

Law Commission of Canada

2004

ANNUAL REPORT



LAW COMMISSION
OF CANADA

Canada

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Law Commission of Canada

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Mission

The mission of the Law Commission of Canada is to engage Canadians in the renewal of the law to ensure that it is relevant, responsive, effective, equally accessible to all, and just.

Nathalie Des Rosiers
President
Ottawa, Ontario



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Vice-President
Montréal, Quebec



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Comox, British Columbia



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Message from the President

The law evolves in the context of human relationships that are woven each day. Law sometimes facilitates the establishment of just and equitable relationships, be they personal, social, economic, or in the area of governance. However, the law frequently hinders the development of positive, just, and enriching relationships.

Since its beginnings, the Law Commission of Canada has supported a research plan designed to situate the law within a social framework and in relation to human activity.

Throughout 2003–2004, the Law Commission pursued its research and, in particular, submitted to the Minister of Justice three reports focussing on the modernization of Canada's legal institutions.

- *Transforming Relationships Through Participatory Justice* is aimed at recognizing the need of disputants to participate fully in resolving their conflicts. This document, which traces the role of conflict resolution within the framework of increasingly fragmented social relationships, reviews developments in mediation, conciliation and restorative justice.
- *Voting Counts: Electoral Reform for Canada* proposes changes to our voting system to meet the democratic aspirations of Canadians and their expectations of more balanced and participatory governance relationships. It proposes that one-third of the seats in the House of Commons be allocated on a proportional basis to better represent the diversity of citizens' opinions.
- *Leveraging Knowledge Assets: Resolving Uncertainty for Security Interests in Intellectual Property* highlights the deficiencies of our commercial law with respect to access to credit in a modern economy based on knowledge and intellectual property. Our economic relationships are marked by the transition to a knowledge economy. Commercial law that supports the credit and investment infrastructure must be adapted to these transformations.

The Law Commission is also pursuing its work in other key areas of the transformation of our social relationships: the legal effects of globalization, aging of the population, recognition of Indigenous legal traditions and protection of vulnerable workers.



The multidisciplinary, participatory approach adopted by the Law Commission stimulates critical reflection on the role of the law in our society and better directs the reforms that must be undertaken.

The Law Commission of Canada benefits greatly from the contribution of Canadians to its work, and wishes to thank them.

A handwritten signature in cursive script, reading "Nathalie Des Rosiers". The signature is written in dark ink on a light background.

Nathalie Des Rosiers
President

Governance Relationships

Voting Counts: Electoral Reform for Canada

On March 31, 2004, the Honourable Irwin Cotler, Minister of Justice and Attorney General of Canada, tabled in Parliament the Law Commission of Canada's report *Voting Counts: Electoral Reform for Canada*.

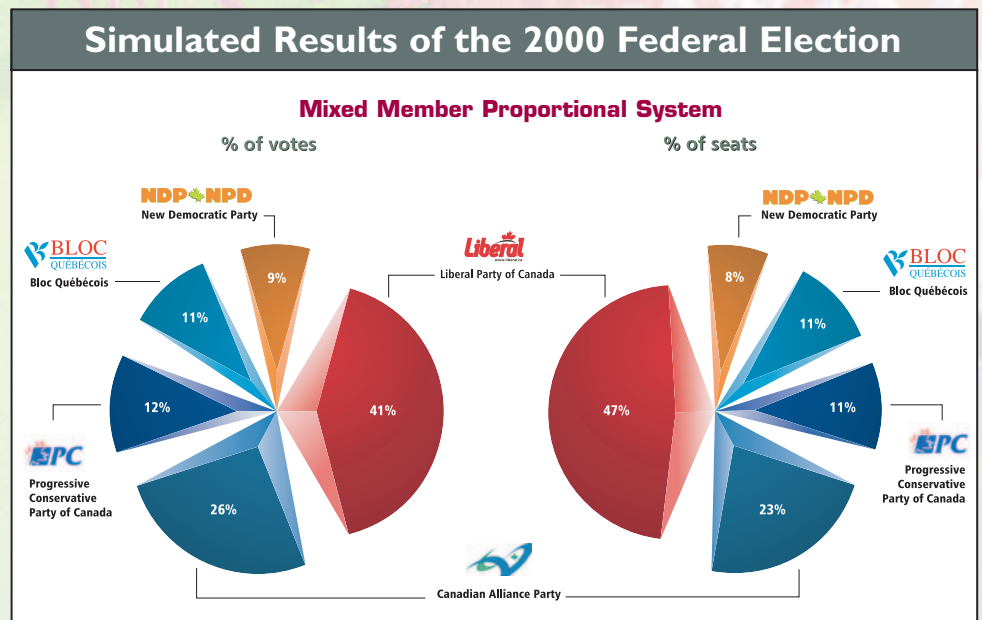
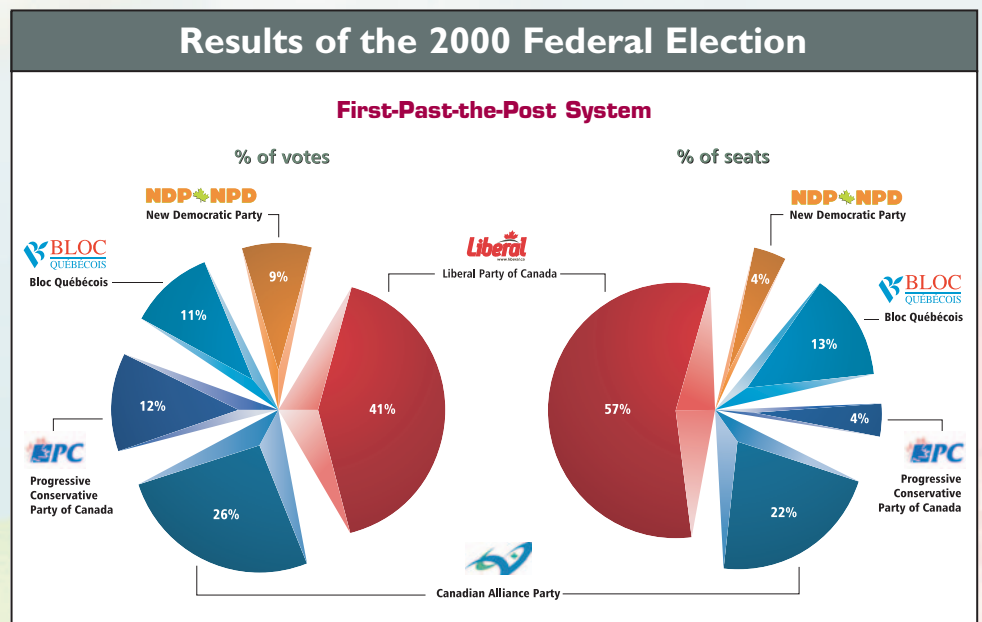
Based on two years of extensive research and public consultations, *Voting Counts* considers the relevance and cogency of arguments for reforming Canada's electoral system, assesses a variety of electoral systems,

and includes 23 recommendations for reforming Canada's electoral system.

"Canadians have told us that they want an electoral system that better reflects the society in which they live, one that will include a broader diversity of ideas and be more representative of Canadian society," says Nathalie Des Rosiers, President of the Law Commission of Canada.

"The Law Commission of Canada has presented Alberta with a perfect vehicle to play the national leadership role to which it aspires. ... Our provincial government should seize on the idea of adding some proportional representation to the legislature, as urged by the commission as a reform for Parliament in Ottawa."

