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Thursday, May 13, 2004

—
THE HONOURABLE DAN HAYS
SPEAKER

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THE SENATE

Thursday, May 13, 2004

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

Prayers.

SENATORS' STATEMENTS

THE LATE HONOURABLE ERIC W. KIERANS, P.C., O.C.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, this morning, many Canadians from all walks of life joined together to pay a final tribute to a remarkable Canadian, Eric Kierans. Most Canadians knew him best, along with Dalton Camp and Stephen Lewis, for his memorable weekly participation in Peter Gzowski's CBC program *Morningside*, too many years ago.

Fortunately, along with many privileged others, I also knew him as a businessman, an economist, a teacher, the head of a business school, the head of a stock exchange, a provincial politician and a federal politician. Whatever his interest at the time, one characteristic dominated all others, one which is found too rarely these days: that of speaking his mind, clearly, forcefully, and without equivocation.

Yes, he had a stubborn streak but, more to the point, he demonstrated an intellectual rigour matched by few others. Those he challenged, be it René Lévesque or an investment house, student or elector, knew that however they were challenged in return faced a worthy and fair adversary because his priority was, first and foremost, his community, his province and his country; never himself. Seeking public office was never an end in itself, only an opportunity to serve others.

In his obituary, it is said of the *Morningside* participants:

A role for the state, for compassion and for humanity infused each.

Nothing could be truer of Eric Kierans. May he rest in the peace he so richly deserves.

Hon. Senators: Hear, hear!

[Translation]

Hon. Lise Bacon: Honourable senators, on Monday, at the age of 90, the Honourable Eric William Kierans, one of those behind Quebec's Quiet Revolution, passed away. Eric Kierans was one of the prime architects of the changes that altered the face of Quebec in the 1960s. He was recognized and respected for his great intelligence, his inexhaustible energy and his contagious enthusiasm.

[English]

He was a scholarship student. He made a fortune as a businessman and, in 1960, became president of the Montreal Stock Exchange. When Jean Lesage, the premier of Quebec,

offered him a position in government in 1963, he accepted to be in the cabinet as Minister of Revenue. In the years that followed, he would be the first anglophone to play a very influential part in Quebec politics.

[Translation]

Eric Kierans was a unique human being. Although he came from a business background, he would defend progressive measures and social reforms when he moved into the political realm.

He became good friends with René Lévesque, a progressive member of the Lesage government. He was convinced that the state should provide every citizen with a good standard of living and quality health care. He was one of the precursors of Quebec's economic emancipation, in particular with the creation of a public retirement fund for Quebecers.

He faithfully attended classes to improve his French. He was passionate about Quebec and convinced of its importance within Canada. In 1967, while president of the Quebec Liberal Federation, he put all his weight behind rejecting the sovereignty-association proposal promoted by René Lévesque. He always remained a staunch federalist.

[English]

In 1968, he ran for the leadership of the Liberal Party of Canada against Pierre Elliott Trudeau and was defeated. Nevertheless, he was made Postmaster General and Minister of Communications in the Trudeau government. He stayed in federal politics for four years and then left to teach at McGill University.

A man of principle and honesty, he was always skeptical of unchallenged authority. He believed that, in a federation, you could not run everything from the centre. He advocated a strong role for the provinces and for local communities in our federation. In his memoirs, called *Remembering*, he said he was:

...a federalist, not in the sense that the word now seems to command — one who believes in the domination of Ottawa over the provinces — but in the old sense of one who supports the union of disparate provinces in a wider federation, for the greater good of all.

[Translation]

Today I salute the courage and determination of a great Quebecer and a great Canadian, devoted to the ideals of economic and social justice. The principles and honesty that guided him throughout his career must now, more than ever, serve to inspire and guide our political commitment.

[English]

CANADIAN COUNCIL OF PROFESSIONAL ENGINEERS

Hon. Mac Harb: Honourable senators, as a professional engineer, I am pleased to rise today to acknowledge the work of the Canadian Council of Professional Engineers, which is currently holding its annual general meeting in Prince Edward Island. The council is the national organization of the provincial and territorial bodies that license Canada's 160,000 professional engineers.

Engineers, lead by the council, are at the forefront among licensed professionals to develop new frameworks that streamline the recognition of foreign credentials. The council is also planning practical solutions for infrastructure renewal.

In addition to the significant contributions that improve and promote public safety and spur innovation, the council and the engineering profession are dedicated to promoting engineering and honouring excellence within the profession.

The council has been a strong supporter and financial contributor to the Canadian Engineering Memorial Foundation, which each year rewards six extraordinary women in engineering studies with scholarships to pursue their academics. The foundation was created as a means to honour the memory of the 14 women from Ecole Polytechnique whose contributions to their country ended tragically on December 6, 1989.

Along with its involvement with the memorial foundation scholarships, the council will also be hosting its annual Canadian Engineers' Awards Gala as part of its annual general meeting activities. The awards recognize excellence in engineering in a variety of categories.

I wish to acknowledge and to congratulate the recipients of both the 2004 Canadian Engineers' Awards and the Canadian Engineering Memorial Foundation scholarships. On behalf of my colleagues in the Senate, I thank the Canadian Council of Professional Engineers for their continued dedication in the service of Canadians and in the promotion and advancement of engineering in our country.

• (1340)

ARRIVAL OF FRENCH COLONISTS IN NORTH AMERICA

FOUR HUNDREDTH ANNIVERSARY

Hon. Wilfred P. Moore: Honourable senators, on April 7, 1604, the ship *Le Don de Dieu*, under the command of Sieur de Monts, set sail for North America from Le Havre, France. De Monts had been commissioned by Henry IV, King of France, to establish a new colony in Acadia. Sailing with De Monts as cartographer and geographer was Samuel de Champlain. Born in Brouage, France, in 1567, Champlain was a talented and determined young adventurer. In 1599, he visited the Caribbean and Mexico. In the summer of 1603, he sailed with de Monts to Tadoussac in New France, where he explored the Saguenay River and the St. Lawrence River as far as Hochelaga, or Montreal. This 1604 passage was his second of many voyages between France and North America.

Champlain not only drew maps and illustrations, he kept comprehensive journals. He spent most of the next 26 years living and exploring in Acadia, Quebec, today's New England, upper New York State and Ontario. When one reflects on the instruments then available to him, the accuracy of his maps and charts is remarkable, as will appear on reference to The Publications of the Champlain Society. Champlain well earned the title of the "Father of New France." In 1608, he founded Quebec City, where he died on Christmas Day, 1635, at 68 years of age.

On May 8, 1604, Champlain records what is to become the beginning of French attempts at colonization in Acadia.

...we sighted Cape La Hève, to the eastward of which lies a bay containing a good many islands, covered with firs, and adjoins the coast of Acadia, and lies in latitude 44° 5', distant 85 leagues, on an east-north-east line from Cape Breton.

The Lunenburg County names, Cape LaHave and LaHave are, of course, still used to this day. De Monts and Champlain named this first conspicuous cape seen in Acadia, an abrupt cliff 107 feet high, after the last prominent cape they saw when leaving home. That was Cap de la Hève, near Le Havre, the place of their embarkation from France.

Le Don de Dieu came to anchor in Green Bay. Champlain drew a map of what he called Port de La Hève, which shows soundings of the bay, where the ship lay at anchor, the location and details of Mi'Kmaq villages, and gave names to places such as Cape LaHave and Petite Rivière that are still in use today.

Last Saturday marked the four hundredth anniversary of Champlain's sighting and arrival in Acadia. That national historic event was recognized with the Festival Champlain, a celebration and re-enactment held at that point of landfall and first anchorage, which was organized by the South Shore 2004 Celebration Association, a volunteer group chaired by Ms. Margaret A. Forbes. This event marked the arrival of the first French settlers to Canada, and it also celebrated the Mi'Kmaq people who welcomed them ashore.

We thank the South Shore 2004 Celebration Association for organizing this living history celebration, thereby sharing with all Canadians this important event in the history of today's Nova Scotia and Canada.

CONTRIBUTION TO WORLD HEALTH ORGANIZATION HIV/AIDS INITIATIVE

Hon. Yves Morin: Honourable senators, two days ago I made a statement in the chamber on the remarkable contribution of the Canadian government to the World Health Organization AIDS initiative following Prime Minister Paul Martin's announcement that Canada will contribute \$100 million to the fund. I also stated that this generous contribution comes at a very propitious time, as the Senate is now considering Bill C-9.

Yesterday, to my pleasant surprise, there were two additional contributions to this worthy cause. The government has indeed announced that Canada will extend its contribution to the global fund to fight AIDS, tuberculosis and malaria with an additional \$70 million, effectively doubling our annual contribution.

Some Hon. Senators: Hear, hear!

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Senator Morin: In addition, Health Minister Pierre Pettigrew announced that funding for the Canadian Strategy on AIDS will double over the next five years to \$84.4 million annually. This funding builds on the success of the Canadian Strategy on AIDS by strengthening communities to fight the diseases and the stigma and discrimination that fuel their spread.

