayer dollars to fund research that was not used nor even requested by the former government, and leaving most of it languishing on a shelf, was a waste of money.

Our goal was immediate savings. By cutting funding to the Law Commission of Canada, Canadians are saving \$4.194 million right now, and that money is now going directly to help pay down the debt.

• (1505)

[English]

PAGES EXCHANGE PROGRAM WITH HOUSE OF COMMONS

The Hon. the Speaker: Honourable senators, before we proceed with Orders of the Day, I am pleased to introduce two House of Commons pages who are participating in the page exchange this week.

[Translation]

Stéphane Doucette-Préville is a student at the Faculty of Health Sciences at the University of Ottawa. Stéphane is from Edmonton, Alberta.

[English]

Julian Gill-Peterson of Burnaby, British Columbia, is enrolled in the Faculty of Arts at the University of Ottawa.

ORDERS OF THE DAY

PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING ACT INCOME TAX ACT

BILL TO AMEND—SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Angus, seconded by the Honourable Senator Meighen, for the second reading of Bill C-25, to amend the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the Income Tax Act and to make a consequential amendment to another Act.

Hon. Wilfred P. Moore: Honourable senators, it is a pleasure to rise today and speak to Bill C-25, An Act to amend the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the Income Tax Act and to make consequential amendments to another Act. Senator Angus has spoken very well regarding this bill when he moved second reading, and, as we are in agreement with the goal of this bill, my remarks will be relatively brief.

Canada is a signatory member of the Financial Action Task Force on Money Laundering which was created in 1989 at the G7 summit in Paris. The task force was created in response to the growth of money laundering worldwide and the threat of it to the stability of international financial systems. The task force has the responsibility of studying money laundering techniques employed by criminals, and the counter-actions used to combat this type of crime both on a national and international level. This information is evaluated and recommendations are made as to what actions need to be taken by the member states to continually update the tools used to combat money laundering.

The task force created a set of 40 recommendations in 1990, which was meant to provide a wide-ranging plan of action to be employed in the fight against money laundering. The task force has expanded not only its membership, from the original 16 members in 1989 to the current 33 members today, but it has also added to its mandate the development of standards required to fight terrorism as well.

Since its inception, the task force has continued to examine the developing trends in money laundering techniques and the manner in which the member countries have complied with its 40 recommendations. In 2003, the task force amended these recommendations and added six special recommendations as well. There have been two rounds of mutual evaluations completed and a third round has commenced. Canada, as you have heard, has been serving as the chair of the task force since July 2006.

Under the current framework of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, there are two separate parts. Part 1 deals with the requirement under the act of financial intermediaries dealing with due diligence, customer identification, record-keeping and the duty to report suspicious and prescribed transactions. Part 2 of the act, which is administered by the Canadian Border Services Agency, includes the requirement to report cash imports or exports over \$10,000 in value.

It is Bill C-25 which will serve to update our regime in the fight against illegal proceeds of crime and also bring us to the standard of the task force's recommendations against which we are being measured. It will also meet the recommendations made by the Auditor General in her 2004 report, specifically in chapter 2, entitled, "Implementation of the National Initiative to Combat Money Laundering."

• (1510)

According to the Department of Finance:

The bill proposes to enhance the provisions of the existing Proceeds of Crime (Money Laundering) and Terrorist Financing Act by strengthening "know your client" standards; closing gaps in the regime; increasing compliance, monitoring and enforcement; and strengthening FINTRAC's intelligence function.

As Senator Angus explained in his remarks, FINTRAC, the Financial Transactions and Reports Analysis Centre of Canada, is the intelligence unit we employ to combat money laundering. Created in 2001, FINTRAC collects and analyzes data and, when deemed appropriate, discloses this information to the appropriate authority, to assist in the fight against money laundering, terrorist financing and/or threats against Canada.

The proposed enhancements to the act include enhanced client identification and record-keeping measures for financial institutions and intermediaries; the reporting of attempted suspicious transactions; a registration regime for money service businesses and foreign exchange dealers; enhancing the information contained in FINTRAC disclosures; creating an administrative and monetary penalties regime; expanding information-sharing between federal departments and agencies; and technical amendments to improve the act.

As honourable senators know, the Standing Senate Committee on Banking, Trade and Commerce was in the midst of conducting the statutory five-year review of this legislation, which resulted in our interim report entitled *Stemming the Flow of Illicit Money: A Priority for Canada*. Thus, we have a good basis already for a renewed study into these proposed amendments. I look forward to re-examining some of the issues we came across during that study in the context of these new amendments.

For example, during the course of our study it was recommended that dealers in precious stones and metals should be required to report to FINTRAC suspicious cash transactions of over \$10,000. This now might be looked into again.

The treatment of lawyers under this act needs further study. We have learned that negotiations between the Federation of Law Societies and the federal government continue. However, as Senator Angus mentioned, we must look deeper into this to fully understand the situation in Canada and internationally in order to deal with any real or perceived gaps.

Our committee also recommended that we look into the \$10,000 threshold contained in the Proceeds of Crime (Money Laundering) and Terrorist Financing Act to determine whether that is an appropriate level for Canada and consistent with other countries.

Also, we recommended that FINTRAC be required to provide information to foreign financial units only in countries that have similar privacy legislation to Canada. This will require more study.

Thus, we are in agreement with the thrust of the legislation and the need to strike a fair balance between oversight and the privacy of Canadian citizens, as well as attempting to treat our business community fairly. It is with this in mind that I urge that we pass second reading of Bill C-25 and move it to the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Angus, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

CONSTITUTION ACT, 1867

BILL TO AMEND—SECOND READING—
DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator LeBreton, P.C., seconded by the Honourable Senator Comeau, for the second reading of Bill S-4, to amend the Constitution Act, 1867 (Senate tenure).

Hon. Catherine S. Callbeck: Honourable senators, I am pleased to take part in this debate in response to Bill S-4, which proposes to limit the tenure of senators to eight years.

I want to first congratulate the government for its stated intention to introduce reforms to the Senate. The Speech from the Throne stated that the government was committed to "explore means to ensure that the Senate better reflects both the democratic values of Canadians and the needs of Canada's regions." I, too, am in favour of reforms that would help to improve the effectiveness of the Senate and its contribution to the people of Canada and its regions.

That being said, however, I cannot support this bill to limit the tenure of senators to eight years. I am opposed to this proposal for one fundamental reason: It represents a piecemeal, incremental, step-by-step approach to reform, the consequences of which are unknown and may lead to creating more problems than they resolve.

Honourable senators, if the Senate is to be truly reformed, then let us do so in a comprehensive way. Real reforms do not happen one piece at a time. They are not carried out in a step-by-step

fashion. They take into account everything that must be considered if real reform is to take place. As the committee report itself has pointed out, we must be careful when contemplating reform to ensure that changes are built on the Senate's institutional strengths.