Excerpt from editorial in the *Edmonton Journal*, April 16, 2004, p. A16



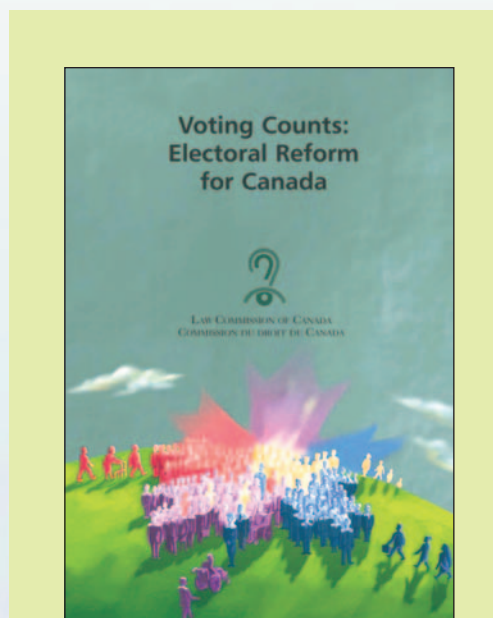
Voting Counts Recommendations

- An element of proportionality should be added to Canada's electoral system. Two-thirds of the members of the House of Commons should be elected in constituency races using the first-past-the-post method. The remaining one-third should be elected from provincial or territorial party lists. In addition, one each of the list seats should be allotted to Nunavut, Northwest Territories and Yukon.
- The federal government should prepare draft legislation on a mixed member proportional electoral system, as proposed in the report. A parliamentary committee should initiate widespread public consultations on the proposed system.
- A federal department or agency should be responsible for engaging in ongoing dialogue with Canadians on issues of democratic performance and change. The department or agency should reflect annually on the state of Canadian democracy, including representation of women, minority groups, Aboriginal people and youth.

In addition to recommending that Canada add an element of proportionality to the electoral system, *Voting Counts* makes recommendations to promote better representation of women, minority group members and Aboriginal people in the House of Commons, addresses youth participation and representation, examines various electoral system design issues, and considers how to implement and monitor the introduction of a new electoral system in Canada.

"A growing number of Canadians are searching for ways to participate more meaningfully in our system of governance and to have a voice in our political decision-making processes," says Des Rosiers. "We believe that adopting a mixed member proportional electoral system will help bring all Canadians closer to our democratic decision-making process — will indeed help make every vote count."

"While changing the electoral system is not a panacea, it is an important step to help ensure Canadian democracy remains vibrant and relevant into the 21st century," adds Des Rosiers. "We hope this report will aid the many provincial reform initiatives currently taking place, and that it will also stimulate much needed reform efforts federally."



Electoral Reform Research Papers

- *A Question of Values: Representation in Canada's Contemporary System of Governance* (Keith Archer, Department of Political Science, University of Calgary)
- *Rethinking Representation: Toward Democratic Governance in Canada* (Kimberly Earles and Tammy Findlay, York University)
- *Aboriginal Representation in Government: A Comparative Examination* (Jennifer Schmidt, University of Victoria)
- *Valuing Canadians: The Options for Voting System Reform in Canada* (Bryan Schwartz, Faculty of Law, University of Winnipeg and Darla Rettie)
- *Political Representation in Canada: Theoretical and Empirical Considerations* (Manon Tremblay, School of Political Studies, University of Ottawa)
- *Reform of the Federal Electoral System: The Recommendations of the Law Commission and the Test of Unwritten Constitutional Principles* (Ghislain Otis, Faculté de droit, Université Laval)

“Indigenous legal traditions are a source of inspiration for public policy. They constitute an enrichment to our legal imagination. At a time when we increasingly recognize the diversity of human experience and the varying needs of populations all across the planet, we require a diversity of legal tools and legal concepts. That is what legal pluralism and respect for other legal traditions bring.”

Nathalie Des Rosiers, speech at the *Red Ink in the Margins* conference, Ottawa, February 20, 2004

Indigenous Legal Traditions

Indigenous communities around the world continue to uphold traditions about law and relationships among people, in particular, governance of community, of the environment and of punishment for wrong-doing. Such traditions — often transmitted orally — provide the basis for good community practices and sound decision making.

Canadian courts have recognized the importance of such traditions in certain circumstances. Indigenous customary laws are used in matters relating to adoptions, marriages and elections. Lawmaking power is often included in self-government agreements, such as those developed for the Nisga’a territory and in Yukon. Such power often refers to traditional legal knowledge. Canada’s constitutional documents, such as the *Constitution Act 1982*, among others, also protect customs, practices and traditions that are integral to Indigenous societies.

However, traditional knowledge is often lost, misinterpreted or, more seriously, ignored in decision making. How can we ensure a greater place in our legal thinking for Indigenous traditions? What tools can the legal system adopt to allow difference to express itself in decision making? What tensions arise when difference is expressed? How can different legal traditions co-exist effectively?

The Law Commission of Canada is pursuing through research and consultations the question of protection and respect for Indigenous legal traditions in an increasingly pluralistic society.

Through its partnership with the Social Sciences and Humanities Research Council of Canada, the Law Commission has hired John Borrows to be a Virtual Scholar in Residence for 2004–2005. He will draft a discussion paper on these issues.

“We need to acknowledge the various Indigenous legal traditions of our land and give them parity in our legal system. Many orally transmitted legal traditions can be lost if Canada does not make the tools available to preserve the memory of the different Indigenous legal traditions.”

Mark Stevenson, Commissioner, Law Commission of Canada



Law Commission of Canada President Nathalie Des Rosiers with past Assembly of First Nations President Matthew Coon Come, American environmental activist Robert F. Kennedy Jr. and Mark Stevenson, Commissioner, Law Commission of Canada, at the Governance, Self-Government and Legal Pluralism Conference, Gatineau, Quebec, April 23–24, 2003.

Governance Beyond Borders

The relationship between Canada and the world is gaining visibility, as the public becomes more aware of trade, human rights, environmental and labour issues, and security concerns in the global context. It is in this context that the Law Commission of Canada wants to examine how Canadian policy affects the world, and how the world has an impact on Canadian policy.

For many Canadians, it is no longer sufficient to have policies that are good for Canada; policies must also be good for the global community. The current legal framework is based on a territorial model of governance, which may be ill adapted to the changing nature of Canadian values. When dealing with international matters, Canadians may want domestic policy to foster access by all nations to prosperity, justice, human dignity and sustainable development.

At the same time, globalization is putting pressure on governments for legal uniformity and social, cultural and economic convergence, and raises the following questions: When do we embrace or resist international pressures to conform to standards? When do we exercise our “sovereignty” and fall back on a territorial model of regulation? Is the concept of sovereignty still relevant? What Canadian values does sovereignty try to protect? Are the tools we currently use to protect our sovereignty adapted to our needs?

The Law Commission is working with two Virtual Scholars, Stephen Clarkson from the University of Toronto and Stepan Wood from Osgoode Hall, who will complete additional research and prepare a discussion paper.

“One of the projects developed by the Law Commission addresses globalization from a governance perspective. This is an important project because globalization is a process that increasingly influences the daily lives of Canadians. In many respects, globalization affects all issues addressed by the Commission and disrupts traditional governance concepts that are based mainly on territoriality.”

Bernard Colas, Vice-President, Law Commission of Canada

2004 Legal Dimensions Initiative: Law and Citizenship

The theme of the sixth annual Legal Dimensions Initiative was “Law and Citizenship.” The concept of citizenship has been at the heart of the notions of both democracy and participation in governance. The attributes of citizenship generally include the right to vote, the right to run for office, and the ability to participate in civil society and access the benefits of societal membership. Citizenship is therefore closely associated with full participation in a democratic society.

The legal determination of whether someone is a citizen or not is one aspect of the concept of citizenship. The concept can be limiting and exclusionary when citizenship is contingent upon belonging to a state or several states. This raises a number of issues about the connection between citizenship and territory. Other disciplines have begun to theorize citizenship in ways that encompass broader or sometimes more subtle notions of the concept and civil, political, economic and social elements. What are the implications of changing notions of state, borders and participation on concepts of citizenship? These are some of the questions raised by this competition.