This morning, the Canadian AIDS Society stated that this funding will provide room for eight service organizations to implement programs and projects that will not only prevent further Canadians from being infected but also increase the quality of care and support for people infected by AIDS.

[*Translation*]

Honourable senators, I am proud of our government's contribution to the AIDS problem both in Canada and in developing countries. These initiatives and public health decisions already made for our country show that the Paul Martin government has developed policies that improve the level of health for populations that need it the most.

[*English*]

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I should like to draw your attention to the presence in our gallery of His Excellency Ali Aujali, Chargé d'affaires of Libya. Mr. Aujali will be leaving Ottawa to assume his new post as head of the Libyan Diplomatic Mission in the United States shortly. He is also with the Tunisian Ambassador to Canada, Mohamed Saad.

Welcome to the Senate of Canada.

Honourable senators, I also draw your attention to the presence in our gallery of Corporal Richard Newman of the Royal Canadian Regiment, 3rd Battalion. Corporal Newman is from New Brunswick. He has just returned from Kabul, Afghanistan, where he suffered injuries in the course of his service there. He is accompanied by our parliamentary colleague in the other place, Andy Savoy.

Welcome to the Senate of Canada.

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

PATENT ACT FOOD AND DRUGS ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Consiglio Di Nino, Deputy Chair of the Standing Senate Committee on Foreign Affairs, presented the following report:

The Standing Senate Committee on Foreign Affairs has the honour to present its

FOURTH REPORT

Your Committee, to which was referred Bill C-9, *to amend the Patent Act and the Food and Drugs Act (The Jean Chrétien Pledge to Africa)*, has, in obedience to the Order of Reference of Tuesday, May 11, 2004, examined the said bill and now reports the same without amendment.

Respectfully submitted,

CONSIGLIO DI NINO
Deputy Chair

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

Hon. Eymard G. Corbin: Perhaps His Honour would inquire as to whether the chamber is disposed to proceed to third reading of Bill C-9 later this day.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, on behalf of the official opposition in the Senate, we concur that the house should proceed with Bill C-9 now that we have the report from the committee, and we concur in the request of our colleague, Senator Corbin.

Hon. Senators: Hear, hear!

The Hon. the Speaker: Leave is granted.

Senator Corbin, do you wish to move that the bill be placed on the Orders of the Day for consideration later this day?

Senator Corbin: I so move, Your Honour.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, because there are strong feelings about this bill, I should like to see Senator Kinsella's name registered as seconder of the motion.

On motion of Senator Corbin, with leave to the Senate and notwithstanding rule 58(1)(b), bill placed on the Orders of the Day for third reading later this day.

BUDGET IMPLEMENTATION BILL, 2004

REPORT OF COMMITTEE

Hon. Lowell Murray, Chairman of the Standing Senate Committee on National Finance, presented the following report:

Thursday, May 13, 2004

The Standing Senate Committee on National Finance has the honour to present its

NINTH REPORT

Your Committee, to which was referred Bill C-30, to implement certain provisions of the budget tabled in Parliament on March 23, 2004, has, in obedience to the Order of Reference of Monday, May 10, 2004, examined the said bill and now reports the same without amendment.

Respectfully submitted,

LOWELL MURRAY
Chairman

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

• (1350)

Senator Prud'homme: Now!

Hon. Joseph A. Day: Honourable senators, with the consent of the chamber, I would ask that this bill be placed on the Orders of the Day for consideration later this day. I would be content to have Senator Kinsella second this motion as well.

The Hon. the Speaker: Is leave granted, honourable senators?

Senator Lynch-Staunton: Do not press your luck. We do not object to leave later this day, but we will not identify ourselves with the seconding in this matter.

Senator Prud'homme: Honourable senators, if there is a problem, I will second it.

The Hon. the Speaker: Leave is granted. I will allow the Honourable Senator Day to move his motion.

On motion of Senator Day, with leave to the Senate and notwithstanding rule 58(1)(b), bill placed on the Orders of the Day for consideration later this day.

INTERNATIONAL TRANSFER OF OFFENDERS BILL

REPORT OF COMMITTEE

Hon. George J. Furey, Chair of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Thursday, May 13, 2004

The Standing Senate Committee on Legal and Constitutional Affairs has the honour to present its

TENTH REPORT

Your Committee, to which was referred Bill C-15, to implement treaties and administrative arrangements on the international transfer of persons found guilty of criminal offences, has, in obedience to the Order of Reference of Wednesday, May 5, 2004, examined the said bill and now reports the same without amendment.

Respectfully submitted,

GEORGE FUREY
Chair

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

On motion of Senator Christensen, with leave of the Senate and notwithstanding rule 58(1)(b), bill placed on the Orders of the Day for consideration later this day.

[*Translation*]

CRIMINAL CODE CANADA EVIDENCE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-12, to amend the Criminal Code (protection of children and other vulnerable persons) and the Canada Evidence Act.

Bill read first time.

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

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

[*English*]

CANADA TRANSPORTATION ACT

BILL TO AMEND—FIRST READING

Hon. Tommy Banks presented Bill S-18, to amend the Canada Transportation Act (running rights for carriage of grain).

Bill read first time.

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

Senator Banks: Honourable senators, I ask leave of the Senate, notwithstanding the rules and our normal procedure, for second reading of this bill at the next sitting of the Senate.

The Hon. the Speaker: Is leave granted, honourable senators? Normally, two days' notice is required.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, we need an explanation for this request.

Senator Banks: Honourable senators, I wish to speak to this bill before any interruption of the house and the house's business. Because of commitments, I might not be able to be here on Monday or Tuesday. I would like honourable senators to hear what I have to say about this bill. It is as simple and inconsequential as that.

Senator Lynch-Staunton: No.

The Hon. the Speaker: Leave is not granted, Senator Banks.

Senator Banks: I then move that this bill be given second reading two days hence.

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

CANADA-EUROPE PARLIAMENTARY ASSOCIATION

INTER-PARLIAMENTARY FORUM ON
TRANSATLANTIC DIALOGUE, APRIL 18-19, 2004—
REPORT TABLED

Hon. B. Alasdair Graham: Honourable senators, I have the honour to table, in both official languages, the report of the Inter-parliamentary Forum on Transatlantic Dialogue, of the Parliamentary Assembly of the Council of Europe, held in London, United Kingdom, from April 18 to 19, 2004.

[*Translation*]

INTER-PARLIAMENTARY FORUM OF THE AMERICAS

MEETING OF THIRD PLENARY SESSION,
APRIL 1-3, 2004—REPORT TABLED

Hon. Céline Hervieux-Payette: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian delegation of the Inter-Parliamentary Forum of the Americas to the third plenary session, held in Valparaiso, Chile, from April 1 to 3, 2004.

I take this opportunity to thank my honourable colleagues for the intensive work they have accomplished, while at the same time deploring the absence of the Leader of the Opposition, who, unfortunately, could not attend.

[*English*]

CANADA-CHINA LEGISLATIVE ASSOCIATION

SIXTH BILATERAL MEETING,
SEPTEMBER 19-29, 2003—REPORT TABLED

Hon. Joseph A. Day: Honourable senators, I have the honour to table, in both official languages, the report of the Canada-China Legislative Association concerning the sixth bilateral meeting held in Vancouver, Ottawa, Montréal, Quebec, Niagara-on-the-Lake and Toronto, Canada, from September 19 to 29, 2003.

CANADA-EUROPE PARLIAMENTARY ASSOCIATION

SECOND PART OF THE 2004 ORDINARY SESSION OF
THE PARLIAMENTARY ASSEMBLY OF THE COUNCIL
OF EUROPE, APRIL 26-30, 2004—REPORT TABLED

Hon. Marilyn Trenholme Counsell: Honourable senators, I have the honour to table, in both official languages, the report of the delegation of the Canada-Europe Parliamentary Association to

the Second Part of the 2004 Ordinary Session of the Parliamentary Assembly of the Council of Europe held in Strasbourg, France, from April 26 to 30, 2004.

QUESTION PERIOD

NATIONAL DEFENCE

POSSIBLE TRANSFER OF HEADQUARTERS— RECUSAL OF MINISTER

Hon. J. Michael Forrestall: Honourable senators, I have more questions about Ottawa housing, traffic and real estate.

We now have on the public record at least three dates on which Minister Pratt recused himself and stood aside from any further discussions respecting the movement of the National Defence headquarters from its present location out to what is known as the JDS Uniphase site.

• (1400)

In light of the minister's spokesman, Darren Gibb, indicating that he wrote a letter about the issue to the Ethics Counsellor just this week, what does the Leader of the Government in the Senate have to say about that, bearing in mind the two previous dates that are now in the public domaine?

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

The accurate date for the letter written to the Ethics Counsellor with respect to recusal was December 23, 2003. Yesterday, I said that it was December 13. The note to which I was referring had a typographical error. I am told that the news story about a recent letter is incorrect.

While I am answering the questions of the honourable senator, he asked yesterday whether any discussions had taken place between the Department of National Defence or the Government of Canada through Public Works Canada with officials of the City of Ottawa with respect to the current National Defence headquarters and, in particular, its use as social housing. The answer is that no discussions have been held with the City of Ottawa with respect to the use of the current National Defence headquarters.