As I already said, I am opposed to reforms that are carried out in a piecemeal, incremental, step-by-step process. The idea of responsible government in Canada did not take place one step at a time. It involved a fundamental transformation of the relationship between people and their government. The abolition of slavery was not accomplished by extending rights to people one piece at a time. It involved a declaration that henceforth people would live in freedom. The Berlin Wall did not come down one brick at a time. It came down because the reasons for its existence were eliminated, and it brought into being a new world order.

In much the same way, if we are to have Senate reform, let us have real reform. Let us, with conviction and vision, institute the kinds of fundamental measures that are needed to achieve the goals of real Senate reform.

In the words of the Swedish Nobel Prize winner Gunnar Myrdal, "Often it is not more difficult, but easier, to cause a big change rapidly than a small change gradually." We should be debating the big change.

If the Senate is to change, then it must be changed in accordance with the wishes of the people of Canada. The Senate does not belong to us. It does not belong to the Government of Canada. It does not belong to provincial or territorial governments. The Senate belongs to the people of Canada, and it is they who must be involved in any reform.

That means the people of Canada need to know more about the Senate, why it exists and what it does. The Senate is perhaps one of the least understood of our public institutions. Most Canadians are unaware of the significant contributions the Senate makes to our parliamentary process, because these contributions do not make for interesting stories in the media. As a result, Canadians do not hear about the Senate's role in reflecting minorities, such as First Nations and Inuit. Many do not know that the Senate was established to represent the regions of this country. Canadians are not made aware of the valuable work of the Senate in contributing to the development of public policy.

We should not be proceeding with changes in the character and nature of the Senate without the informed involvement of the people of Canada. Therefore, before we proceed to tinker with some fundamental characteristics of the Senate, its membership and its functions, let us first ask Canadians what they want to see in their Senate. Let us find out from the people of this country what kind of Senate they want.

We also need more consultations with other jurisdictions. Let us hear more from the provinces and territories about their ideas and expectations of Senate reform. After all, the Senate was established in the first place to represent the regions, and to protect and promote their interests and needs.

In short, I am saying that any Senate reform should not proceed without more involvement and participation from the provinces, the territories and the people of Canada. As a representative of

the Government of Saskatchewan told the committee studying Bill S-4, the process of Senate reform must engage Canadians in a dialogue that would define a purpose for comprehensive reform.

• (1520)

There is another important reason for not proceeding with Senate reform on this kind of a piecemeal basis. As many members have mentioned, the specific measure that has been proposed raises a fundamental constitutional question. While I recognize that opinions are divided on the question of whether Parliament can proceed on its own with implementation of Bill S-4, it is very likely that the constitutional question will arise. That is because a proposal to limit the tenure of senators could fundamentally change what has been termed the "essential characteristic" of their independence. The "essential characteristic" of senators is a reference to their independence and the terms of their appointment. It can be argued that limiting the tenure of senators raises a constitutional question regarding their independence.

This view is supported by the Supreme Court of Canada. In 1980, the Supreme Court responded to a reference case brought before it concerning the legislative authority of Parliament in relation to the upper house. At that time, the Supreme Court ruled that:

...it is not open to Parliament to make alterations which would alter the fundamental features, or essential characteristics, given to the Senate as a means of ensuring regional and provincial representation in the federal legislative process.

Limiting the tenure of senators could indeed change the nature of their representation in the federal legislative process. That may be the view of some Canadians and, consequently, a constitutional challenge to the proposal may arise. That is why it is so vitally important that the process of reform is one that conforms to constitutional requirements. It is not at all clear that Bill S-4 does that, and the very fact that there is a possibility of a constitutional challenge must be acknowledged and dealt with.

There is a further reason that I cannot support Bill S-4, and that is the interrelationships within which the Senate operates. The Senate does not exist in isolation from other aspects of the parliamentary system, the courts, the executive branch of government or other provincial and territorial governments. It does not operate apart from this country's political processes. Any changes to the Senate must be considered in relation to other aspects of our governmental and political system.

The simple fact is that we do not know fully what the implications of this proposed reform will be. There are still questions that need to be answered. Are the terms renewable? If they are, what does that mean in terms of giving greater power to the Prime Minister? In what way does that affect a senator's independence? It has even been pointed out that term limits, in themselves, would not result in much real improvement.

The government has suggested that limiting the term of senators is part of the beginning of a process which will ultimately see the election of senators. If so, how will they be elected? Will elections be held at the same time as elections to the House of Commons? How will elections ensure that the traditional makeup of the

Senate, in terms of minorities, will be maintained? Will elections take place on the basis of proportional representation, as some have suggested? If senators are elected, how will this affect the relationship between the Senate and the House of Commons? Could it lead to deadlocks? Will the capacity for non-partisanship and sober second thoughts be reduced? Will the election of senators result in greater political party influence and more attention to constituency duties?

The Prime Minister has said that Bill S-4 may be followed by later steps. What are those steps? Are they steps that Parliament can take on its own, or in consultation with provinces and territories? Do they involve constitutional changes? Again, are we committing ourselves to a process of piecemeal changes; changes that, when taken together, could create more problems than they resolve?

There is certainly no unanimity among the provinces and territories on Senate reform. We certainly have not heard from Canadians on their preferences. We must be careful about how we proceed lest we make some irrevocable mistakes. We must be careful about tinkering with an institution that has demonstrated its durability for more than a century.

Honourable senators, as I have attempted to explain, the proposal before us may leave us with more questions than answers. This legislation has come before us with little consultation with the provinces and territories. There have been no real consultations with the people of Canada. The approach to Senate reform must take into consideration the future role of the Senate as part of Canada's governmental and political structure.

I strongly believe that we must always be open to reforms. However, we must be wary of reforms that are politically inspired, constitutionally suspect and that threaten to undermine the historic roles and responsibilities of the Senate.

My principal objection is based on my belief that if we are to achieve real reform, we must do it with a comprehensive, broad-based approach. I must strongly object to reform on a piecemeal, step-by-step basis. That is no way to achieve real reform.

On motion of Senator Milne, for Senator Grafstein, debate adjourned.

HERITAGE LIGHTHOUSE PROTECTION BILL

SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Carney, P.C., seconded by the Honourable Senator Murray, P.C., for the second reading of Bill S-220, to protect heritage lighthouses.—(*Honourable Senator Rompkey, P.C.*)

Hon. Bill Rompkey: Honourable senators, I will not take up a great deal of the time of the house. This bill has been around for some time now, in several incarnations. I, like Senator Comeau, want to pay tribute to Senator Forrestall, who first began the introduction of the bill and pursued it energetically. I recognize

his efforts, and I hope we will agree to support his cause. It is an important cause for people on both coasts.

Lighthouses are and have been associated with marine life for many years — for decades, indeed centuries. I think they need to be preserved. I cannot think of another example of an item that reflects our marine heritage better than a lighthouse.

Some of them are preserved already. I can think of a number that I have encountered in the past few years where people have made a good job of preserving such heritage lighthouses and thus their effect on our culture. I can think of one on the northern peninsula of Newfoundland, which happens to be on an island. Senator Comeau referred to how many of them are on land and not on islands, and some are. One that is on an island on the northern peninsula has been turned into a bed and breakfast inn and has been doing well as a tourist attraction. That one is privately owned. I can think of another in Trinity Bay that is on a walking trail and again reflects the heritage and culture of that region in a meaningful way. The one at Cape Spear, the most easterly point in North America, is preserved as part of Parks Canada heritage and is part of a national park. There are several manifestations of how we can preserve lighthouses on both the east and west coasts.