The Law Commission of Canada awarded the following research contracts:

- *Multinational Citizenship: Practical Implications of a Theoretical Model* (Siobhan Harty, Human Resources Development Canada, and Michael Murphy, Queen’s University)
- *Crises in the Body Politic: Diminished Social Citizenship?* (Michel Coutu, Centre de recherche en droit public, Université de Montréal)
- *Connecting Economy, Gender and Citizenship: Possibilities and Limits* (Mary Condon and Lisa Philipps, Osgoode Hall Law School)
- *External Citizenship* (Kim Barry, New York University School of Law)
- *Law, Citizenship and Legal Citizenship* (Audrey Macklin, Faculty of Law, University of Toronto)
- *Legal Responses to Disability: Elements of a Theory of Discitizenship* (Richard Devlin and Dianne Pothier, Dalhousie Law School)

Relationships in Transition: Governance of Freedom of Choice

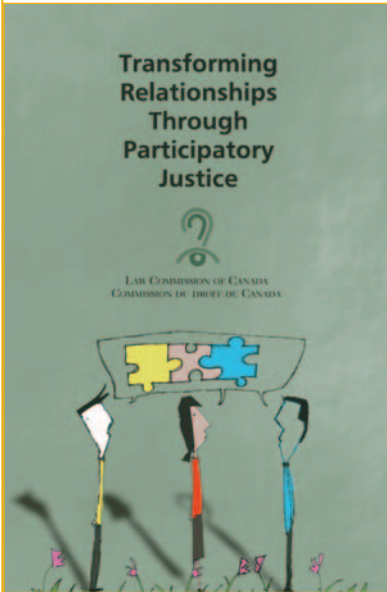
Freedom of choice is a predominant feature of our political, social and legal thinking, but have we truly reflected on all the implications of this idea? What does it mean for a society to believe in the freedom to choose and to use this concept as a guiding principle? To what extent can labour, the legal system, the family, recreation, urban centres and community life truly reflect the principle of freedom of choice, and is it an ideal worth pursuing? What are the limits of the concept in a world marked by inequality?

In 2003–2004, the Law Commission and the Social Sciences and Humanities Research Council of Canada, invited researchers to explore the concept of freedom of choice; five papers were commissioned:

- *Gouvernance et co-production des services publics* (Pierre Hamel, Département de sociologie, Université de Montréal)
- *Réglementation et liberté : articulations dans le discours des acteurs. Une analyse des représentations de la régulation sociale et de la gouvernance* (Corinne Gendron, Département d’organisation et ressources humaines, Université du Québec à Montréal)
- *Reproductive Technology: Legal and Policy Choices* (Erin Nelson, Health Law Institute, Faculty of Law, University of Alberta)
- *Accommodating New Forms of Evidence: Aboriginal Oral Histories in the Courts* (Andie Palmer, Department of Anthropology, University of Alberta)
- *Law, Freedom and the City* (Mariana Valverde, Centre of Criminology, University of Toronto)

The Institute on Governance and the Law Commission of Canada entered into a partnership to examine issues of governance. In February 2004, Bruno Bonneville assumed the role of Senior Fellow at the Institute, and will contribute to its Aboriginal governance theme. He will work with organizations and various levels of government — both Aboriginal and non-Aboriginal — to create new initiatives for this important area.

Transforming Relationships Through Participatory Justice



In November 2003, the Minister of Justice tabled *Transforming Relationships Through Participatory Justice*, a report to Parliament by the Law Commission of Canada.

The report, which is the culmination of several years of consultations and research, examines Canada's current experience with participatory justice. The report offers

17 recommendations that propose ways that governments, justice officials, community groups and individuals working in conflict resolution can support the development of innovative justice processes that have citizen participation at their core. These include victim-offender mediation, collaborative family lawyering, sentencing circles and judge-led settlement conferencing.

The capacity of citizens to participate meaningfully in the democratic process poses challenges for the design of public institutions. Increasingly, Canadians are disengaging from these institutions, and, in the process, becoming more skeptical about the government's capacity to respond to legitimate expectations. The Law Commission of Canada believes that the growth of participatory justice models is consistent with citizen-centred models of governance. Participatory justice processes allow citizens to be part of decision making that affects their lives. In this sense, participatory justice processes contribute to a healthy democracy.

"Participatory justice places those who are touched by conflict at the centre of the resolution process," says Nathalie Des Rosiers, President of the Law Commission of Canada. "Through their participation they have some control over the process, and in non-adversarial ways they can help fashion a creative solution to their conflict."

Among the Recommendations

- Governments should continue to actively provide participatory processes to resolve conflicts within their institutions, in their disputes with citizens and when they provide conflict resolution services, such as in the court system or in administrative tribunals.
- Governments should encourage centres of research and excellence to work in partnership with communities to develop best practices in participatory justice, including evaluation frameworks.

At the core of the recommendations are 12 guiding principles for the design of participatory processes.

The complete report is available on-line at www.lcc.gc.ca or by contacting the Law Commission.

"Canadians want choices for resolving their conflicts, and many want to actively participate in the conflict resolution process. The Law Commission believes that participatory justice — with its emphasis on the reconstruction of relationships through dialogue and on outcomes developed and agreed to by the disputants themselves — responds to this need. The challenge, as the Law Commission sees it, is for governments and civic institutions to find ways to support participatory justice without limiting its innovative potential."

Executive Summary, *Transforming Relationships Through Participatory Justice*

“With sufficient safeguards in place, participatory processes may be appropriate for all types of conflict — monetary, bi-party or multi-party, private or public, criminal or civil — across a broad spectrum, and for all types of communities, urban and rural, Aboriginal and non-Aboriginal.”

Executive Summary, *Transforming Relationships Through Participatory Justice*

Twelve Guiding Principles for the Design of Participatory Processes

- **Early intervention.** The earlier the intervention is made, the more likely the conflict will de-escalate.
- **Accessibility.** Participatory processes ought to be easily accessible, user-friendly and not overly bureaucratic.
- **Voluntariness.** This is fundamental to any participatory process.
- **Careful preparation.** Participants must be provided with adequate information prior to all stages of a process.
- **Opportunities for face-to-face dialogue.** A key design goal is to allow face-to-face dialogue.
- **Advocacy and support.** Program design should ensure a clear place and functional role for supporters.
- **Confidentiality.** Ideally, confidentiality is discussed during the intake and preparatory stages.
- **Fairness.** Outcomes must balance the needs of the participants, the community and the state.
- **Relevant and realistic outcomes.** Outcomes should be relevant and realistic and, if possible, durable.
- **Systemic impact.** Participatory processes move decision making into the hands of individual disputants and their communities.
- **Efficiency.** Participatory processes must be able to demonstrate efficiency.
- **Flexibility and responsiveness.** Programs should foster a spirit of responsiveness and respect for the circumstances of each conflict.

Community Mediation: Two Real-Life Experiences

Community mediation offers a way to resolve conflicts before they get to court. The process can also strengthen the social fabric by encouraging dialogue among citizens. The Law Commission of Canada, in partnership with the National Film Board of Canada, explores community mediation in a recently released DVD.

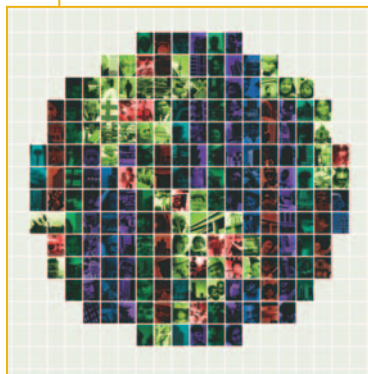
Community Mediation: Two Real-Life Experiences, which was filmed in Sherbrooke and Longueuil, Quebec, is an ideal reference for groups, associations and individuals involved in mediation. The film captures everything from volunteer training and public outreach to complete mediation sessions, along with an analysis of the methods and results. Viewers are offered possible approaches rather than a rigid model. The DVD has many applications, including training for volunteer mediators, and promoting mediation in the community.