Senator Forrestall: I might again ask the minister, just for absolute clarity, whether he would consider tabling the minister's initial and, I gather from what he said, only letter to the Ethics Counsellor, so that it might be a matter of public record.

I am pleased to hear some news with respect to social housing in Ottawa.

Did the minister have occasion to make inquiries regarding traffic involvement? It is a matter of record that Minister Pratt has sought and received extensive assistance with respect to the commuter O-Train line running adjacent to this structure. Have there been any discussions with the federal government respecting other assistance, or is the assistance to be, in fact, the relocation of DND HQ to the JDS Uniphase site?

Senator Austin: Honourable senators, I will inquire as to whether there is any collateral activity, if I understand the question of the honourable senator correctly, that would show that the federal government has an interest in the JDS Uniphase property.

As I said yesterday, the Department of Public Works has engaged in an analysis of that property for its potential use as a property for the federal government, but not necessarily for the Department of National Defence.

To answer a bit more fully Senator Forrestall's first question, in addition to Minister Pratt advising the Ethics Counsellor of his intention to recuse himself from the DND headquarters file, which was, as I have said today, done on December 23, 2003, Mr. Pratt, on January 21, 2004, formally advised the Department of National Defence of his decision to recuse himself from all dealings with the JDS Uniphase file.

I am uncertain whether this letter of December 23 is the subject of a confidential communication. If it is available as a public document, I certainly will make it available.

Senator Forrestall: Certainly, the original letter would be a matter for public disclosure. I appreciate that additional information.

REPLACEMENT OF SEA KING HELICOPTERS— AWARDING OF CONTRACT

Hon. J. Michael Forrestall: Inasmuch as we are about to conclude my tenth Parliament and enter my eleventh, may I ask a question which I first raised in this institution, the Parliament of Canada, some nine Parliaments ago? When will we get replacements for the Sea King helicopters? I asked it almost precisely in those words a long time ago.

Senator Tkachuk: They do not care.

Senator Forrestall: It was the winter of 1966-67 to be precise. We are now in the spring, if it ever comes, of 2004. It is about time.

Hon. Jack Austin (Leader of the Government): I thank Senator Forrestall for not asking me the question about the Sea Kings too often. I appreciate that very much.

I believe that, in the next Parliament, if not before, we will have a definitive answer about the contract award respecting the Sea Kings, and Senator Forrestall will know better than I how long it will take the manufacturers to produce and deliver the finished product.

I agree with the honourable senator that this replacement is urgent.

Senator Forrestall: I thank the honourable senator for all the information.

THE SENATE

APPOINTMENT OF ETHICS OFFICER

Hon. Donald H. Oliver: Honourable senators, my question is for the Leader of the Government in the Senate. It deals with the question of ethics and the procedure that the government has outlined pertaining to the appointment of a Senate ethics officer.

In a speech delivered in this chamber on Bill C-4 on February 24, the Leader of the Government promised that a list of candidates for the position of ethics officer would be circulated to all senators in this chamber for the purposes of consultation.

Could the Leader of the Government in the Senate please explain why this has not yet occurred, and when the government plans to fulfil this particular promise related to the appointment of the Senate ethics officer?

Hon. Jack Austin (Leader of the Government): Honourable senators, I will refer again to the text of my comments in the Senate before replying to the first part of the honourable senator's question.

The reply to the second part of this matter will proceed with all possible dispatch.

Senator Oliver: The honourable senator said the following on February 24 in the Senate:

... on behalf of the government I now make a commitment that prior to sending the Senate the name of any person to be proposed to the Senate to be a Senate ethics officer, the Leader of the Government in the Senate shall be authorized to consult informally with the leaders of every recognized party in the Senate and with other senators and shall be authorized to submit to the Governor in Council the names of such persons who shall, in the opinion of the Leader of the Government in the Senate, have the favour of the leaders of every recognized party, as well as the support of the majority of the senators on the government side and the majority of the senators on the opposition side.

Bill C-4 was given Royal Assent on March 31. Honourable senators, this is now May 13. The Prime Minister has already nominated an ethics commissioner for the House of Commons, which nomination has to be ratified. Considering this fact, why have we in the Senate yet to hear from the government and from the Leader of the Government in the Senate about the appointment of a Senate ethics officer? Why is the government dragging its heels on this important matter, and why has the consultation process not even commenced?

Senator Austin: Honourable senators, I thank Senator Oliver for reading my comments because I was quite certain that I had not said that I would circulate a list of candidates. The comment he read makes it clear to me I did not say that.

With respect to my statement, I want to repeat to this chamber that a process has been commenced. I am not in a position at this stage to take the Senate any further into the process. I do not believe, and I hope Senator Oliver is not suggesting, that we are not proceeding with due dispatch to deal with this question. Senator Oliver will know from his colleague Senator Di Nino that

discussions with respect to the code of conduct will be continued over the summer. The appointment of an officer requires concurrence, which Senator Oliver has mentioned, but it begins with a dialogue initiated by myself with the Leader of the Opposition and then with other senators.

• (1410)

I do not believe I am in a position to give Senator Oliver more information at this moment.

Senator Oliver: Honourable senators, my real question was: Why has the dialogue or the consultation not begun?

Senator Austin: How does my honourable friend know it has not?

Senator Oliver: Has it? Has the consultation and the dialogue on this important matter for the Senate begun?

Senator Austin: I do not believe it is in the interests of the Senate for me to answer that question.

Hon. John Lynch-Staunton (Leader of the Opposition): Oh dear.

Senator Austin: Do I have your permission?

Senator Lynch-Staunton: To say what? Say whatever you have to say.

Senator Austin: Honourable senators, I am surprised at the reaction I am receiving. However, it appears that I have the agreement of the Leader of the Opposition to say we have had a discussion on the subject.

Senator Lynch-Staunton: Give the substance of the discussion. There was nothing to it. I do not know what we are getting into here. The leader twice, since he has been made minister, has suggested that we should get on to this. Names were mentioned and we have not heard anything since, so what is the problem?

Senator Austin: That is an accurate statement of the facts of the point.

TRANSPORT

AIRLINE INDUSTRY— PAYMENT OF AIR SECURITY TAX

Hon. Michael A. Meighen: I hate to end such an interesting exchange, honourable senators, but I have an important question for the Leader of the Government in the Senate.

Senator Oliver: Another important question.

Senator Meighen: Yes, another important question. Yours was vitally important; this is merely important.

Honourable senators, with the recent federal government decision to spend \$115 million to improve security in our country's ports, Canada's air passenger industry is again asking why air travellers are singled out to pay security fees while users of other forms of transport do not. In a recent paper prepared for

the Canadian Institute of International Affairs on the airline sector, York University economist Fred Lazar argues that the air security fees have "further tilted the competitive playing field against this industry."

When the government decided to reduce the air security tax from its original amount of \$24 to \$12, they seemed to implicitly acknowledge the economically skewing and punitive impact of this tax on air travellers. Could the Leader of the Government in the Senate give us some rationale for maintaining this discriminatory and economically skewed policy relating to Canada's air passenger industry?

Hon. Jack Austin (Leader of the Government): Honourable senators, I am not at all certain that the premise of the honourable senator's question is right. There are two points in reply. The first is that the Canadian air passenger industry has had enormous injections of funds from the taxpayers of this country in the form of facilities, airports, navigation systems, a great entourage of investment about which the road and rail transportation industry has often complained.

Second, I am not sure that there is any basis for comparison of the security issues in protecting our ports, which this chamber has noted time and time again and for which the government is giving the Senate credit as it announces further security programs and the security program at airports in this country. It is a question of which has the greater need at the moment.

Senator Meighen: I do not disagree with the last statement of the honourable senator at all. One must make choices, but here we have \$115 million going to ports, which I do not disagree with and, indeed, I applaud. The fees paid by air travellers are clearly user pay fees, whereas I do not think the \$115 million has anything to do with payment by the users. I believe there is an element of discrimination there. Why are we not asking the users to pay more in all instances?

Senator Austin: Honourable senators, security at ports is a combination of private sector and government contribution. Very substantial steps have been taken by port authorities and the users of ports toward improved security, which is now being enhanced by an additional government injection of support. As Senator Meighen may well know, it is vital for Canada's ports to remain competitive with the continental alternatives to the use of our ports. In the United States, an enormous and direct contribution for the full security package is made under provisions enacted by Congress. With respect to air passengers, there are all sorts of incidental security costs that are not borne by user fees.

Senator Meighen: Honourable senators, surely the leader is not suggesting that the airline industry is not contributing to security just like the maritime industry is contributing to port security. One cannot claim that in the air industry all the support is coming from the users and none from the industry.

Senator Austin: Honourable senators, the Government of Canada provided a fund — and I do not have the amount at hand at the moment — to permit the airline system to increase its security following September 11, 2001. The reinforcement of cockpit doors, the strengthening of various partitions and provisions that relate to the use of electronic detection devices have been paid for by the Government of Canada in the last two years. I will be happy to provide Senator Meighen with the details of that program. I regret I do not have them here.