I want to stand to support Senator Carney. She is snowed in in British Columbia today and cannot be here. On her behalf, I would now move that the house do approve this bill, and that the bill be referred to the Standing Senate Committee on Fisheries and Oceans.

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.

• (1530)

REFERRED TO COMMITTEE

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

On motion of Senator Rompkey, bill referred to the Standing Senate Committee on Fisheries and Oceans.

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

EIGHTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the eighth report of the Standing Committee on Internal Economy, Budgets and Administration (committee budget—legislation), presented in the Senate on November 23, 2006.—(*Honourable Senator Furey*)

Hon. George J. Furey: Honourable senators, I move the adoption of the report.

Hon. Terry Stratton: For the record, will Senator Furey indicate whether any of the budgets being submitted for approval today contain significant travel?

Senator Furey: No. This report refers only to the economic increase for senior executives, bringing them in line with Treasury Board guidelines.

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

Motion agreed to and report adopted.

AGRICULTURE AND FORESTRY

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

The Senate proceeded to consideration of the fourth report of the Standing Senate Committee on Agriculture and Forestry (budget—study on the present state and the future of agriculture and forestry in Canada—power to hire staff), presented in the Senate on November 23, 2006.—(*Honourable Senator Fairbairn, P.C.*)

Hon. Joyce Fairbairn moved the adoption of the report.

Motion agreed to and report adopted.

BUDGET AND AUTHORIZATION TO ENGAGE SERVICES AND TRAVEL—STUDY ON RURAL POVERTY—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fifth report of the Standing Senate Committee on Agriculture and Forestry (budget—study on rural poverty in Canada—power to hire staff and travel), presented in the Senate on November 23, 2006.—(*Honourable Senator Fairbairn, P.C.*)

Hon. Joyce Fairbairn: Honourable senators, I move the adoption of the report.

Hon. Terry Stratton: Honourable senators, I believe that this report on the study of rural poverty involves significant travel throughout the country.

Senator Fairbairn: That is correct. The Standing Senate Committee on Agriculture and Forestry has undertaken this work at the initiative of Senator Segal and also because it has been an issue of interest for our committee for a number of years. Rural poverty is one of the major economic and social issues in this country. We have been holding hearings here in Ottawa this fall to hear from those who have informed themselves on this issue.

It is our plan for the new year to travel to where rural poverty exists. The committee does not wish to pick and choose but rather wants to visit every province and territory of this country so that, rather than just hearing statistics, we can listen to people from communities that are at tremendous risk. That is why the issue of travelling arises.

We are very careful with our funds. We are not traveling outside the country but will instead use video conferencing.

The answer to the honourable senator's question is that we are travelling.

Senator Stratton: Honourable senators, I stated in the Internal Economy Committee that I will not support travel for any committee until we have a proper reporting system in place subsequent to the travel. When a committee returns from a trip, we hear from the table officers only that the committee was under budget. I believe we must ensure that the chamber understands how the money is spent on each trip.

On that basis, while I approve of the trip for this excellent study, I cannot support the motion.

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

Some Hon. Senators: Agreed.

Senator Stratton: On division.

Motion agreed to and report adopted, on division.

NATIONAL SECURITY AND DEFENCE

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

The Senate proceeded to consideration of the fifth report of the Standing Senate Committee on National Security and Defence (budget—release of additional funds (study on the need for a National Security Policy)), presented in the Senate on November 23, 2006.—(*Honourable Senator Kenny*)

Hon. Colin Kenny: Honourable senators, I move the adoption of the report.

Hon. Terry Stratton: Honourable senators, I cannot support this motion for the same reasons I gave with respect to the report of the Agriculture Committee.

I believe that the cost of the planned trip is in the neighbourhood of \$133,000. Senator Kenny said in *The Hill Times* recently that the first trip of the committee to Europe and the Middle East was significantly under budget. I believe that the original budget for that travel was from \$238,300 to \$242,8000.

Could Senator Kenny explain how that first trip was significantly under budget? The chamber cannot consider the cost for the second trip in isolation from the cost of the first trip. It cost the Canadian taxpayers a significant sum of money. I would like an explanation of how the first trip came in significantly under budget so that we can understand and consider the trips in combination.

• (1540)

Senator Kenny: I would be happy to do my best to answer that question. It is frugality. The committee is very careful with how it spends money. The honourable senator, as chair of the budget subcommittee, has established a formula, and we follow the formula precisely when submitting the budget. We proceeded to

under spend what we were required to submit in the original budget. That explains the fact that we came in under budget.

Senator Stratton: My second question will be how many senators went on the trip? As I understand it, there were four. However, the budget clearly calls for seven senators to travel, and the cost for each airline ticket is budgeted at \$18,000. If only four senators travelled, that means you had a surplus in your budget of \$54,000 for airfare, plus the savings on hotels, per diems and incidentals. Without stretching too much, the cost savings were significant indeed. If you knock \$60,000 off the roughly \$240,000 originally budgeted, you come in at \$180,000 for the trip. It is significantly under budget but does not reflect any frugality that I can see, unless the honourable senator has a better explanation than I do.

Hon. Anne C. Cools: I am not too sure, but I suppose the last senator was asking questions. At first I thought he was rising to speak. Was that to be taken as a speech?

Senator Stratton: I was asking a question.

Senator Cools: I wanted to ask a question of the last speaker, who was Senator Stratton.

Senator Stratton: You cannot do that, Senator Cools.

Senator Cools: May I? I understood Senator Stratton to say that he is disagreeing with any further committee travel. I am not quarrelling or taking issue with that statement. My question of concern deals with his statement, and I do not remember his exact words, but something to the effect that he is not prepared to agree to this report because there is not a proper financial reporting process in place. Am I correct; is that what he said? Maybe I misunderstood.

Hon. David Tkachuk: Point of order.

The Hon. the Speaker: Senator Tkachuk.

Senator Tkachuk: This is unusual procedure. Senator Stratton asked a question of Senator Kenny. Senator Kenny did not reply to the question. Senator Cools then asked a question of Senator Stratton, who did not make a speech but asked a question. If Senator Cools wants to get in on the debate, she should be asking Senator Kenny a question. The honourable senator should not be asking the questioner a question, unless we are changing the rules. We will go on from there.

Senator Cools: I am not asking the questioner a question. There is no point of order.

Senator Tkachuk: I raised the point of order. The Senate does not belong to you. The Senate belongs to all of us.

Senator Cools: I know that; I belonged before you.

The Hon. the Speaker: On the point of order of Senator Tkachuk. Are there any further comments?