Community Mediation: Two Real-Life Experiences is directed by Stéphane Drolet as part of the National Film Board of Canada's *Projet citoyen*, a program that puts practical resources into the hands of Canadians.

Copies of the DVD are available from the National Film Board of Canada at www.nfb.ca or 1-800-267-7710 or by contacting the Law Commission.



In Search of Security



One of the hallmarks of liberal democracies has been that government, through its monopoly over the means of coercion, has been responsible for providing security, traditionally through state-controlled police forces. Over the past two decades, however, there has been a gradual loosening of the connection between policing and the state. Today,

the state remains a significant player in the delivery and regulation of policing, but it is no longer the only institutional actor involved in offering guarantees of security to citizens. There is now a range of private policing organizations that include, for example, private security firms, insurance companies, forensic accountants and private, in-house corporate security departments. These agencies have moved beyond simply protecting private property. They are actively engaged in maintaining order, as well as investigating and preventing crime in public spaces.

In 2003–2004, the Law Commission of Canada continued its consultations and research related to its ongoing project *In Search of Security*.

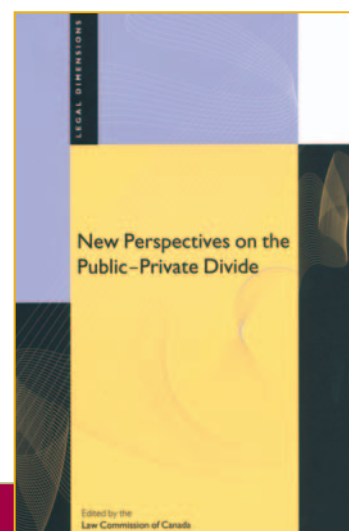
In addition, Canadian broadcaster David Cayley produced a 10-hour radio series called *In Search of Security*. The series, which was broadcast nationally on *Ideas* on CBC Radio in February and March 2004, was based on interviews and recordings made during a conference called *In Search of Security: An International Conference on Policing and Security* that was sponsored by the Law Commission of Canada in 2003. A CD and transcript of this series are available by contacting the CBC at www.cbc.ca/ideas.

New Perspectives on the Public-Private Divide

The Law Commission of Canada published the second volume in its Legal Dimensions series, *New Perspectives on the Public-Private Divide*, in January 2004.

The volume comprises six essays on how the separation between public and private spheres influences, challenges and interacts with law and reform, with an introduction by Nathalie Des Rosiers, President of the Law Commission of Canada. Particular topics include paid employment and unpaid caregiving, biotechnology and voluntary environmental standards.

The book is available from UBC Press at www.ubcpres.ca or by calling 1-800-668-0821.



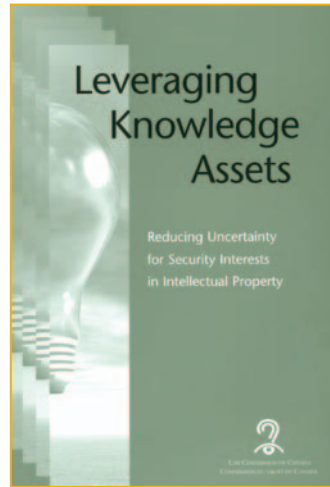
Contents

- *Introduction* (Nathalie Des Rosiers)
- *There's Only One Worker: Toward the Legal Integration of Paid Employment and Unpaid Caregiving* (Lisa Philipps)
- *Private Needs and Public Space: Politics Poverty and Anti-Panhandling Bylaws in Canadian Cities* (Damian Collins and Nicholas Blomley)
- *Private Life: Biotechnology and the Public-Private Divide* (Nathan Brett)
- *Invasions of Publicity: Digital Networks and the Privatization of the Public Sphere* (Darin Barney)
- *Green Revolution or Greenwash? Voluntary Environmental Standards, Public Law, and Private Authority in Canada* (Stepan Wood)
- *The Emergence of Identity-Based Associations in Collective Bargaining Relations* (Christian Brunelle)

Economic Relationships

Leveraging Knowledge Assets

Secured credit helps reduce transaction costs associated with borrowing and thus stimulates economic activity. In the past, the law governing secured credit has had to adapt to transformations in the economy. Land was one of the first types of property used as collateral, but as the economy shifted from farming to manufacturing, assets offered as collateral shifted from land to personal property, such as equipment and inventory, and from tangible to intangible assets, such as accounts receivable. We are currently experiencing a new transformation of our economy: intellectual property is becoming increasingly important, and we are striving to sustain a knowledge economy that will be competitive.



It is therefore not surprising that there is mounting pressure to improve the framework of secured credit based on intellectual property rights. Enterprises in the technology sector would not be the only ones to benefit from this reform, since most modern enterprises, from manufacturing to the service sector, hold significant intellectual property assets, from business software to licence rights.

The Law Commission of Canada's report *Leveraging Knowledge Assets: Resolving Uncertainty for Security Interests in Intellectual Property* focusses on the legal and institutional changes required to facilitate secured lending based on intellectual property rights.

Leveraging Knowledge Assets is available on-line at www.lcc.gc.ca/en/themes/er/fsi/fsi_main.asp or by contacting the Law Commission.

Recommendations from *Leveraging Knowledge Assets*

- Parliament should improve the legal framework governing federal intellectual property rights to reduce the legal uncertainty associated with taking such rights as collateral.
- The federal intellectual property registration systems should be overhauled to ensure that they support reliable, current, on-line searching of the full chain of title of all intellectual property rights.
- Governments should encourage the development of expertise in the valuation of intellectual property rights and facilitate the development of best practices in this domain.
- The Canadian Bar Association, the Intellectual Property Institute of Canada, law schools, business schools and law societies should support the development of educational materials and courses dealing with security interests in intellectual property and promote expertise in commercial and intellectual property law.

“Secured credit is an efficient form of lending that may reduce transaction costs and stimulate economic activity. However, it must be implemented in a proper legal framework.”

Roderick J. Wood, Commissioner,
Law Commission of Canada

"In Canada few of the self-employed conform to the ideal type of entrepreneurship as most are economically dependent upon the sale of their labour. Thus, it is not accurate to assume that all of the self-employed are entrepreneurs. In fact, the majority of the self-employed in Canada resemble employees more than they do entrepreneurs."

The Legal Concept of Employment: Marginalizing Workers, Judy Fudge, Eric Tucker and Leah F. Vosko

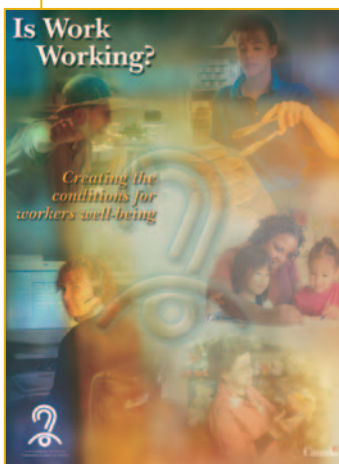
Improving Canada's Secured Transactions Law — The *Bank Act*

The availability of credit is of critical importance to the functioning of our economy. If businesses had to rely upon their own cash flow to fund their current and future projects, they would need to drastically cut back on their activities.

Although every Canadian province and territory has enacted a modern secured transactions regime to govern secured credit, there are some areas in which Canadian secured transactions law is woefully inadequate. The area that most experts identify as the most pressing concerns the relationship between the provincial secured transactions regime and the federal *Bank Act* security provisions. Banks in Canada may take provincial security interests as collateral to secure their loans. However, they also have the option of taking a special federal security device available only to banks. The co-existence of these two secured transactions regimes has produced considerable uncertainty that undermines the efficiency of Canada's secured transactions law.