[Senator Austin]

FINANCE

POLICY ON BANK MERGERS

Hon. David Tkachuk: Honourable senators, *The Globe and Mail* reported yesterday that the government would in all likelihood delay its June 30 deadline for issuing a policy on bank mergers, which the present Minister of Finance had promised he would do. In 1998, when the government rejected two major bank mergers, the finance minister at that time, Paul Martin, promised he would clarify the merger process for financial institutions.

It is hard to believe it has been six years. Merger review guidelines were issued in 1998 and the Standing Senate Committee on Banking, Trade and Commerce report supporting mergers was issued at the end of 2002. It has been six years since Mr. Martin has made his promise and still no government policy. The current finance minister is threatening to delay his action once again. If the new policy is to be delayed beyond the original June 30 deadline, when precisely can we expect to see it?

Hon. Jack Austin (Leader of the Government): Honourable senators, Senator Tkachuk is familiar with the reasons given by the Minister of Finance. I do not think that he provided a specific date, so I am not able to do so.

Senator Tkachuk: He did provide a specific date of June 30 and now he says he wants to delay the announcement of his decision, or delay the date. I am just trying to find out when we can expect to see it. Perhaps the Leader of the Government could enlighten me as to the reasons.

Senator Austin: Honourable senators, as I have just said, in stating that the date for the government's announcement with respect to the policy on bank mergers would be delayed, no future date was provided. I am not aware of the reasons given by Mr. Goodale, beyond those that appeared in the media.

Senator Tkachuk: Honourable senators, perhaps the Leader of the Government can inform all senators in the chamber exactly what reasons were given to the media. Can he also confirm that this merger process will not extend into the year 2005, as some newspaper reports have indicated it will?

• (1420)

Senator Austin: Honourable senators, the best course of action is for me to make an inquiry and table an answer to Senator Tkachuk's question.

NATIONAL DEFENCE

POSSIBLE TRANSFER OF HEADQUARTERS— RECUSAL OF MINISTER

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, my question is for the Leader of the Government in the Senate. There has been talk in the deputy minister community in this town. Today in the *Ottawa Citizen*

there is an article that points out that David Pratt, the Minister of National Defence, did indeed send correspondence to his acting deputy minister on the matter of the move to the JDS Uniphase campus on January 21, almost one month after he promised the Ethics Counsellor that he would not involve himself further in the matter. Why did Minister Pratt not respect this promise to the Ethics Counsellor not to involve himself in the move by clearly trying to put pressure on his acting deputy minister to consider the JDS Uniphase complex?

Hon. Jack Austin (Leader of the Government): Honourable senators, there is no merit in that question at all and it does not arise out of the newspaper article.

The story simply says that on January 21, Mr. Pratt handed the responsibility for dealing with the DND Headquarters issue to another minister, Minister Guarnieri. I advised the house earlier in Question Period of the letter dated January 21 that was sent for that purpose — to advise the department that a different minister would be taking responsibility for this particular matter.

Senator Kinsella: Would the Leader of the Government in the Senate indicate whether that letter could be tabled in the Senate?

Senator Austin: I will make inquiries.

COMPETITION BUREAU

REVIEW OF GAS PRICE INCREASES

Hon. Jack Austin (Leader of the Government): Honourable senators, while I am on my feet, I would like to respond to a question by Senator Oliver, which was asked on May 11 with respect to gas taxes and the question of when the Competition Bureau would be able to act. I have been advised that examinations under the Competition Act are carried out in private and that all information obtained during the course of an examination is treated on a confidential basis.

JUSTICE

NEW BRUNSWICK—EFFECT OF FEDERAL COURT DECISION STRIKING DOWN ELECTORAL BOUNDARIES

Hon. Lowell Murray: Honourable senators, actually I have quite a number of questions. I hope the Leader of the Government in the Senate will consult his briefing notes concerning the decision of the Federal Court yesterday striking down electoral boundaries in northern New Brunswick.

There was an appeal to the Federal Court by some people on the Acadian Peninsula, protesting their inclusion in the constituency of Miramichi. What are the options facing the government? Do they intend to appeal the decision? Do they intend to press on and hold an election on boundaries that have been effectively struck down? I understand that the court has given the government a year to put things right.

The judgment is not on the Web site of the Federal Court yet, so I have not been able to read it. Mr. Saada, the Government House Leader in the other place, has said it would necessitate appointing a new boundaries commission for New Brunswick to take this on. I presume all of the boundary commissions were functus as of April 1, when the new representation order came into effect. What law would permit the government to appoint a new boundaries commission for New Brunswick or anywhere else after the report is in and the representation order has been proclaimed?

This is a matter of great puzzlement perhaps because I have not had a chance to read the judgment. I am curious as to which options the government is facing and which option it has decided to follow. If the minister would care to extemporize, perhaps he could consult Senators Robichaud, Losier-Cool or Léger on the implications for the Liberal Party candidates in that province, following one or the other of the various options open to the government.

Hon. Jack Austin (Leader of the Government): Honourable senators, we are not in a position to get into too much discussion on the issue at this stage. As indicated by the honourable senator, the court has suspended the application of its decision in the *Raiche* case for one year. Therefore, the new boundaries that were established by the Electoral Boundaries Commission for New Brunswick are in place for one year.

We have hardly had time to consider and begin an analysis of what the implications are in order for me to respond to the rest of the honourable senator's question.

As the honourable senator knows, this is a decision of the trial division of the Federal Court. As the honourable senator's question suggests, there is a possibility remaining to the Crown to appeal the decision. However, I am not in a position to provide any specific advice on the direction that might be taken.

Senator Murray: Would the minister indicate if it is the position of the government that they would have to appoint a new boundaries commission for New Brunswick in order to do that and what is the legal authority for doing that?

Senator Austin: Honourable senators, as Honourable Senator Murray is quite aware, the court, having suspended the application of its decision for 12 months, has given appropriate time to consider all of these issues.

I believe that answers will be forthcoming and that there will be time to deal with the questions the honourable senator has asked.

DELAYED ANSWER TO ORAL QUESTION

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, I have the honour to present a delayed answer to an oral question posed by the Honourable Senator Forrestall on April 29, 2004, concerning an issue raised in the Auditor General's report. Specifically, the query centred around the degree of multi-agency buy-in to the CSIS-established Integrated National Security Assessment Centre.

[Senator Murray]

PUBLIC SAFETY AND EMERGENCY PREPAREDNESS

CANADIAN SECURITY INTELLIGENCE SERVICE— INTEGRATED NATIONAL SECURITY ASSESSMENT CENTRE

(Response to question raised by Hon. J. Michael Forrestall on April 29, 2004)

The Canadian Government is committed to an integrated security system that will allow for the close cooperation of various departments and agencies. As part of this initiative, the Integrated National Security Assessment Centre (INSAC), which is now referred to as the Integrated Threat Assessment Centre (ITAC), will have representation from all the primary departments/agencies involved in security-related matters. As noted in the recently released National Security Policy, these include: Public Safety and Emergency Preparedness Canada (PSEPC), Canadian Security Intelligence Service (CSIS), Royal Canadian Mounted Police (RCMP), Communication Security Establishment (CSE), Department of Foreign Affairs (FA), Privy Council Office (PCO), Transport Canada and Canada Border Services Agency (CBSA). Representatives from agencies such as Health Canada, Agriculture Canada, Agri-Food Canada and Environment Canada can also be called upon, as required. Although housed within CSIS, ITAC will be accountable to the Minister of PSEPC.

ORDERS OF THE DAY

BUSINESS OF THE SENATE

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, we cannot debate the first item on the Order Paper, Bill C-3. Thus, I would like to call Bill C-28, which is Order No. 2, followed by Bill C-15, Bill C-30 and Bill C-9.

CANADA NATIONAL PARKS ACT

BILL TO AMEND—THIRD READING

Hon. Edward M. Lawson moved the third reading of Bill C-28, to amend the Canada National Parks Act.

He said: Honourable senators, first let me acknowledge Senator Banks and his committee for the speedy way in which they dealt with this matter. The members of the committee gave this proposed legislation thorough discussion. I was present to be a part of that debate. The bill is now before the chamber at third reading.

It is my privilege to speak at third reading on Bill C-28, to amend the Canada National Parks Act in order to remove land from Pacific Rim National Park Reserve of Canada and Riding Mountain National Park of Canada for Indian reserve purposes.

• (1430)

These amendments will accomplish two things: First, the removal of lands from Pacific Rim will resolve an acute housing shortage on the Esowista Reserve of the Tla-o-qui-aht First Nation and, second, the removal of 4.7 hectares of land from Riding Mountain will rectify an error that occurred in implementing a specific land claim agreement in 2000.

I want to emphasize that Bill C-28 will not serve as a precedent for other national parks. These are unique circumstances that need to be addressed collectively in this unique fashion.