Senator Cools: The point of order names me directly, honourable senators. I was attempting to clarify from Senator Stratton if I heard correctly. I had not asked him a substantive question; I was merely seeking a clarification that what

I understood was what he said and what he meant. There is no other way to seek a clarification of what a senator meant or said than to ask him. That is the nature of debate of this chamber. We must address each other, speak to each other and are free at any given moment to ask each other a set of questions.

I understand Senator Tkachuk has couched this as a point of order. I fail to see what the point is, and I fail to see what the question of order is, because what is before us is a motion moved by Senator Kenny. A speech was not made by Senator Kenny. Senator Stratton rose and outlined, before he asked questions, a state of disagreement with some travel and then raised a question that concerned all senators, which is the nature, quality, or standard of financial reporting of committees in respect of travel.

Until it can be clarified that I heard correctly, I may be in danger of misinterpreting the honourable senator and repeating the same mistake I might have made previously, which is a terrible predicament to be in and one I would think somebody would want to correct.

Therefore, I do not see what the point of order was. I do not see that my question was in any way out of order. My question, as I said before, had to do with a clarification: Did Senator Stratton say what I thought he said? If he did not, I would like to know what he really said.

It is not right for me to have to ask the Speaker of the Senate to clarify what Senator Stratton said. This is the Senate; it is not the House of Commons. Therefore, I may be forced to repeat to Senator Stratton, but the issue before us is as clear as mud right now because my question to Senator Stratton is not out of order.

There can be no point of order around the fact that I, a senator, asked for a clarification as to what Senator Stratton meant because I did not say anything substantive. It was merely attempting to clarify what was actually said. Therefore, there is nothing for the Speaker to rule on.

I hear my honourable friend Senator Angus running a commentary on me. He does it a lot. It is not a nice thing to do, but he does it a lot. A few days ago he said a few things about me that I would not repeat.

Honourable senators, if I have something to say, I will get on my feet and say it and face the house and take responsibility. I invite all senators who feel compelled to say something to get to their feet and take responsibility. Quite frankly, in life, it is not difficult at all.

If the Honourable Senator Angus has something to say about me, he should rise and say it so we can all hear it.

Some Hon. Senators: Hear, hear!

The Hon. the Speaker: Honourable senators, Senator Tkachuk was trying to ascertain whether the debate we are having on the report before us was proceeding with a good degree of order. There was some question about a practice that has been ours, particularly in dealing with reports, whereby the chair of the committee is questioned often because he or she has special technical information.

I thank Senator Tkachuk for raising the point of order because it was important at this juncture to bring order to this matter.

Senator Cools is also right because Senator Cools was rising to make question and comment, provided by the *Rules of the Senate*, of an intervention by Senator Stratton. With respect to questions and comments after an honourable senator speaks, certainly, comments can be made and a question can be raised, but there is no obligation on the honourable senator who has spoken to answer the question.

• (1550)

Therefore, honourable senators, we are in debate, and it is a debate on the report of a committee. The practice of the house has been to allow some flexibility for purposes of technical information from a chair. However, it is debate, and these things are much better resolved through debate than by any intervention of the senator who sits in this chair.

Senator Stratton: I will go through the process again. Senator Cools may not have been in this chamber or she may have been temporarily absent at the time that I gave the original explanation to the chair of the Agriculture Committee.

What I had stated was that we need to have a proper reporting system in place post-trip, in other words, after a committee has returned from a trip, because right now all we are told is that the committee took the trip, that they came back, that they were under budget and that there is a clawback. As chair of the Subcommittee on Budgets and Administration, I feel strongly that we need a better system, such that we can look at the breakdown of the budgets.

For example, as I said to Senator Kenny on his original travel for September 2006 to the Middle East and Europe, the budget clearly stated that seven senators were budgeted for \$18,000 each to travel business class on that trip. The fact of the matter is that only four senators travelled, leaving a surplus of \$54,000 plus the per diems, incidentals and hotel accommodations for three senators who did not travel. I had identified simply that there would be a projected saving of some \$60,000 on a budget of \$240,000, because Senator Kenny had come back and, in an article that appeared in *The Hill Times*, he said that his committee was significantly under budget by something like \$55,000.

Senator Kenny then responded to my original question, saying that they had done it through frugality. I have not received an explanation from him as to how they achieved these savings through frugality.

Therefore, I feel it is important for this chamber to understand and have a proper reporting upon the return of any committee after it travels, in that they account for how the money in each category was spent, for example, on air transportation, ground transportation, per diem, incidentals, hotel accommodation, miscellaneous and others. That is the only way in which we can properly understand and control expenditures. It would help everybody to better understand the process.

Senator Cools: I thank the honourable senator for that explanation. I was here when the honourable senator provided that statement to Senator Fairbairn's remarks. I listened carefully

at that time to everything that the honourable senator said. The only thing I was a little bit uncertain about was whether he had talked about a proper reporting process or a proper reporting system. That is what I was trying to get at in my previous question, which was transformed mysteriously into a point of order.

Senator Stratton has raised a couple of other issues. For example, he talks about the committee's coming back under budget, and so on. However, when someone chooses to engage in a dialogue and places particular words before us, those words have a way of inviting different kinds of thoughts and different kinds of mental considerations. The words that he used just now were "proper reporting system," so he was suggesting that, somehow or other, the existing reporting systems are improper. Further, because they are improper, somehow or other they are not only insufficient but there is also an impropriety. The reason for questioning this is that one can think that reporting systems may be insufficient, one can think that they may be inadequate, but it is another thing to suggest that there is an impropriety or that they are improper.

I just wanted to ensure that I understood the difference, that I heard it correctly. If there is a lack of propriety in our reporting systems, first, it would come as quite a surprise to me. I would be shocked, and I would be the first person to want to condemn that. However, in all my years of service, I have found, frankly, that the business of getting the Internal Economy Committee or senators in general to agree to the expenditures and budgets of committees is no simple process but is, quite often, a fair one. I am surprised to hear this process is somehow or other being impugned in the honourable senator's comments. That was what I wanted to state. It is one thing to agree; it is another thing to disagree but something else yet again to impugn and to question the propriety of another senator's actions.

In any event, I was hoping for some clarification in that respect. Maybe it is my own naivety in a sort of way. If there is inadequacy in the systems, I am sure we will want to move forth to correct that. In the meantime, I would say there is no impropriety, from my impression of things. I do not think it is very fair to senators to use words that invite or invoke suspicion, or even create the hint that somehow or other there is an impropriety in expenditure.

In any event, while I am on my feet, I might as well thank Senator Kenny for his good and excellent work in the field of defence and security. I will not name the individual, but yesterday I had a meeting with an individual in my office and, of course, the honourable senator's name came up. This is someone whom I would describe as an authority on defence and security in this country, and he personally conveyed to me, as I to him, the view that the Honourable Senator Kenny's contribution in the field of defence and security in this country has indeed been profound, and that this committee has brought home to Canadians the importance of defence and security and a real comprehension of the seriousness of these issues. I thank the Honourable Senator Kenny for that.

In any event, honourable senators, I see no signs of impropriety in the reporting system. I would just like to put that on the record.

The Hon. the Speaker: Further debate?