As part of the commercial law strategy of the Uniform Law Conference of Canada, the Law Commission is studying the possibility of having the security provisions of the *Bank Act* repealed in order to modernize commercial law in Canada.

Is Work Working? Work Laws That do a Better Job



Work is an essential feature of most people's lives. We work to meet the material requirements of our lives, but work can also be a meaningful and worthwhile activity in its own right.

Many Canadians are now engaged in work arrangements that differ from the traditional model of a stable, full-time job. A significant number of Canadians are in non-standard work arrangements, including part-time,

term, temporary and casual work, and self-employment. However, the standard employment relationship continues to form the basis for entitlement to many important employment-related benefits, protections and rights. As a result of a lack of access to these benefits, the rights and protections of some Canadians are vulnerable. In addition, while many workers in low-paying jobs are entitled to employment-related protections, rights and benefits, they are unable to effectively use them to reduce their vulnerability at work. Furthermore, there is evidence that an increasing number of Canadians are turning to work in the underground or informal economy as a means of meeting their economic needs.

The Law Commission is currently preparing a discussion paper that will address worker vulnerability. Options for policy and law reform will be canvassed. It is anticipated that the Law Commission will begin cross-Canada consultations on the issue of law reform and work laws in the fall of 2004.

The Law Commission of Canada has funded research that looks at the ways that work in the sex trade is experienced and organized. The research then identifies the legal, social and economic resources that might position workers in the sex trade to more effectively resist some of the oppressive aspects of their labour.

The Law Commission is co-sponsoring research with the Canadian Policy Research Networks. The two research projects will examine workers' access to employment rights and benefits, and issues relating to low-paid workers. The former will look at the existing means of providing access to employment rights and benefits and will explore alternative mechanisms for extending coverage to workers who are not covered. The research on low-paid workers will look at various issues relating to low-paying jobs, such as the length of time that workers stay in such work, the percentage that have access to employment benefits and the industries in which low-paid work is concentrated.

The Law Commission of Canada sponsors the Roderick A. Macdonald Contest for high school students. This year's theme was "Is Work Working? Creating the Conditions for Workers' Well-being." Students are eligible for cash prizes for literary or artistic presentations in English or French. The winners will be announced in June 2004.

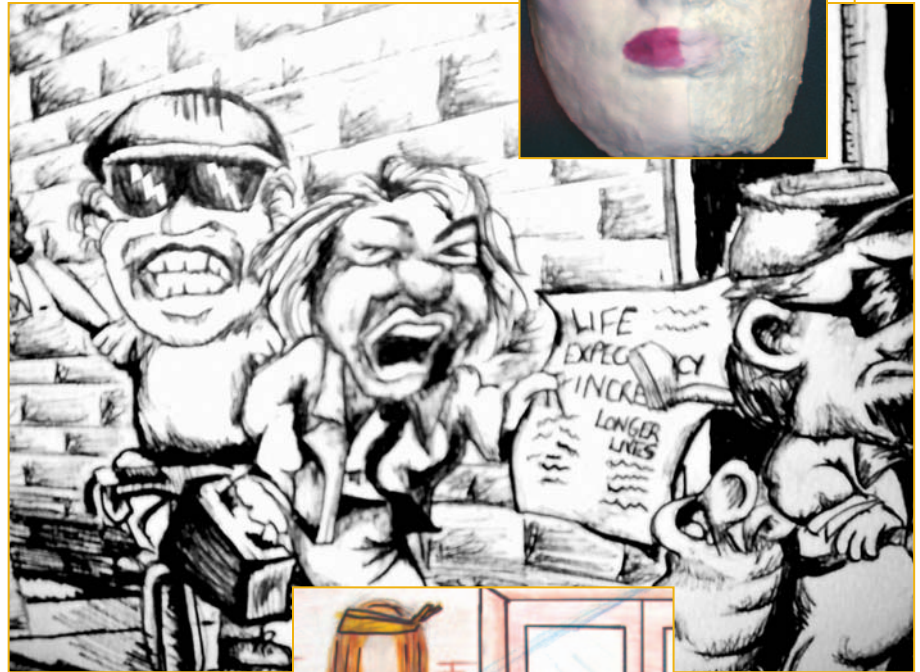
Personal Relationships

Does Age Matter?

Relationships between generations are framed by our conceptions about age and age-appropriate responsibilities and activities. Age is often used as a distinguishing characteristic in Canadian law. Many benefits are awarded and obligations or restrictions imposed based on age. Examples include voting and mandatory retirement age, consent to health care and insurance rates. Relationships between generations are changing as Canadians live longer and make life and career path choices that are increasingly diverse.

The Law Commission of Canada released a discussion paper on relationships between generations in February 2004. In *Does Age Matter? Law and Relationships Between Generations*, the Law Commission asks whether age continues to be a legitimate criterion, or whether by adopting different criteria the law could better support the choices citizens make and promote healthier relationships across generations. There may be some instances in which it makes more sense to consider financial need, mental and physical ability, or employment status. The paper argues that a society concerned with fairness and equality must reject outdated assumptions and stereotypes about children, youth and older adults. Laws that may reflect such assumptions and stereotypes should be modernized, so that all citizens can be treated with dignity and respect, as full participants in society.

In addition to their potential unfairness, age-based laws may unintentionally reinforce the gap between youth and older adults. Categorization according to age often fails to take into account the differences within and the similarities between generations; intergenerational relationships may be better served by breaking down the categories and acknowledging the impact of various laws and policies on mutual supports and contributions between generations. Would recognition that people are interdependent to different degrees throughout their lives encourage healthier relationships across the generations? Would the use of criteria other than age better achieve governments' objectives and limit instances in which the law forces greater dependency of one age group on another? Do the



laws or their administration create barriers to participation for certain groups? Would other criteria or approaches unduly burden the system? Can the law support the choices that citizens make and adapt to the pace at which citizens move through various life transitions? These are some of the questions the discussion paper examines.

The discussion paper is available on-line at www.lcc.gc.ca or by contacting the Law Commission.

“The government should concentrate on promoting equality among generations and creating equal opportunity for people of all ages in terms of driving, voting and working opportunities.”

Adwoa Asante, Grade 11, Ascension of Our Lord Secondary School, Mississauga, Ontario

2002–2003 Roderick A. Macdonald Contest

The theme of the 2002–2003 art and literary contest for high school students was “Does Age Matter?” Fourteen students won prizes for their submissions. Another 12 students received an honourable mention.

English

Literature

First Prize (\$500)

Melissa Yakimyshyn
Lethbridge Collegiate Institute
Lethbridge, Alberta
Diary

Second Prize (\$350)

Annalisa Falco
St. Francis Xavier Secondary School
Mississauga, Ontario
Essay: *Age Is Just A Number*

Third Prize (\$200)

Andrea Goodyer
Cole Harbour District High School
Cole Harbour, Nova Scotia
Research Paper: *Does Age Matter?*

Art

First Prize (\$500)

Alyssa Pallett and Raj Modi
Ancaster High School
Ancaster, Ontario
Video

Second Prize (\$350)

Shusmita Sharma
Father Michael McGivney
Catholic Academy
Markham, Ontario
Poster

Third Prize (\$200)

Yu-Chi Kuo
Ancaster High School
Ancaster, Ontario
Sculpture

French

Literature

First Prize (\$500)

Christine Carpentier
École secondaire catholique l’Horizon
Val Caron, Ontario
Journal de réflexion

Second Prize (\$350)

Alain Henry and Eric Miron
École secondaire catholique l’Horizon
Val Caron, Ontario
Song: *Une émotion*

Third Prize (\$200)

Jacklyn Mantha
École secondaire catholique l’Horizon
Val Caron, Ontario
Poem: *Ma meilleure amie*

Art

First Prize (\$500)

Jillian Doucet
École secondaire de Par-en-Bas
Tusket, Nova Scotia
Sculpture

Second Prize (\$350)

Daphne Viau
École secondaire catholique l’Horizon
Val Caron, Ontario
Poster

Third Prize (\$200)

Aline Pelland
École secondaire catholique l’Horizon
Val Caron, Ontario
Poster

Beyond Conjuality

There continues to be a great deal of interest in the Law Commission of Canada’s report entitled *Beyond Conjuality: Recognizing and Supporting Close Personal Adult Relationships*. In the spring of 2004, the Law Commission was invited to present the report at a family law conference in South Africa. The South

African Law Reform Commission recently published a discussion paper on domestic partnerships that drew heavily on the Law Commission’s work. The report has been cited by a number of commissions and courts and is examined in a number of research papers in Canada and other countries.