When Pacific Rim was established in 1970, it completely surrounded the seven-hectare reserve of the Tla-o-qui-aht First Nation. At the time, Esowista was changing from a seasonal fishing camp to a permanent residential community. The Government of Canada recognized that a larger site would eventually be needed to meet the needs of the Esowista community and it committed itself to finding a long-term solution.

The land to be removed from the park, 86.4 hectares, will serve three main purposes. First, it will address acute overcrowding in Esowista. Second, it will allow infrastructure improvements to remedy sewage disposal and water quality concerns. Third, it will support the development of a model community that will exist in harmony with a national park reserve. It is expected that a total of 160 housing units will be required, of which 35 are required in the short term.

The Tla-o-qui-aht First Nation and the Department of Indian Affairs and Northern Development will cooperate with Parks Canada to minimize the impact of the expansion of the community on the ecological integrity of the park. This parcel of land represents less than 1 per cent of the park's total land base. Its removal from the park will have the least possible impact on Pacific Rim's ecological integrity and will accommodate the Tla-o-qui-aht First Nation's community needs.

With regard to Riding Mountain National Park, this bill will correct a technical error that occurred in 2000 in the preparation of the legal description for the land removal, which caused a five-hectare strip of land to be omitted and to remain within the park.

I believe, honourable senators, that this bill will go a long way toward showing the true determination of the Government of Canada to make a larger place for Aboriginal peoples in the affairs of our country.

Parks Canada, which administers directly our 41 national parks, 149 of almost 900 national historic sites and two national marine conservation areas, is also committed to strengthening its relationships with Aboriginal peoples, as stated in its recently released new corporate plan.

Mr. Alan Letourelle, CEO of Parks Canada, said:

Another key priority in the next 10 years must be an ever-improving focus on First Peoples. The historic places of Aboriginal peoples go back 10,000 years in Canada and,

frankly, we would be unable to establish and manage the majority of new national parks and many national historic sites without the enthusiastic determination of Aboriginal peoples. Parks Canada will return that enthusiasm by working closely with Aboriginal peoples at the local, regional and national levels.

I am confident that with the wise counsel of elders and chiefs across the country, we can continue on our journey of healing and learning to ensure that Aboriginal voices and stories become an inherent part of all Parks Canada programs.

The agency's corporate plan goes further and states that:

Parks Canada recognizes that developing partnerships and strong working relationships with Aboriginal peoples contribute to the agency's operations at all levels.

Over the next five years, Parks Canada will continue to build relationships in five areas, with particular attention on economic development and Aboriginal tourism opportunities. Its Aboriginal Affairs Secretariat will provide national leadership on these key issues:

First, community relations — to develop strong relationships with Aboriginal communities, strengthening the foundation for a broad range of formal and informal arrangements; to continue communication between field units and Aboriginal peoples and to explore cooperative management agreements with Aboriginal peoples through land claims processes.

Second, employment — to increase Aboriginal employment; to provide training and development opportunities for Aboriginal employees, particularly in the areas where specific employment commitments exist, as specified in a land claim or park establishment agreements, for example; and to ensure that Aboriginal peoples are well represented in Parks Canada.

Third, economic opportunities — to pursue greater inclusion of Aboriginal peoples in economic development planning, as recommended in our own Senate subcommittee study of northern parks, and to strengthen economic opportunities through tourism opportunities, employment, the Aboriginal procurement process and the development of partnerships at the operational level.

Fourth, presentation of Aboriginal themes — to refine interpretive messages and create opportunities for the public to learn about Aboriginal peoples and to meet the challenge and opportunity to ensure that every national park and national site, where relevant, will present Aboriginal themes over the next five years.

Finally, commemoration of Aboriginal history — to continue to strengthen the agency's efforts to encourage proposals and nominations for the national designation of people, places and events commemorating Aboriginal history and heritage.

What are the working relationships between Parks Canada and Aboriginal people? My colleague Senator Austin has already illustrated specific initiatives that are underway at Pacific Rim National Park, which I mentioned earlier. I would now like to speak briefly about the initiatives underway at Riding Mountain National Park.

When the Riding Mountain National Park was created in 1929, it included Indian Reserve 61A of the Keeseekoowenin Ojibway First Nation. The First Nation was relocated outside of the national park. A specific land claim settlement agreement, concluded in 1994 between Canada and the Keeseekoowenin Ojibway First Nation re-established Reserve 61A. Most of the associated lands were removed from Riding Mountain in 2000 with the passage of the Canada National Parks Act. However, due to an error in the preparation of the legal description for the land removal, a five-hectare strip of land was omitted and remained within the park. The amendments to the Canada National Parks Act will fully re-establish Keeseekoowenin Ojibway First Nation Reserve 61A and rectify the error that occurred.

Canada is respecting its obligations under the specific land claim agreement with the Keeseekoowenin Ojibway and building a foundation for strong working relationships with First Nations. What are these working relationships? I have already referred to the Senior Officials Forum. The forum was established through ministerial agreement in 1998 between Parks Canada and the Keeseekoowenin First Nation. It is intended to establish a positive and productive working relationship between the park and the First Nation that will assist the two parties in resolving issues of common concern and interest. Parks Canada has provided financial support for the forum.

A concept for the establishment of a coalition of First Nations with interest in Riding Mountain National Park is being discussed with nine First Nations which are members of the West Region Tribal Council. The coalition, if successful, would provide opportunities for discussion and resolution of issues that are of mutual interest to both Parks Canada and local First Nations.

Riding Mountain facilitates access to the park by Aboriginal people for traditional, spiritual and ceremonial purposes. The collection of plants and natural objects from within Riding Mountain is being carried out under permit by the Keeseekoowenin Ojibway Medicine Society. Employment of people of Aboriginal heritage within the park currently represents 15.7 per cent of its workforce, an increase from 7.2 per cent in 1998. It exceeds the national Aboriginal labour market availability of 2.5 per cent and the Manitoba Aboriginal labour market availability of 10 per cent.

Honourable senators, as you can see, Riding Mountain National Park is committed to strengthening its relationship with Aboriginal communities. A similar effort is underway across all Parks Canada's national parks, national historic sites and national marine conservation areas.

I will conclude by reminding everyone that there is broad support in favour of the proposed withdrawal of lands from Pacific Rim National Park Reserve and Riding Mountain

National Park. For example, the following bodies have indicated their support for the proposed withdrawal from Pacific Rim: Environmental nongovernmental organizations, including Greenpeace, the Sierra Club, the Western Canada Wilderness Committee, the Friends of Clayoquot Sound, the Canadian Parks and Wilderness Society and the provincial, regional and district governments and provincial First Nations groups.

When a solution to this problem was sought, Moses Martin, the chief councillor of the Tla-o-qui-aht First Nation, Parks Canada, the Department of Indian Affairs and Northern Development and the ministry of the environment must have picked up a canoe-load of goodwill and common sense. They had a small piece of land on the water that was not large enough for housing needs. The first choice was to have additional waterfront property, but Parks Canada said that the waterfront property would be kept for people who patronize the park. A short ways away was some old growth. Both sides wanted to leave that undisturbed. Not too far away, there was land that had already been logged, small shrub growth, ideal for building houses. The parties agreed on that land.

• (1440)

Honourable senators, this matter involved a serious and complex problem; it involved a legal error and the needs of First Nations people. The fact that there was unanimous approval from all the stakeholders, directly or indirectly involved, is impressive; they have shown us the way. As such, honourable senators, I cannot think of a better way to recognize their accomplishment than for we in this chamber to vote unanimously in support of the bill.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I was pleased to lend our support to this bill at second reading when we were debating the principle of the bill. The Standing Senate Committee on Energy, the Environment and Natural Resources, in its report on Bill C-28, recommends that the bill be adopted without amendment. In that regard, I wish to add a couple of words before the end of our debate at third reading on the bill.

I want to preface my remarks with reference to the Pacific Rim National Park Reserve, and to underscore the work of my colleague in the other place, Dr. James Lunney. His constituency includes part of this area and he has worked assiduously on this file. Dr. Lunney brought to our attention the importance of supporting the land transfer and the fact that housing improvements were definitely needed and supported by local communities. Infrastructure upgrades, in his judgment, also create a win-win situation for the neighbouring municipality of Tofino.

Dr. Lunney visited the reserve, met with a local council representative and later, twice, with the chief. He arranged meetings in his constituency office prior to the bill being entered for debate in the other place. I want to place on the record our appreciation for the excellent work that that member of Parliament undertakes in his area.

We all now understand Bill C-28 fully. In 1994, a land claim settlement agreement, involving land in the Riding Mountain National Park, between Canada and the Ojibway First Nation established Reserve 61A. It was due to an error in the preparation of the legal description for the land removal that a strip of land was omitted when this reserve was created, and it remained with Riding Mountain National Park. Bill C-28 rectifies this matter.

I had a chance at second reading to emphasize the importance of ecological management. I did express, and placed on the record, our concern that maybe Parks Canada has not been given the kinds of resources it should be given to ensure the fullness of managing our parks in terms of their ecological needs.