Hon. Tommy Banks: Since we are in debate, Your Honour, I wish to associate myself with the remarks that Senator Cools has just made — not always with their length, but with their point.

I would say to the Honourable Senator Stratton that no one appreciates any more than anyone else in this place the importance of propriety, transparency and the adjudication of what Senate committees do by the Senate, directly on the floor here, and by this committee of Internal Economy. That committee, as the honourable senator knows, applies glaring scrutiny when senators appear before it as chairs of committees to answer not only what we are about now and what is in the present application, but also what we did last time. I have been in that position, so I know that to be true.

• (1600)

I can speak with a certain objectivity here. I do suggest that we did not, in the Standing Senate Committee on National Security and Defence, spend \$18,000 on each of those airplane tickets and that we saved more than \$60,000 on that trip by means which can be reasonably described as frugality, great care having been taken.

The committee of which I have the honour to chair is not contemplating travel this year and therefore came before the Internal Economy Committee, as honourable senators will recall, with a budget that contained no travel, but it has travelled before and will do so again.

All the members of my committee are more than 21 years old and have been around here longer than I have. I trust their judgment when they decide upon a work plan and its approval, which they make unanimously before we go to the budgetary subcommittee, and the propriety of what we will do and the associated costs. Those things are discussed at great length in our committee, which is why our applications made to the Standing Committee on Internal Economy, Budgets and Administration for funds are unanimous.

I am curious to know what the honourable senator has in mind by way of an adjudication or a judgment being made after the fact as to what a committee did and whether it spent that money properly on a work plan that had been approved first by the budget subcommittee, then by the Standing Committee on Internal Economy, Budgets and Administration and then by the Senate, here on the floor of this chamber.

What group of senators will place themselves in a judgment that is superior to that process? What process could possibly put into place a group of senators who are wiser and better adjudicators of what my committee or any other committee has done in the course of its work? Every senator among us is better equipped than I to make that judgment, but which honourable senators among us are better equipped than a committee itself to make that judgment and then to justify that judgment and what it did before the Standing Committee on Internal Economy, Budgets and Administration when it next applies for money?

I do not think that there is such a thing, and if there is, I think that the honourable senator should put forward a proposal to say: Here is the board before which a committee should be obliged to go to explain what it did before it can apply for more money from the Senate to do its job.

Senator Stratton: In explanation, Senator Banks, no one is questioning. As I said to honourable senators before, when I started this whole process, both with the Chair of the Standing Senate Committee on Agriculture and Forestry and with the Chair of the Standing Senate Committee on National Security and Defence, I do not question the trip. That is the decision of the committee. The committee develops the budgets. That is the responsibility of the committee.

The responsibility of the Subcommittee on Budgets and Administration is to examine and critique those budgets. It is not a very nice responsibility, but it is something that has to be done. Prior to the trip, we approve the budgets to allow the committees to do their work and prepare for their travel.

The problem occurs upon return from the trip. One can go into the detail if one wishes, but there needs to be a reporting system. As Senator Kenny has said, it is a no-brainer really. When the committee returns from the trip, the formal budget having been approved, including the number of senators travelling, the cost of airfare for senators and support staff, as well as the cost of hotels and per diems, we have a detailed line-by-line entry. However, upon return there is nothing. We are simply told that the committee is under budget.

It would help everyone if we had a process whereby committees do a highly detailed line-by-line submission for budget approval and a column outlining the budget for each category. When the committee comes back, it will simply say, "Here is the actual for each category." The third column would be the variants for each category. There is nothing wrong with that system of reporting. It is a very simple process. It gives confidence that the committees not only went and did good work, but they did it efficiently and cost-effectively.

When we discussed this issue in the Internal Economy Committee, I did not hear any objections about our doing that type of reporting. As a matter of fact, committee members were supportive of doing it because it gives transparency to after the fact that is not there now. I think that is important for this chamber at this stage.

Senator Banks: I suspect that it would be a good idea for senators, including Senator Stratton, to have a look at — and I think some of us are familiar with it — the process by which committee clerks account to Senate Finance for every dime that is spent on committee travel. It is a system of scrutiny of the highest order. The information is made public every year. This system is already there, without putting into place another form of reporting when we come back from a trip. It is always difficult to put into committee budget applications in April the numbers that will apply to what is being done in September. That is not easy to do.

Hon. Peter A. Stollery: Honourable senators, I want to say a few words because I am also on the subcommittee that approves budgets. I appreciate Senator Banks' comments that we clear up any idea that there is some impropriety. There is a subtle story going out that there is impropriety in the way we conduct our business, and that is not so.

I want the public to understand that a committee decides the business it will undertake. The staff of the committee carefully draft a budget if a budget is required. The budget then must be

carefully reviewed and approved by the committee. The budget then comes to the subcommittee of which I am currently a member, along with Senator Stratton. In this instance, I voted to approve these budgets because the Senate has business to do. It would be irresponsible of me if at the last moment I added some spurious condition to a system that has been so carefully thought out. The impression here is that there is an impropriety, and that is not true.

The public probably does not understand that committees often have to budget for more than they spend because of rules. Normally when a committee travels, fewer people travel than are anticipated, but the budgetary system has to contemplate people travelling. If they do not travel, then of course the money is not spent and that is the end of the matter.

• (1610)

We have an extremely able staff in Senate finance. I do not like the smirks on the faces of some honourable senators; they are not appreciated because we are discussing important Senate business. An impression is being created that people are doing things that are illegitimate. I do not like that, and I do not think any honourable senator should like that either.

The fact is we have an extremely careful procedure. There is a proposal that we get the staff to do what they already do, which is to take the monies that have not been spent, and explain why they have not been spent. All of that information to which Senator Stratton referred is available. There is no secret about this issue.

Honourable senators, I resent strongly, and I think all honourable senators should resent strongly, the implication that impropriety is taking place when, in fact, we have an extremely careful system. Reputations on both sides of the chamber are being attacked and I think that is wrong and I want to say that this afternoon.

Hon. Joan Fraser (Deputy Leader of the Opposition): Honourable senators, I have a comment for Senator Stollery. As I listened to Senator Stollery outlining the process we follow in order to get authorization and budgets, I do not think he mentioned that, with the exception of two committees, before other committees can submit a budget to the Standing Committee on Internal Economy, Budgets and Administration, they must have authorization from the Senate to undertake the study or examine the bill, as the case may be, to seek funding. Let the record show that the honourable senator is nodding.

Senator Stollery: I would just like to say, yes, before anything happens and the Senate has to approve the whole project.

Hon. Hugh Segal: Honourable senators, I am one of those who have been here for the least amount of time, so I am observing this as both a political and anthropological engagement. It strikes me that we are not discussing the elephant in the room. It also strikes me that on neither side of this august chamber is anyone suggesting any malfeasance, inappropriate activity or misuse of funds. I do not believe that has ever been suggested on either side.