What is a Crime?

What is a Crime?

A police officer stops a driver who is not wearing her seat belt. A company auditor questions certain accounting practices. A teacher leads students in a discussion on anti-bullying. A man encourages a friend to stop smoking cigarettes. Newspaper articles caution against the rise in childhood obesity.

There are countless examples in society of how certain behaviours are encouraged and rewarded, while others are frowned upon and even criminalized. Every day, various people and groups in society struggle to understand and respond to behaviours they find troublesome, problematic or even criminal. At times, the behaviour may be serious enough to warrant some type of formal intervention, such as the use of government regulations or criminal law. At other times, there may be no formal reaction. Instead, there may be a decision to do nothing, or to resolve a particular problem through informal channels. The ways in which various behaviours are understood and defined affect whether or not they are deemed to be unwanted and whether one or more intervention strategies will be used to deal with them.

In March 2003, the Law Commission released its discussion paper *What is a Crime? Challenges and Alternatives*. The purpose of this document is to stimulate discussion and debate about a range of strategies for dealing with unwanted conduct, including the choices that we make to use one or more strategies, and the impacts of our decisions. Why do we define certain behaviour as criminal? Why do we use criminal law to respond to some behaviours and not others? Is criminal law always necessary? Is it always

“Over the years, both academics and government have warned against the pitfalls of relying too heavily on the criminal law to deal with complex social issues. In many instances, we expect criminal law responses will keep us safe and secure. Quite often, however, there is a gap between what is expected of criminal law, and what defining and responding to behaviour as crime can achieve.”

Executive Summary, *What is a Crime? Challenges and Alternatives*

the most effective type of response? If not, can other public and private forms of intervention satisfy us? What are the dangers of using one or another mode of intervention?

To further its work on the *What is a Crime?* project, the Law Commission of Canada funded six multidisciplinary case studies that will examine the factors that contribute to the definition of unwanted or criminal behaviour, and mechanisms and techniques for responding to certain behaviour. These reports will be completed in the fall of 2004.

- *Medical Fraud and Over-billing* (Joan Brockman, School of Criminology, Simon Fraser University)
- *Welfare Fraud* (Joe Hermer, Division of Social Sciences, University of Toronto at Scarborough, Janet Mosher, Osgoode Hall Law School, York University)
- *Information Privacy* (Eric Ward)
- *Gambling* (Colin S. Campbell, Department of Criminology, Douglas College, Gary J. Smith, G. Smith Consulting, Tim Hartnagel, Department of Sociology, University of Alberta)
- *Aboriginal Harvesting* (Lisa D. Weber, Indigenous Law Program, Faculty of Law, University of Alberta, Cora Weber-Pillwax, First Nations Education, Faculty of Education, University of Alberta)
- *Civility and Neighbourhood Order/Disorder in an Urban Setting* (Frédéric Lemieux, École de criminologie, Université de Montréal)

“What is the purpose of criminal law in contemporary Canadian society? Is it to protect the rights of people, to ensure social order or peace, to protect economic activity and the market, to achieve distributive justice? I will argue that it is designed to protect and foster social trust. I believe that in the concept of trust we find an ideal that is both morally important enough to justify its protection through coercive criminal law and descriptively adequate as the unifying purpose of our actual criminal law practices.”

Susan Dimock, Department of Philosophy, York University

Virtual Scholar in Residence Program

The Virtual Scholar in Residence Program is a joint initiative of the Law Commission of Canada and the Social Sciences and Humanities Research Council of Canada. The program promotes multidisciplinary research on law reform and helps strengthen relationships between academics, the Law Commission and policy makers by providing support to individuals conducting innovative socio-legal research. Through this initiative, the Law Commission engages individuals for eight months to advance its research.

This year, the Law Commission engaged two Virtual Scholars in Residence to advance research related to its project *Is Work Working?*



Leah F. Vosko is preparing a research report for the Law Commission in which she will examine international efforts to redesign systems of social and labour protection to improve the situation of workers lacking protection.



Michael Smith is currently undertaking a quantitative analysis of the incidence and persistence of economic vulnerability in the Canadian labour market.

In 2004–2005, the Law Commission will seek applicants for Virtual Scholar awards to work in the following areas:

- What is a crime?
- Privacy of information and the law of consent
- The future of law reform.

“As an academic, the Virtual Scholar in Residence Program was a tremendous experience. It provided me with a new perspective on the relationship between scholarly research and policy and I gained valuable insight into the law reform process.”

George Rigakos, Department of Law,
Carleton University, Virtual Scholar
in Residence, 2001–2002

Winners of the Virtual Scholar in Residence Competition

2001–2002

George Rigakos,
Department of Law,
Carleton University

2002–2003

Julie Macfarlane,
Osgoode Hall Law School,
York University

William Bogart,
Faculty of Law,
University of Windsor

2003–2004

Leah F. Vosko,
Canada Research Chair in
Feminist Political Economy,
York University

Michael Smith,
Department of Sociology,
McGill University

2004–2005

John Borrows,
Faculty of Law,
University of Victoria

Stepan Wood,
Osgoode Hall Law School,
York University

Stephen Clarkson,
Department of Political Science,
University of Toronto

Consultations, Meetings and Conferences

Electoral Reform

April 3, 2003

Toronto

Presentation, Churchill Society for the Advancement of Parliamentary Democracy

April 26, 2003

Ottawa

Presentation, Fair Vote Canada Annual Meeting

April 29, 2003

Edmonton

Consultation on Electoral Reform, co-sponsored with the Centre for Constitutional Studies

April 30, 2003

Calgary

Consultation on Electoral Reform, co-sponsored with the Canada West Foundation and the Sheldon M. Chumir Foundation for Ethics in Leadership

May 21, 2003

Vancouver

Voter Apathy: Is the System Broke?, forum organized by the Canadian Unity Council, the Centre for Research and Information on Canada, and Continuing Studies at the University of British Columbia, and co-sponsored by the Vancouver Sun and the Law Commission

June 2, 2003

Ottawa

Canadian Association of Former Parliamentarians Annual Meeting

September 30, 2003

Toronto

Ready, Set, Vote!, presented by YouCAN! Youth forum in partnership with the Law Commission, Toronto Youth Cabinet, City of Toronto and Elections Canada

October 31, 2003

Ottawa

Women's Representation in the House of Commons: vox populix: forum co-sponsored by the University of Ottawa Centre for Research on Women and Politics and the Law Commission

Governance Beyond Borders

April 30–May 2, 2003

Montréal

Panel at the International Symposium on Equity, Efficiency or Ethics: Corporate Codes of Conduct and the Social Regulation of the Global Firm

June 3, 2003

Ottawa

Institute on Governance roundtable on biotechnology and governance, Connecting Biotech and Global Human Needs

September 19–20, 2003

Toronto

McMaster/University of Toronto meeting on globalization and autonomy

October 29, 2003

Ottawa

Roundtable discussion with Ursula Wynhoven from the United Nation's Global Compact Office

October 30, 2003

Ottawa

Panel discussion: Good Corporate Citizenship: Myth or Reality?