I had the opportunity in committee to address the issue of special circumstances — that is, land being removed from a given park. We all understand that, in the public interest, it may be necessary — we do it in the private sector — to expropriate land, for the greater good of the community. Effectively, that is what has happened here: We are expropriating park lands for a public interest purpose.

In committee, I asked the officials whether Parks Canada has a policy regarding replenishing national parks when lands are withdrawn. The committee received an answer via fax — and I thank the chair of the committee for providing me with a copy of same — prepared by the officials. I wish to place their answer on the record. “Parks Canada does not have a policy regarding replenishing national parks when lands are withdrawn. National parks are intended to be established in perpetuity and lands are only withdrawn under exceptional circumstances.”

Honourable senators, we have uncovered what I believe to be a flaw in the current policy at Parks Canada. It is my hope that Parks Canada will take note that it is our view that it ought to have a policy of replenishing park lands when, in the public interest, there must be a withdrawal of park lands. Just as the officials said in their answer to my question, national parks are intended to be established in perpetuity — that is exactly right.

It is my hope, honourable senators, that the Parks Canada officials will take note of this matter and that, in that regard, the department will put in place a replenishment policy to be used where they withdraw land from our parks. Otherwise, honourable senators, we are happy to support this bill at third reading.

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

Hon. Senators: Question!

The Hon. the Speaker: It was moved by the Honourable Senator Lawson, seconded by the Honourable Senator Banks, that the bill be read a third time now.

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

Motion agreed to and bill read third time and passed.

INTERNATIONAL TRANSFER OF OFFENDERS BILL

THIRD READING

Hon. Ione Christensen moved third reading of Bill C-15, to implement treaties and administrative arrangements on the international transfer of persons found guilty of criminal offences.

The Hon. the Speaker: If there are no honourable senators who wish to speak, are honourable senators ready for the question?

Hon. Senators: Question!

The Hon. the Speaker: It was moved by the Honourable Senator Christensen, seconded by the Honourable Senator Finnerty, that the bill be read the third time now.

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

Motion agreed to and bill read third time and passed.

BUDGET IMPLEMENTATION BILL, 2004

THIRD READING

Hon. Joseph A. Day moved third reading of Bill C-30, to implement certain provisions of the budget tabled in Parliament on March 23, 2004.

He said: Honourable senators, Bill C-30 deals with eight portions of the budget that require legislative change. What I propose to do, honourable senators, is to briefly discuss some of the points that came out of the second reading and the committee hearing with respect to this particular bill.

• (1450)

I begin by thanking all honourable senators for participating in the debates during second reading and at committee. I would especially thank my honourable colleague Senator Ringuette, who so ably assisted in delivering the speech on behalf of the government at second reading of Bill C-30. During those debates, Senator Ringuette undertook to obtain an answer to a question posed by Senator Oliver regarding amendments to the Farm Credit Canada Act. I would like to take a few moments to ensure we all understand that issue.

In Budget 2004, the federal government announced that it had planned to provide funding of an additional \$20 million over two years to supplement Farm Credit Canada's planned agriculture and agri-food venture capital investments. In the Farm Credit Canada Act, it is stated that the limit on capital injections that the government may make to Farm Credit Canada is \$1.225 billion.

Since 1959, the Government of Canada has invested \$1.118 billion in this Crown corporation. The amendment is necessary to increase the statutory upper limit of capital payments to allow for future injections of capital to Farm Credit Canada for promising agriculture and agri-food companies.

[*Translation*]

The bill is divided into eight parts:

Part I: Amendments to the Federal-Provincial Fiscal Arrangements Act;

Part 2: Amendment to the Canada-Newfoundland Atlantic Accord Implementation Act;

Part 3: General: Payments to certain entities;

Part 4: Amendments to the Canada Pension Plan;

Part 5: Amendments to the Employment Insurance Act;

Part 6: Amendment to the Farm Credit Canada Act;

Part 7: Goods and services tax and harmonized sales tax rebate for municipalities;

Part 8: Limitation periods for collection of charge debts and tax debts.

[*English*]

Honourable senators, let me deal briefly with certain parts of Bill C-30 so that we can understand their thrust. I do not intend to go into extensive detail with respect to each of the eight parts. I will briefly refer to some of the measures intended to address Canadian priorities with respect to communities, health care, learning — particularly learning for our youth — and the environment.

In key policy arenas, communities represent the front line. That is why the budget takes the first steps in the government's commitment to forge a "new deal" for communities of all sizes. This bill implements the government's commitment to provide a 100 per cent rebate of the goods and services tax, or GST, and the federal component of the harmonized sales tax, the HST, in those municipalities that have entered that regime, paid by the municipalities in providing municipal services and community infrastructure. That translates into approximately \$7 billion worth of GST/HST relief for local governments across Canada over the next 10 years.

The budget also recognizes that investments in learning are fundamental to a strong economy. The federal government fully recognizes that support for learning starts with the birth of a child and extends well into adulthood.

Through this bill, federal funding to the provinces and territories for early learning and child care will increase by \$75 million in each of the next two years under the new Canada Social Transfer to accelerate implementation of the 2003 Multilateral Framework Agreement on Early Learning and Child Care reached by federal, provincial and territorial ministers responsible for social services. A \$150 million increase

over two years, combined with previously committed funding this year and next, could provide up to \$48,000 new childcare spaces or up to 70,000 fully subsidized spaces for children from low-income families in Canada.

Further action to help strengthen our publicly funded health care system is also a key component of Budget 2004. Building on the additional \$2 billion for funding for health to provinces and territories, confirmed by the Prime Minister in January in support of the 2003 First Ministers' Accord on Health Care Renewal, this bill provides funds to improve Canada's readiness to deal with public health emergencies and address immediate gaps that have been found in our system as it has been tested over the past while.

Bill C-30 authorizes \$400 million to be provided to provinces and territories over three years, of which \$300 million is targeted to a national immunization strategy. The remaining \$100 million will relieve stresses on provincial and territorial health care systems that were identified during the SARS outbreak and will help those levels of government address immediate gaps in their public health capacities by supporting front-line activities, specific health protection and disease prevention programs, information systems, laboratory capacity, training and emergency response capacity.

As well, Bill C-30 proposes that \$100 million be provided to Canada Health Infoway Inc. to allow the provinces and territories to invest in software and hardware with a goal of assessing, developing and implementing high-quality, real-time public health surveillance systems.

Health care and learning priorities are also addressed, of course, through renewal of the Equalization Program. Honourable senators will be aware that your National Finance Committee dealt with the equalization issue about two years ago. The committee is conducting a further study of that issue. Given that the Equalization Program is so fundamental to our Canadian unity, I have no doubt that the committee will continue to assess it in the years to come.

The Equalization Program is reviewed and renewed every five years to ensure the integrity of the formula upon which the payments are based. Honourable senators will know that this is a complex formula and a very complex application involving over 33 different bases of revenue. There have been attempts to avoid the large swings in annual entitlements for receiving provinces. There have been attempts in this legislation to achieve that through a three-year running average.

Honourable senators, we heard at length from the Minister of Finance last evening on this particular matter, and I believe that what is being proposed is reasonable under the circumstances, but it is clearly not what some provinces have asked for. Adjustments are made for British Columbia, Saskatchewan, Newfoundland and Nova Scotia in this legislation. It is still not everything that everyone and every province would like to have, but I submit that it provides for a good balance and that we will keep working at it as time goes on.

[Senator Day]

• (1500)

The budget also recognizes that a clean and safe environment is fundamental to a healthy society and stable economic growth. To promote better environmental stewardship for the future, the bill invests \$200 million in the Sustainable Development Technology Foundation and broadens and makes clear the foundation's mandate to include support for clean water and soil technologies from the point of view of sustainable development technologies.

These are a few of the key measures, honourable senators, contained in Bill C-30.

The bill also makes changes to several other areas that are important to Canadians. It clarifies rules with respect to employers' contributions and refunds in the Canada Pension Plan and the Employment Insurance plan. Specifically, employers who have been involved in business restructuring previously had to pay twice, or could potentially have had to pay twice, on behalf of all their employees if they went through a restructuring. This bill recognizes that and ensures, from an employer restructuring point of view, that that does not have to happen.

The bill deals with another Canada Pension Plan point that many honourable senators have been involved with, and that is where someone takes an early pension by virtue of disability but then he or she starts to feel better and wants to go back to work. The Canada Pension Plan, as it existed, has discouraged that by making it difficult for the person who goes back to work, but then finds that he or she cannot handle the work, to go back on a disability pension. This bill provides an incentive for the individual to go back to work and try, for a two-year period, which I think is an important initiative. I was pleased to see that initiative being reflected in changes. Like several honourable senators, I have urged that that change be made.

A final interesting amendment, honourable senators, provides for a 10-year limitation period for the collection of federal tax debts under several acts. In the past, when we went to law school, we were informed that the federal government could demand tax payments for any time in the past. There was no limitation period with respect to tax debts that a citizen may owe to the federal government. A recent decision of the Supreme Court has established that, indeed, there is a limitation period, or there should be such a period. This is the government's reaction to that decision. The bill provides for a 10-year limitation period for the collection of debts. If a debt is owed to the federal government under one of these listed statutes listed for more than 10 years, the federal government is barred from going to court to collect it.