Let me ask a rhetorical question, as someone who has no particular interest in this matter. As I hear Honourable Senator Stratton speaking, it strikes me that the apparent concern is that if

funds are allocated for any committee to travel and if only a few of those people travel, that leaves a surfeit of funds. In some circumstances, if those funds are not immediately reallocated back in the central budgets of this place, that would give the chairman of any committee the option to use the funds in another fashion. I do not suggest that fashion is inappropriate, nor do I know if that has ever happened or would happen, but perhaps when Senator Kenny speaks at the end of the debate he may address that question, if it is, in fact, the measure of concern.

This comment may strike everyone as deeply naive and not sufficiently testosterone-full for the nature of this specific debate, but it strikes me that when two Canadians bump into each other they always say "sorry." They do not know what they are sorry for, but it is a general expression of courtesy.

As I have watched this debate develop over the past few weeks, it has struck me that what we are missing is perhaps an honourable senator on that side who has nothing to do with the Defence Committee, and perhaps someone on this side who has nothing to do with the Internal Economy Committee, to simply stand up and say "sorry" so we can get on with the nation's business in some constructive fashion.

Hon. Wilfred P. Moore: Honourable senators, as I rise, I want to be associated with the remarks of Senator Stollery. The implication by Senator Stratton is that at the end of a committee's work we do not know what has happened with the money or what work the committee accomplished. It is as if there is something unreported, something incomplete, with all of the numbers. The clerk files those numbers with Senate finance. You can go there and look at any of the reports that are filed. They are as complete as can be. As to the work of the committees, that work is documented in the reports that are filed with this chamber after the work is complete.

As Senator Segal mentioned, if there is any money left over following a particular study, those monies all go back to the central Senate Finance Committee reserve. They are not something for a committee to take on to itself and use for something else. You cannot do that, as I understand it.

Senator Stratton: I would like to offer a brief response and it is simply this: When we do budgets for committees, they are highly detailed and they are transparent. On the other end, the reporting is not. I am simply saying, for the sake of this chamber, that if we can be highly detailed and transparent going in, surely to goodness we can reflect what was going out. That is all I said. I did not mean to impugn anyone.

I am simply saying that if we can be open and transparent going in, then perhaps the committee should file a report at the end of its trip saying here is what we budgeted for and here is what actually took place. What can be wrong with that?

Senator Moore: That is for the clerk of the respective committees. They file that information. You should take the effort to do that rather than continue to impugn the reputation of the members of the various committees.

I know what he said a couple of weeks ago. Senator Stratton has not apologized. Do not tell me that nothing has happened here of any significance. All you have to do is go to finance and

look up the records. Spend your time doing that rather than saying that nothing is being done or the records are left uncompleted and there is something untoward.

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?

Some Hon. Senators: Agreed.

Some Hon. Senators: On division.

Motion agreed to and report adopted, on division.

STUDY ON PRESENT STATE OF DOMESTIC AND INTERNATIONAL FINANCIAL SYSTEM

INTERIM REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE ADOPTED

On the Order:

Resuming debate on the consideration of the tenth report (interim) of the Standing Senate Committee on Banking, Trade and Commerce, entitled: *Passports and PASS Cards, Identity and Citizenship: Implementing the WHTI*, tabled in the Senate on October 24, 2006.—(Honourable Senator Angus)

Hon. W. David Angus: Honourable senators, I rise today to speak on the tenth report of the Standing Senate Committee on Banking, Trade and Commerce entitled: *Passports and PASS cards, Identity and Citizenship: Implementing the WHTI*, the Western Hemisphere Travel Initiative, which was tabled October 24, 2006. I do so especially since the work which led to this report has already had a refreshing and significant measure of success in Washington.

The WHTI was first introduced and announced by the United States Department of Homeland Security and the U.S. Department of State in April of 2005. It forms part of the American Intelligence Reform and Terrorism Prevention Act of 2004, also known as the 9/11 intelligence bill.

• (1620)

This American bill grants powers to the Secretary of Homeland Security, in consultation with the Secretary of State, to develop and implement a plan as expeditiously as possible to require a passport or other document, or combination of documents, deemed to be sufficient to denote identity and citizenship for all travel into the United States by United States citizens, and by categories of individuals for whom documentation requirements have previously been waived under specific sections of the Immigration and Nationality Act — namely, U.S. citizens themselves returning to the United States, travellers from Canada and Bermuda, and some travellers from Mexico. Those travellers have heretofore been allowed to show other proofs of identification, such as drivers' licences or birth certificates.

[Senator Moore]

Honourable senators, under the WHTI, all travellers to the United States from the Americas, the Caribbean and Bermuda would be required to present a passport. However, because of a recent congressional amendment to the 9/11 intelligence bill, signed into law by President Bush in late October after our report was tabled here, the implementation date for sea and land travel has been delayed until the earlier of June 1, 2009 or three months after the secretaries of Homeland Security and State have jointly certified that specific security measures for travel documents have been established.

However, as of January 23, 2007, even U.S. citizens returning home will henceforth be required to show passports. The interesting thing in this regard is that the committee heard evidence to the effect that fewer than 20 per cent of U.S. citizens hold a passport or have ever held a passport — in other words, have any passport record at all. In terms of land and sea travel, and the people who come across the border for a convention in Kelowna or somewhere, going back the other way, you can just imagine the disruption that might occur if suddenly these folks who have been travelling all their lives without a passport suddenly have to produce one.

As Michael Chertoff, Secretary of Homeland Security said, the ability to misuse travel documents to enter the United States opens the door for a terrorist to carry out an attack. In this spirit, it was obvious to the committee that the United States authorities are committed to bringing in these requirements sooner or later. That is why we were so gratified to learn that our efforts to obtain a delay on implementation and to have further study of the situation have been granted at least in the case of land and sea travel.

Honourable senators, as I say, we were delighted to hear of this deferral. The reason for the standing committee's study was its concern, last spring, when it appeared that there was no chance of obtaining a delay. In fact, the date of January 8, 2007 was the date that we would be dealing with. Accordingly, in June, we decided to meet with and hear from over a dozen witnesses from both Canada and the United States on this important issue.

At the same time, members of the Canada-U.S. Interparliamentary Association here and in the U.S. met in Charleston, South Carolina, to discuss ways and means of softening the potential blow of the WHTI as originally drafted. Both Senator Grafstein and I spoke on the matter at the time and after our return from Charleston.

At our committee's hearings, the distinguished list of witnesses included Michael Wilson, the Canadian ambassador to the United States; Representative Louise Slaughter, who represents a New York border district in the House of Representatives; the Canadian and U.S. chambers of commerce; and the Canadian Manufacturers and Exporters Association. Honourable senators, during the committee's hearings, it was clear to the members of the Standing Senate Committee on Banking, Trade and Commerce that the United States' powers-that-be had no intention of backing down from the substance of the WHTI. There was, however, evidence of some flexibility respecting the timing of implementation for land and sea travellers to the U.S. As the committee was told by Representative Slaughter:

In the post-9/11 world, it is indeed imperative that we know that those who enter our countries are who they say they are, mean us no harm and have the secure documents to prove it.