Indigenous Legal Traditions

April 23–24, 2003

Gatineau

Governance, Self-Government and Legal Pluralism

February 20, 2004

Ottawa

Presentation, Red Ink in the Margins: Indigenous Law, Canadians and Current Legal Issues

February 27–28, 2004

Banff

Indigenous Bar Association workshop on the Creation of Aboriginal Courts

March 13, 2004

Calgary

Presentation, conference on Residential School Legacy: Is Reconciliation Possible?

March 24–25, 2004

Halifax

Conference on Aboriginal Issues, in partnership with the Department of Justice Canada

Transformative Justice

May 22, 2003

Quebec City

Presentation, Société de criminologie du Québec

June 1–4, 2003

Vancouver

Best Practices in Restorative Justice: An International Perspective

June 22–23, 2003

Vienna

Meeting of the United Nations Expert Working Group on Standards and Norms with Respect to Restorative Justice

November 17, 2003

Ottawa

Launch of Restorative Justice Week

November 19, 2003

Montréal

International documentary festival showing of Community Mediation: Two Real-Life Experiences

November 19, 2003

Laval

Restorative Justice Award for 2003

November 20, 2003

Laval

Restorative Justice Dialogue

November 21, 2003

Winnipeg

Launch of Contracting Safe Justice Program

February 25, 2004

Ottawa

Reflection day on alternative methods for conflict resolution with Aboriginal communities, in partnership with the Department of Justice Canada

March 20–23, 2004

Montréal

Indigenous Bar Association Conference: Hate and Racism – Seeking Solutions

Policing

July 27–30, 2003

Washington

National Institute of Justice National Policy and Evaluation Conference

October 28–31, 2003

San Antonio

International Association of Security and Investigative Regulators Annual Conference

March 25–28, 2004

Montréal

Seventh National Metropolis Conference

Leveraging Knowledge Assets

May 12–14, 2003

Fredericton

Presentation, Canadian Conference on Personal Property Security Law

August 10–14, 2003

Fredericton

Presentation, Annual Conference of the Uniform Law Conference of Canada

October 17–18, 2003

Toronto

Presentation, 33rd Annual Workshop on Commercial and Consumer Law, Faculty of Law, University of Toronto

October 22, 2003

Ottawa

Meeting on Security Interests in Intellectual Property, Department of Justice Canada

January–February 2004

Consultations with the Canadian Intellectual Property Office, the Intellectual Property Institute of Canada, Industry Canada and the Canadian Chamber of Commerce

February 4, 2004

Calgary

Presentation on Leveraging Knowledge Assets and the *Bank Act*

Work

June 17, 2003

Ottawa

Roundtable discussion on vulnerable workers in the Canadian labour market, jointly hosted by the Law Commission and the Canadian Policy Research Networks

August 21, 2003

Ottawa

Workshop on youth workers at the Summer Law Institute of the Ontario Justice Education Network

January 7, 2004

Ottawa

Roundtable with the Canadian Policy Research Networks on the Vulnerable Worker Project

March 11, 2004

Vancouver

Public lecture on Precarious Work: Time, Place and Social Relations, co-sponsored with City Programs, Simon Fraser University

Does Age Matter?

September 4, 2003

Ottawa

Canadian Policy Research Networks Expert Workshop on Intergenerational Equity

November 7, 2003

Toronto

Canadian Policy Research Networks Roundtable on Intergenerational Equity

November 13–16, 2003

Edmonton

Workshop and consultation on Does Age Matter? at YouCAN!'s Fourth International Youth Conference on Peacebuilding and Conflict Resolution

February 3, 2004

Ottawa

Is Age an Outdated Concept?, Marlene Cano Conference, Faculty of Law, University of Ottawa

February 25, 2004

Ottawa

A Society for All Ages, launch of the discussion paper, public forum and panel discussion

What is a Crime?

June 1, 2003

Halifax

Presentation, Congress for the Humanities and Social Sciences

August 17, 2003

Montréal

Canadian Bar Association Conference

October 3, 2003

Ottawa

Roundtable on What is a Crime? case studies research

November 5–6, 2003

St. Catharines

Crime in Canada Conference

November 5–8, 2003

Vancouver

29th Canadian Congress on Criminal Justice – Hope Beyond the Hurt

November 19–22, 2003

Denver

American Society of Criminology Conference

March 29, 2004

Ottawa

Presentation by Matt Matravers, University of York, York, U.K., co-sponsored by the Law Commission and the Department of Criminology, University of Ottawa

Staff and Advisory Council

Commission Staff

Stéphane Bachand

Chantal Bisson

Steven Bittle

Bruno Bonneville

Gérald Brazeau

Dennis Cooley

Mervat Endrawis

Elysa Esnault

Jocelyne Geoffroy

Karen Jensen

Daniel Lanouette

Danielle Mathurin

Lorraine Pelot

Suzanne Schryer-Belair

Raye Ann Simpson

Patricia Steele

Maryse St-Pierre

Lise Traversy

Nathalie Vautour

Students

Julie Afelskie

Jonathan Blouin

Pamela Boisvert

Genevieve Chiu

Carmen Choi

Nirmala Devi-Singh

Carolyne Kruk

Kathy Mah

Eric Malo

Drew Mildon

Stephanie Pyne

Jennifer Schmidt

Nicole Spencer

Advisory Council

Sanjeev Anand

(May 2003 to May 2006)

Darin Barney

(October 2000 to November 2005)

Georges Berberi

(May 2003 to May 2006)

Marie Andrée Bertrand

(May 2003 to May 2006)

June Callwood

(October 2000 to November 2005)

Geneviève Cartier

(May 2003 to May 2006)

Paul-André Comeau

(May 2003 to May 2006)

Ervan Cronk

(October 2002 to November 2005)

Janet Dench

(October 2000 to November 2005)

Irène d'Entremont

(October 2000 to November 2005)

Wilma Derksen

(October 2000 to November 2005)

Jean Dragon

(May 2003 to May 2006)

Leena Evic-Twerdin

(October 2000 to November 2005)

Dave Farthing

(October 2000 to November 2005)

Jean-Pierre Gariépy

(October 2000 to November 2005)

F. Kenneth Hatt

(May 2003 to May 2006)

Mavis Henry

(October 2000 to November 2005)

Peggy J. Johnson

(May 2003 to May 2006)

Heather MacFadgen

(May 2003 to May 2006)

Alan Reynolds

(November 2000 to November 2005)

Jeff Willbond

(September 2003 to November 2006)

Management Report

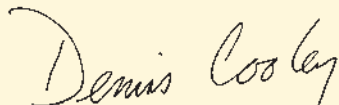
Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2004, and all information contained in this report rests with management of the Law Commission of Canada.

These statements have been prepared in accordance with Treasury Board Accounting Standards, based upon Generally Accepted Accounting Principles, using management's best estimates and judgments, where appropriate. Readers of these statements are cautioned that the financial statements are not necessarily complete; certain assets, liabilities and expenses are only recorded at a government-wide level at this time. These statements should be read within the context of the significant accounting policies set out in the Notes.

Management has developed and maintains books, records, internal controls and management practices, designed to provide reasonable assurance that the Government's assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of corporate objectives, and that transactions are in accordance with the *Financial Administration Act* and regulations as well as the Commission's policies and statutory requirements.

The transactions and financial statements of the Commission have not been audited.