Honourable senators, these are a few of the highlights of this budget implementation bill. Budget 2004 is a budget that I believe has struck the right balance between targeted investments for Canada that are needed to strengthen Canada's social programs and build a Canada for the 21st century, while maintaining the fiscal prudence that has served our country so well in recent years.

The events of 2003 proved that the road ahead will not always be a smooth one. We can predict the growth over the next few years, but we cannot always achieve it. Senator Tkachuk had an extensive discussion last evening with the Minister of Finance on

that issue and the goals that have been set for the next 10 years by the Canadian government. Whenever situations arise that require prompt and immediate action or reaction, support from all levels of government, our government will be there to help families, businesses and individuals get back on their feet, just as was done during the past year with respect to several major challenges. We expect that this will be done while at the same time doing our best to maintain a balanced budget and, indeed, paying down the debt to the extent it is practicable.

This important bill requires swift passage in order to close the financial books for 2003-04 fiscal year. Honourable senators will recall that there were some questions about why some of the funds in this particular bill related to the previous fiscal year. We had an extensive explanation of that issue last evening. It relates to what is acceptable to the Auditor General in terms of dealing with an expenditure that is to apply in a previous year. A commitment was made, subject to parliamentary approval, and the bill seeking that parliamentary approval must have issued before the end of the fiscal year. In fact, that is what has happened in this instance. The books must not have been closed with respect to that fiscal year, and in fact that is the case. That is what makes this particular bill take on some degree of urgency.

Therefore, I would ask honourable senators to provide quick passage of this important bill.

I thank honourable senators for their attention.

Hon. Lowell Murray: Honourable senators, now that this bill has been reported by the committee and is before us for third reading, the time has come for me to express some moderately bilious personal opinions that I have been holding back for the last few weeks.

At our committee meeting last night, our witness was the Minister of Finance, Mr. Goodale. Mr. Goodale told us that Bill C-30 is the first of several bills to implement provisions of the March 23 budget. He told us — and Senator Day alluded to this in his concluding remarks — that, because the government wanted to have urgent matters, matters on which there was and is a time line, dealt with first, this bill is now before us. That is the case, from an accounting perspective, only with regard to certain payments that are being booked in the previous fiscal year, 2003-04, and, from an accounting perspective, ought to be legislated before the books are closed and sent off to the Auditor General some time this summer.

However, that is demonstrably and emphatically not the case with regard to the part of the bill dealing with equalization. I will come back to that point later. It need not be the case for the part of the bill dealing with employment insurance. This is a case where the government has, since the turn of the present century, been ragging the puck, and has been, if I may mix metaphors, afraid to bite the bullet while ragging the puck.

Senator Banks: Block that metaphor.

Senator Murray: Senator Banks is right.

The government has been frustrating the spirit and intent of the Employment Insurance legislation, grabbing unto itself the right to set premiums, taking that process away from the commission on the advice of the Chief Actuary. This should have been settled long before this but, I think for reasons of politics and fiscal advantage, the government chose not to do so. I may have time to come back to that before I sit down, perhaps not, but I made something of those points in a brief exchange with Senator Ringette the other day.

I suppose it would be taken by many here as the ultimate accolade if I were to say that there is not an iota of difference between the Chrétien and the Martin governments, and I do say that with regard to the federal government's attitude and approach to federal-provincial fiscal relations.

• (1510)

The core program, as Senator Day indicated, is the equalization program. It is the program through which the federal government makes unconditional grants to the provinces to ensure, insofar as we can, that citizens of Canada, wherever they live, have reasonably comparable levels of provincial services at reasonably comparable levels of taxation. It was so important that the fathers of the 1982 Constitution thought it necessary to place in the Constitution. As somebody observed at the committee, and the point was repeated here the other day, it is to some extent the glue that holds the federation together. It certainly speaks to the central value — the value of sharing — in our federation.

I suppose another program that could be considered a core program, if only because of its reach, touching as it does health, post-secondary education and social assistance, is the Canada Health and Social Transfers. It, too, could be considered a core program in federal-provincial fiscal relations.

Over a period of time, the government has found various devices for holding equalization down. One was the ceiling that existed for many years and was removed recently. Another was the move from the 10-province standard to the five-province standard, about which I will say something later.

The fact is that official Ottawa does not like equalization. They do not like equalization because there is an element of unpredictability in any formula-driven program, as this is. Political Ottawa does not like equalization because, to them, there is not enough political visibility to equalization. Liberal governments and Liberal ministers are much touchier than others on this point. Senator Mercer and I had this conversation several weeks ago at the committee. I think the government's concerns about political visibility in the provinces are rather exaggerated. As a matter of fact, I do not think many people in the recipient provinces are under any illusion that all the money for the provincial services they get is coming out of own-source revenues of the province. I suggested to Senator Mercer, in an exchange we had at the committee, that if he were to stop any reasonably well-informed citizen of Nova Scotia on the street one day — and all of them are reasonably well-informed — and asked them what portion of the provincial budget was accounted for by transfers

from Ottawa, most people would be pretty close to the mark. The answer, at least the last time I looked, was somewhere in the neighbourhood of 40 per cent. I do believe the federal government's concerns on that score are somewhat exaggerated, but there you go.

The federal government has shown in the past 10 years that as soon as the fiscal situation improved, rather than make any significant improvements to equalization or to the CHST, except for some catch-up that they have made to compensate for the very large cuts that were made in 1995, the federal government vastly prefers direct payments to individuals and institutions through the use of the federal spending power in areas of exclusive provincial jurisdiction. This they do with scholarships, innovation grants to universities, grants for health research and all the rest of it. I am not questioning whether these are good and useful contributions to Canadian society, and I am prepared to acknowledge that to some extent these programs take the pressure off provincial treasuries. Still, the core programs in health and post-secondary education are administered by the provinces, and they are not being attended to sufficiently.

Further, the direct exercise of the federal spending power in these areas are, it seems to me, not done in any collaborative effort with the provinces, and still less in any effort to recognize or take account of vastly different circumstances and conditions across the country. Therefore, I am troubled by the fact that core programs such as those under equalization and the CHST are still being held down while the government is, relatively speaking, awash in budget surpluses.

I think we should all be troubled by the fact that the federal government and the provinces cannot even seem to agree on a definition of the problem. You hear these arguments about how much the federal government is contributing to health care. The provinces at one point say it is 14 per cent and the federal government says it is 40-odd per cent, depending upon what you put into the calculation and whether you include the tax points that were ceded back in the 1970s by Ottawa to the provinces.

The argument is getting us nowhere. I do believe that something has to be done to take a fresh look at the whole area of federal-provincial fiscal relations. I think the only acceptable way to go about it is either in some joint, federal-provincially appointed commission or by something like the old tax structure committee that existed for a while during the Pearson years, which actually did try to make a reasonable projection of where federal revenues were going versus federal spending responsibilities, and provincial revenues versus provincial spending responsibilities.

When the previous government of Quebec under Mr. Landry appointed Mr. Séguin, who later returned to politics as the Liberal Minister of Finance in the Charest government, to head up a commission in the matter, he brought in a report detailing the fiscal imbalance in the country with a fair bit of research having been done by the Conference Board of Canada. Later, when the other premiers had a study done, also purporting to show a considerable fiscal imbalance, the federal government simply denounced it as a myth. Mr. Dion, the then Minister of Intergovernmental Affairs, dismissed it out of hand. It is a myth. There is no point in trying to project revenues and expenditures; it is all status-quo basis.

What else would it be? To suggest that you cannot project some likely scenarios forward five or 10 years and base an action plan on them strikes me as being rather obtuse, to put it mildly.

Still, that attitude has not changed at all with the change in government. Mr. Goodale was a bit more tactful about it when he appeared before the committee last night, saying that the projections of large federal surpluses in the future are based on what he called flawed assumptions. We asked him to go into the working papers of the federal Department of Finance and let us see the presumably valid assumptions that they are working on, and one waits with bated breath for all that.

To come back to equalization, and why I say it is not necessary at all to have the equalization program dealt with now, the house may recall that the previous equalization program was due to expire on March 31, 2004. The Chrétien government left office apparently without having taken a decision on the matter. When the Martin government came to office, one of the first things they did in their first session of Parliament was to present Bill C-18, which they did on February 12 in the House of Commons. The purpose of Bill C-18 was to extend for another 12 months the old equalization program, it being understood that a new formula, when it came in, would be retroactive to April 1 of this year. As I say, that bill was presented on February 12 in the House of Commons and received third reading here in the Senate on March 25. Any reasonable interpretation of that action would be that the government wanted more time to consider and discuss a new equalization formula.

On February 20, while Bill C-18 was still before the House of Commons, there was a federal-provincial finance ministers' meeting, the second attended by Mr. Goodale, as he told us last night, in the course of which he simply went in and laid it on the table and said, "Here is the new formula." He did this while we still had the extension of the old formula before us in Parliament. Then, on March 23, with Bill C-18 still before the Senate, he tabled his budget. In those budget documents was the outline of the new program, which then found its way into Bill C-30.