I might say that we also heard a lot of evidence to the effect that it is very easy to get in and out of Canada and/or the United States without going through these border points; and that these particular requirements could well be an overreaction in terms of post-9/11 security. However, the reality is that there was no indication, and there is still no indication, that the U.S. authorities are backing off.

We are proud of the efforts of Canada's parliamentarians in pushing for the delay in the implementation date, and for disseminating wider information about, and publicity and education concerning the proposed new measures. After all, honourable senators, it was realized that these new measures would come into force sooner or later. It is important for Canadian residents and businesses, as well as those in the United States, to be well informed and prepared to operate once they do.

Keeping this in mind, honourable senators, the Banking Committee, in its report, stressed the importance of ensuring that the WHTI be implemented at a time and in a manner that minimizes disruptions to the legitimate movement of people and goods across the Canada-U.S. border. The report contains a number of important recommendations to ensure just that. For example, they include: first, that the government should aggressively pursue the identification of NEXUS and Free and Secure Trade, or FAST cards, as approved documents by the U.S. departments of Homeland Security and State; second, that the federal government and the U.S. departments of Homeland Security and State implement pilot projects at major land border crossings on the Canada-U.S. border before WHTI-related requirements, projects and technology are deployed more broadly; third, that the federal government and the U.S. departments of Homeland Security and State develop appropriate protocols that will apply when U.S. residents lack approved documents to return to the U.S. from Canada; and four, that the federal government and the U.S. said departments convene round tables with relevant stakeholders in both countries to develop and implement an awareness and outreach campaign.

The committee, honourable senators, was also strongly of the view that attention should be brought to the fact that serious impacts could be felt by residents of integrated communities along the 49th parallel: people who daily cross the border to go to work, to school or to the library, or to shop and to attend sports or cultural events. These people will, or could be, seriously impacted by the provisions of the WHTI as it now stands, and whose implementation has now been delayed.

Should the implementation of the requirements be too costly or bothersome or cumbersome for the people involved, then important economic aspects and impacts will be felt on both sides of our shared border. To illustrate some of the potentially negative or possible economic implications of the WHTI, the U.S. Chamber of Commerce came to the committee and informed us that there were 34.5 million visits by Canadians to the U.S. in 2003, which had a \$10.9 billion impact on the American national economy. At the same time, fewer than 40 per cent of Canadians hold passports, and an even smaller percentage of Canadian children do.

This gentleman from the U.S. Chamber of Commerce continued to say:

If you are concerned about Americans coming to Canada and then not being able to go back, the statistics are even more dismal. Less than 20 per cent of the overall American population has a passport record. That does not even mean passports; it means that at least at some point in their lives, they had a passport.

• (1630)

Honourable senators, trade with the U.S. is critical to Canada's economic welfare. We must strike a balance between our mutual security and the economic consequences. We must do everything we can as legislators to prevent any disruption to our Canadian businesses and we must try to minimize as much as possible the inconvenience to our Canadian residents while, of course, keeping our borders safe and secure from terrorism and other illegal activities.

I urge all honourable senators to read the tenth report of the Banking Committee.

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

Motion agreed to and report adopted.

PUBLIC SERVICE EMPLOYMENT ACT

BILL TO AMEND—REPORT OF COMMITTEE— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Day, seconded by the Honourable Senator Banks, for the adoption of the fourth report of the Standing Senate Committee on National Finance (Bill S-201, to amend the Public Service Employment Act (elimination of bureaucratic patronage and geographic criteria in appointment processes), with an amendment), presented in the Senate on October 3, 2006.—(*Honourable Senator Stratton*)

Hon. Terry Stratton: Honourable senators, at the outset, I will congratulate Senator Ringuette for her success in getting this bill to third reading. Elimination of the regional areas of selection is an issue that she clearly holds dear to her heart and one that she has consistently raised in the National Finance Committee since coming to the Senate.

Senator Ringuette was not satisfied with the progress made by the former Liberal government and, apparently, is not willing to accept the significant steps that the Public Service Commission is taking towards ensuring that most jobs open to the public are open to all Canadians no matter where they live.

Before the Senate gives this bill third reading, there are a few observations that I will put on the record, noted as areas that the other House might want to take a closer look at in the bill. First and foremost, the bill has a coming-into-force clause and, as a result, it will come into force upon Royal Assent. There will be no

opportunity for the Public Service Commission of Canada to phase it in. Indeed, the PSC has already found that removing regional restrictions is easier said than done, and has taken a gradual approach to increasing the number of advertised jobs open to the public, regardless of where they live. The Liberals voted down an amendment to add a coming-into-force clause.

Another problem is that there will be instances when a national area of selection is not in the best interests of either the public service or those applying to work in the public service. For example, at times it is necessary to fill a position on short notice for a short period of time only, such as when employees go on leave or when there is a short-term spike in workloads. If such a job is posted on a national jobs board, the inevitable delays from dealing with applicants from across the country could mean that the need will have passed before the position can be filled. It is one thing to apply for a job 4,000 miles away — that costs nothing because the costs are borne by those who must sift through the applications — but it is quite another thing to be willing to fly out for an interview and then to relocate for a very short-term job. A manager faced with that kind of hiring challenge will be very tempted to bring in someone from a temporary help agency.

Second, there is the matter of hiring summer students and seasonal workers throughout Canada, positions that might best be filled locally at places such as the St. Croix, New Brunswick, border crossing or at the P.E.I. ferries. Let us not forget travel and relocation expenses.

Members of the other place might want to seek from the Treasury Board an indication of the potential costs of this bill. The Public Service Commission asked the committee to provide it with some flexibility and suggested an amendment, which I was happy to move. Unfortunately, Senator Ringuette, in turn, moved a sub-amendment to water it down. Again, I suggest that the other place take a look at how to best deal with situations where hiring locally in Port aux Basques, Newfoundland, or Kelowna, British Columbia, makes sense.

Third, the bill proposes a ban on what it calls “bureaucratic patronage.” Exactly what is the definition of “bureaucratic patronage”? We do not know because it is for the public service to write a definition to be approved later through regulation. Perhaps we will be satisfied with the definition, but perhaps we will not be satisfied. The other place might want to take a look at this issue to determine whether there is a better way to proceed.

A matter beyond the scope of the bill is that prohibition on bureaucratic patronage only applies to the public service and not to Crown corporations. A sponsor of the bill spent five years working in the executive office of Canada Post during the André Ouellet era, so I asked her if bureaucratic patronage was a problem at the post office. She said that she had spent a great deal of time outside the office so it was not something that she noticed. Her exact words were, “I never experienced bureaucratic patronage.” She must have spent much time out of the office because this flies in the face of what is reported by both Deloitte and Justice Gomery. Justice Gomery wrote of André Ouellet, “Decisions were made unilaterally, disregarding established procedures and favouring his friends over the interests of the corporation.”