Dennis Cooley
Executive Director

June 11, 2004



Denis Pelchat
Senior Full-time Financial Officer

June 11, 2004

Statement of Financial Position (unaudited)

As at March 31

2004

2003

(in dollars)

Assets

Financial Assets

Receivables		
Other government departments	7,896	78,613
External parties	0	3,297
Advances	1,000	1,000
Total financial assets	8,896	82,910

Non-financial Assets

Capital assets (note 5)	271,058	0
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Total Assets

279,954 82,910

Liabilities

Accounts payable and accrued liabilities	359,843	540,722
Provision for vacation pay and accumulated overtime	84,900	92,200

Total Liabilities

444,743 632,922

Net Assets

Net assets, beginning of year	(550,012)	(389,117)
Cost of operations	(3,476,623)	(3,182,008)
Net cash provided by government	3,698,046	2,893,113
Services provided without charge (note 6)	163,800	128,000

Total Net Assets

(164,789) (550,012)

Total Liabilities and Net Assets

279,954 82,910

Commitments (note 7)

The accompanying notes are an integral part of the financial statements.

Statement of Operations (unaudited)

For the year ended March 31

2004

2003

(in dollars)

Expenses

Salaries and wages	1,445,893	1,335,697
Professional and special services	1,051,816	935,402
Information	452,307	319,237
Travel and relocation	173,675	209,563
Rentals	160,859	137,046
Communication	61,346	59,959
Amortization of capital assets	33,882	0
Vacation pay and accumulated overtime	32,807	4,553
Repairs	24,035	36,986
Utilities, material and supplies	20,951	39,961
Equipment expenses	18,769	103,552
Miscellaneous	283	52
Cost of Operations	3,476,623	3,182,008

The accompanying notes are an integral part of the financial statements.

Statement of Cash Flow (unaudited)

For the year ended March 31

2004

2003

(in dollars)

Operating Activities

Cost of operations	(3,476,623)	(3,182,008)
<i>Non-cash items included in Cost of Operations</i>		
Amortization of capital assets	33,882	0
Services provided without charge	163,800	128,000
<i>Statement of Financial Position adjustments</i>		
Change in financial assets	74,014	(33,023)
Change in liabilities	(188,179)	193,918
Net Cash Used in Operating Activities	(3,393,106)	(2,893,113)

Capital Activities

<i>Capital Assets</i>		
Acquisitions	(304,940)	0
Net Cash Used in Capital Activities	(304,940)	0
Net Cash Provided by Government	(3,698,046)	(2,893,113)

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements (unaudited)

1. Authority and purpose

The mandate of the Law Commission of Canada is derived from the *Law Commission of Canada Act*, which came into force in 1997. The Commission's expenditures are funded by an annual appropriation from Parliament.

The mission of the Law Commission of Canada is to engage Canadians in the renewal of the law to ensure that it is relevant, responsive, effective, equally accessible to all, and just.

2. Significant accounting policies

These financial statements have been prepared on an accrual basis of accounting, in accordance with Treasury Board Accounting Standards. These standards are based on Generally Accepted Accounting Principles in Canada. The primary source of the accounting principles is the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, supplemented by the recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants for situations not covered by the Public Sector Accounting Board. Readers of these statements are cautioned that the introduction of accrual accounting at the Commission level is evolutionary. Not all assets, liabilities and expenses applicable to the Commission are recorded at this time. As such, the financial statements are not necessarily complete. However, all such assets, liabilities and expenses are recorded at a government-wide level in the financial statements of the Government of Canada. The accompanying notes provide additional details and should be read with care.

The significant accounting policies include the following:

(a) Parliamentary appropriations

The Commission is primarily financed by the Government of Canada through parliamentary appropriations. Appropriations provided to the Commission do not parallel financial reporting according to Generally Accepted Accounting Principles, since they are, in a large part, based on cash flow requirements. Consequently, items recognized in the Statement of Financial Position and the Statement of Operations are not necessarily the same as those provided through appropriations from Parliament. Note 8 to these financial statements provides information regarding the source and disposition of these authorities.

(b) Net cash provided by government

All departments, including agencies and departmental corporations, operate within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash receipts are deposited to the CRF and all cash disbursements made by departments are paid from the CRF. Net cash provided by government is the difference between all cash receipts and all cash disbursements, including transactions between departments and agencies.

(c) Expenses

Expenses are recorded when the underlying transaction or expense occurs, subject to the following:

- Employee termination benefits are expensed by the Commission when paid. Estimated accruals are not recorded at the Commission level; rather, they are recognized in the consolidated financial statements of the Government of Canada.
- Vacation pay and overtime are expensed in the year that the entitlement occurs.
- Contributions to superannuation plans are recognized in the period that the contributions are made. Actuarial surpluses or deficiencies are not recorded in the Commission's books but are recognized in the consolidated financial statements of the Government of Canada.
- Services provided without charge by other government departments and agencies are recorded as operating expenses at their estimated cost and a corresponding amount is credited directly to Net Assets.

(d) Receivables

Receivables are stated at amounts expected to be ultimately realized. A provision is made for receivables when recovery is considered uncertain.

(e) Capital assets

Leasehold improvements having an initial cost of more than \$5,000 are recorded at cost and are amortized on a straight line basis over the term of the lease. Amortization commences the month following the date when the asset is put in service.

(f) Foreign currency transactions

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions.

3. Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items for which estimates are used are accrued liabilities, provision for vacation pay and accumulated overtime and amortization of capital assets.

4. Related-party transactions

The Commission is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. The Commission enters into transactions with these entities in the normal course of business. Certain of these transactions are on normal trade terms applicable to all individuals and enterprises, while others are services provided without charge to the Commission (see note 6).

5. Capital assets and accumulated amortization

Capital Assets

	Balance Beginning of Year	Acquisitions	Disposals/ Adjustments	Balance End of Year
(in dollars)				
Leasehold improvements	0	304,940	0	304,940
	0	304,940	0	304,940

Accumulated Amortization

	Balance Beginning of Year	Current Year Amortization	Disposals/ Adjustments	Balance End of Year
(in dollars)				
Leasehold improvements	0	33,882	0	33,882
	0	33,882	0	33,882
Net Capital Assets	0	271,058	0	271,058

6. Services provided without charge

During the year, the Commission received services that were obtained without charge from other government departments and agencies. These amounts are reflected in the Statement of Operations.

(in dollars)	Current Year	Prior Year
Accommodation provided by Public Works and Government Services Canada	80,900	67,600
Contributions covering employer's share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat	82,900	60,400
	163,800	128,000

7. Commitments

The Commission signed some multiyear contracts regarding operating leases, whereby the Commission will be committed to make some future payment when the services are rendered. Future-year commitments are as follows:

(in dollars)	
2004–2005	89,600
2005–2006	89,600
2006–2007	59,100

8. Parliamentary appropriations

(in dollars)	Current Year	Prior Year
Operating expenditures, Vote 35	2,943,000	2,915,000
Supplementary Vote 35a	0	47,896
Supplementary Vote 35b	543,804	0
Transfer from TB, Vote 10	11,100	0
Transfer from TB, Vote 15	23,000	36,000
	3,520,904	2,998,896
Lapsed	112,260	92,487
	3,408,644	2,906,409
Contributions to employee benefits plan	204,262	215,233
Use of Appropriations	3,612,906	3,121,642

9. Reconciliation: cost of operations to use of appropriations

(in dollars)	Current Year	Prior Year
Cost of operations	3,476,623	3,182,008
<i>Adjustments for items not affecting appropriations</i>		
Services provided without charge	(163,800)	(128,000)
Adjustments to previous year's expenditures	21,725	62,934
Change in provision for vacation pay and accumulated overtime	7,300	4,700
Amortization	(33,882)	0
	(168,657)	(60,366)
<i>Items not affecting net results but affecting appropriations</i>		
Capital acquisitions	304,940	0
Use of Appropriations	3,612,906	3,121,642