How did it come to pass that, at about the same time, André Ouellet hired John Williston, former Press Secretary to Transport Minister David Collenette, and Kevin Lee, who manned the Ontario desk in the PMO of Jean Chrétien? Following the Auditor General’s report on the sponsorship program, the former government ordered a special audit into Canada Post. The audit included a report on André Ouellet’s special hires. Deloitte found that in many cases, positions were created specifically for the person rather than having those people fill an identified business need. Rather than formal interviews, there was an informal need to discuss, “...what type of role he or she was interested in. Screening was minimal, not based on competency and without the use of selection boards. Reference and security checks were often not conducted.”

Canada Post staff told Deloitte that, “...they did not feel in a position to challenge the president after he had referred a candidate, and they interpreted his direction to mean that they had to find the person a job.” André Ouellet’s bureaucratic patronage went beyond simply getting jobs for his friends; it also extended to directing contracts their way — but I digress.

The provisions of this bill taking aim at bureaucratic patronage pale in comparison to the provisions of Bill C-2, the proposed federal accountability act, an initiative that will restore accountability to government and prevent another Adscam from ever happening. While I agree with the principle of what Senator Ringuette is trying to achieve, I support the phasing-in of her objectives as recommended by the Public Service Commission.

On motion of Senator Fraser, debate adjourned.

• (1640)

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

COMMITTEE AUTHORIZED TO STUDY IMPACT AND EFFECTS OF SOCIAL DETERMINANTS OF HEALTH

Hon. Wilbert J. Keon, pursuant to notice of November 9, 2006, moved:

That the Standing Senate Committee on Social Affairs, Science and Technology be authorized to examine and report on the impact of the multiple factors and conditions that contribute to the health of Canada’s population — known collectively as the social determinants of health — including the effects of these determinants on the disparities and inequities in health outcomes that continue to be experienced by identifiable groups or categories of people within the Canadian population;

That the Committee examine government policies, programs and practices that regulate or influence the impact of the social determinants of health on health outcomes across the different segments of the Canadian population, and that the Committee investigate ways in which governments could better coordinate their activities in order to improve these health outcomes, whether these activities involve the different levels of government or various departments and agencies within a single level of government;

That the Committee be authorized to study international examples of population health initiatives undertaken either by individual countries, or by multilateral international bodies such as (but not limited to) the World Health Organization; and

That the Committee submit its final report to the Senate no later than June 30, 2009 and that the Committee retain all powers necessary to publicize its findings until December 31, 2009.

Hon. Joan Fraser (Deputy Leader of the Opposition): Honourable senators, I think a know a little bit about what this study is supposed to determine. I have tried to wrap my mind around the proposed order of reference, but I wonder if the honourable senator could give us, in even more lay language, a description of what it is he is proposing here and what would be involved. Are we talking about a lot of travel or other projects that would involve the vast expense of public money?

Senator Keon: Honourable senators, As a matter of fact, I have been wanting to do this study for a number of years. There is nothing new about it.

Marc Lalonde, in his report many years ago, referred to the way we should look at health instead of the way we do look at health. Indeed, many countries in the world have now adopted the Lalonde methods and we are still lagging behind.

The reality is that while we are spending \$140 billion a year on health care, 70 per cent of which is from the single payer, our government, and 30 per cent of which is private — 15 per cent coming from insurance and 15 per cent from the pockets of the private sector — we are not doing well. Our system is declining in the eyes of the world. We are about twelfth in performance and about twentieth in the world in overall outcomes. We should be able to do better.

We are not doing better because we are not using the correct approach. There are three fundamental categories of health in Canada. We have the rich and healthy people in Canada who live in the cities; we have the not-so-rich and not-so-healthy people who live in the country; and we have the very poor and very unhealthy people who live in the native communities.

The sad thing about all of this is that the correction of this tremendous health disparity is not that complicated. It is simply a matter of recognizing what is there and closing the loop. We have made tremendous strides with organizations such as the Canadian Institute for Health Information, and some provincial counterparts are giving us good information. The creation of the Public Health Agency has been a large step forward. These agencies, along with the Institute of Population Health and the Canadian Institutes of Health Research, are now giving us the data we need. The reports are coming out from time to time. What is not happening is that no one has dared to look at how to take this data and close the loop. How do we get the cooperation of the delivery systems that lie in the hands of the provinces to take these disparities and correct them?

Of course, seven groups of health services are provided by the federal government. One of them is the health services provided to a portion of the Indian and Inuit peoples. The Métis are in a class by themselves.

Again, it is not that complicated to bring these issues back into a workable arrangement, and I would like to spend the next several years suggesting to governments how it can be done.

Senator Fraser: The honourable senator is basically referring to who gets sick and why, and what we can do about it.

Senator Keon: Correct. The major determinant of health is wealth. That is number one. I have spent my whole life working on heart patients, and there are nine risk factors. Senator Segal broke me up here a few days ago when I was trying to advocate that he have himself assessed. I mentioned body mass and at that point he said, "and then go out and get drunk." I could not give the rest of my statement.

The major determinant of health is wealth. For cardiovascular health, if we were able to control nine risk factors in the population, we would prevent 90 per cent of premature heart attacks. Getting compliance from old geezers like some of the senators will not be easy, but we can try.

Senator Fraser: Would this two-year study involve much travel?

Senator Keon: There should not be much travel. We can handle most of it by bringing the witnesses to Ottawa. As I mentioned, we have a very good base in Canada from which to work. I will attend the World Health Organization meetings. I want to be in sync with the World Health Organization. Monique Bégin, as you know, represents us there now. They are doing wonderful work and we want to follow the same agenda.

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

Hon. Senators: Question!

Motion agreed to.

NATIONAL SECURITY AND DEFENCE

MOTION TO AUTHORIZE COMMITTEE TO MEET DURING SITTING OF THE SENATE WITHDRAWN

On Motion No. 126, by Honourable Senator Kenny:

That the Standing Senate Committee on National Security and Defence have power to sit at 3:30 p.m. on Monday, November 27, 2006 even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

Hon. Colin Kenny: Honourable senators, this has already happened and I suggest that the motion be withdrawn.

The Hon. the Speaker: Is it agreed, honourable senators?

Motion withdrawn.

AGING**MOTION TO AUTHORIZE SPECIAL COMMITTEE TO
MEET DURING SITTING OF THE SENATE WITHDRAWN**

On Motion No. 128, by Honourable Senator Cordy:

That the Special Senate Committee on Aging have the power to sit on Monday, November 27, 2006 even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

Hon. Jane Cordy: Honourable senators, I would like to withdraw this motion standing in my name since the Senate did not sit yesterday and the committee did.

The Hon. the Speaker: Is it agreed, honourable senators?

Motion withdrawn.

**ENERGY, THE ENVIRONMENT
AND NATURAL RESOURCES****COMMITTEE AUTHORIZED TO MEET
DURING SITTING OF THE SENATE**

Hon. Tommy Banks, pursuant to notice of November 23, 2006, moved:

That the Standing Senate Committee on Energy, the Environment and Natural Resources have the power to sit at 5:00 p.m., Tuesday, December 12, 2006, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

He said: Honourable senators, the reason for this request is the appearance of the minister before the committee.

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

Motion agreed to.

The Senate adjourned until Wednesday, November 29, 2006, at 1:30 p.m.

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