• (1520)

Then, on April 18, the Premier of Saskatchewan, Mr. Calvert, met with Prime Minister Martin and came out announcing that Mr. Martin had instructed his minister, Mr. Goodale, and officials to get together with Saskatchewan officials and the minister to revisit a number of serious grievances that the Province of Saskatchewan has with the equalization formula. That lent credence to the idea that although Bill C-30 was before us, it was still not cast in stone and there was still room for changes.

Indeed, as soon as the announcement was out, other provinces began to see the possibilities for some further tweaking of the formula. Premier Pat Binns of Prince Edward Island, who is himself a native of Saskatchewan and probably follows what is going on there, was not slow off the mark in seeing the opportunity to revisit some of these questions.

All the provinces have problems with the workings of the formula, and there is no point in going into all of them here. Our committee issued a report two years ago on these matters, but

Saskatchewan has a very serious problem. To give the government credit, it did agree to \$120 million compensation for Saskatchewan because the formula had worked so seriously to Saskatchewan's disadvantage with regard to the sale of Crown leases. Saskatchewan was viewed as taxing those leases at 6.9 per cent, while there was a notional national average tax rate of 15.6 per cent, which meant that, for purposes of the formula, Saskatchewan's tax base for equalization purposes was more than double. They lost a lot of money on that, and the government agreed to compensate them to the tune of \$120 million.

However, that was not the only problem that Saskatchewan has faced. We had Professor Courchene of Queen's University before us, and Premier Calvert discussed the matter with the Prime Minister. Professor Courchene has done a piece for the Institute for Research on Public Policy showing that while Saskatchewan's energy revenues in the year 2000-01 totalled \$1.038 billion, the equalization offset associated with those revenues was even larger, namely, \$1.126 billion, or a tax-back rate of 108 per cent.

There are several reasons for that. One reason is the existence of a five-province standard, rather than a 10-province standard. Saskatchewan is in the five-province standard but Alberta is not. Thus, within the five-province standard, Saskatchewan becomes a very rich energy province, and, as a result, for example, for third-tier oil, which is one of the revenue sources for energy, Professor Courchene points out that Saskatchewan would be seen to have 37 per cent of a 10-province base, but 97 per cent of a five-province base.

The inequity of a tax-back rate of 108 per cent is obvious for anyone to see. It is an outstanding injustice that is done to Saskatchewan, and the Premier is right in asking to have it revisited and the Prime Minister was perfectly right in saying that he would revisit it.

However, rather than hold back on the equalization portion of this bill, the government, at least the Department of Finance, has decided to go full steam ahead. Why are they pushing ahead? If I were paranoid — and, of course, I am not — I would believe that the Department of Finance was sending a message to Prime Minister Martin. It is saying, "Mr. Martin, sir, you are Prime Minister now, but, remember, it is the Department of Finance that still runs the country." There are some wise heads on the other side nodding. I will not identify them at the moment.

There is no need to have gone ahead right now with the equalization portion. They could have waited and negotiated a new formula. Finance does not want to do that. It wants this thing cast in stone as much as possible.

We had an exchange with the Minister of Finance last night on this matter, and I will not quote it all. I asked him whether we were to assume that the undertaking of the Prime Minister to revisit this issue has meant that the revisitation would take place in the year 2009. Mr. Goodale said no, but that the normal cycle is five years, et cetera, and at various times he said the following:

Obviously, if a consensus can be reached, it is always possible to move forward quickly than absolutely be locked into five-year cycles. I would hesitate to raise an expectation.

To that I replied as follows:

With respect, that has been done, Mr. Minister, by the Prime Minister.

Mr. Goodale then says:

The Prime Minister undertook to examine any instance of that.

That is, matters that needed correction, and the minister continued:

If, indeed, other examples were found of errors, mistakes, miscalculations, we will move to correct them.

He pointed out that there have been meetings between federal officials and Saskatchewan officials.

Mr. Goodale further said:

... if another problem is identified, either in relation to Saskatchewan or some other province, we would move to make the correction.

That is as far as the committee can go in getting an assurance from the minister. I suggest that the media in Saskatchewan and elsewhere and the political opponents of the government, whoever they may be, in Saskatchewan and elsewhere, ought to press this point and get some more specific undertakings from the Prime Minister as to the fact that they are prepared to reopen the equalization portion of the bill that seems to be on its way to passage and Royal Assent here, in order to correct serious inequities for Saskatchewan and problems affecting other provinces before the year 2009. Otherwise, it will be worth a trip to Saskatchewan during the election campaign to see Mr. Goodale and Prime Minister Martin on a platform explaining to the incredulous voters of Saskatchewan that the revisitiation he had in mind will not be taking place until the year 2009. They have been doing some fancy footwork on this issue of equalization.

I wish that the government had been as fast on its feet to put things right with the employment insurance fund. This story goes back a long way. Auditors General had been stating that so long as the federal government had access to the EI fund, it could not be considered as being off the books. It could not be considered a separate fund and had to be integrated into the accounts of the government. The Mulroney government did that. As a result, it obtained, for the first time in many years, a clean bill of health on the books from the Auditor General.

At the time of recession and increasing premiums, we decided to keep premiums no higher than \$3 per \$100 of income, I believe, and in any case we swallowed the deficit through the Consolidated Revenue Fund. Our successors in the Chrétien government were able, with lowering unemployment, improving

economic conditions and increasing premiums, to correct that. The deficit has long since disappeared. The law provides that a surplus in the fund should be just enough to provide a cushion against any downturn in the economy. The Chief Actuary has fixed the number at the outer limit of \$12 billion to \$15 billion. The surplus in the fund is now reaching \$47 billion, which is unconscionable.

The government keeps fooling around with it. On several occasions, it has legislated to get out from under the Employment Insurance Act and grab for themselves the power to set the premiums, all the while explaining that consultations have to go forward, and it will be coming up with a new program or solution in due course. We heard that again last night from the minister, Mr. Goodale, who, with this bill, will obtain the authority, with his colleagues, to set the premiums as far ahead as next year, 2005, just in case these consultations have not been completed by that date.

• (1530)

Now, that is what has been happening with the employment insurance fund. It is unjustifiable. It is part of a smoke-and-mirrors approach to budgeting and fiscal accountability, but it is also an employment tax and they might as well acknowledge it and get on with it. However, they do not want to do quite that.

Honourable senators, I woke up this morning turning this issue over in my mind, and before I got out of bed I decided what we should do if they come back another time with a bill of this kind. Since we have no authority to raise a premium but we do have the authority to lower one, if there is a next time, we should set the premium at zero and give employers and employees a well-deserved premium holiday on employment insurance.

Some Hon. Senators: Hear, hear!

Hon. Jack Austin (Leader of the Government): Honourable senators, I wanted to thank Senator Day for his prodigious work on Bill C-30 and to also thank Senator Murray for his incredible contribution. Senator Murray has an encyclopedic knowledge of one of the most difficult, convoluted, complex and baroque topics in federal policy.

Senator Murray: It is the conclusion with which I want you to agree.

Senator Austin: I am getting there.

The speech Senator Murray has just made is an illustration of just how much background and how much insight he has on this subject. It is a unique talent not only in this chamber but in the other chamber as well. He has no rival over there, with the possible exception of the Minister of Finance and the Prime Minister.

I wish to add this particular comment: We have had a very effective National Finance Committee under Senator Murray, and of course I hope that will continue. The idea of fiscal imbalance has intrigued me, and I would like to turn this comment into a question and ask: Is there a theoretical or

conceptual basis to any argument about what should be the balance between the federal and provincial governments in terms of the revenue sharing of the Canadian tax capacity? I have never been able to find anything — pragmatism, yes, historical balance, background and the movement of funds from the federal government to the provinces for specific reasons. However, I have never understood there to be an argument that could be founded on a conceptual or theoretical basis. Would Senator Murray care to comment?

Senator Murray: Honourable senators, I am not enough of an economist to know whether the argument is still valid about having the federal government being sufficiently strong to “manage the economy” in downturns and to guard against unemployment on the one hand and inflation on the other, now that we have such an open economy.

First, I firmly believe that the federal government must be strong enough financially to carry out the responsibilities that the Constitution assigns to it in such areas as defence and security, as we have seen recently. Matters such as foreign aid have become increasingly important as well. The federal government must be strong enough to acquire itself of those tasks effectively.

Second, the federal government must be in a position to equalize opportunities across the country. That is clear. I hope nothing that I have said has ever argued to the contrary. I do believe it is wrong to dismiss the idea of a fiscal imbalance as myth. It is possible to develop various scenarios about where we are going in various provincial responsibilities versus federal responsibilities and what the likely revenue growth will be at both levels of government. The tax structure committee in the 1960s did that. Tom Kent has discussed it in some detail, as has Gordon Robertson and Mitchell Sharp in their respective memoirs of that period, which are worth a read.

Hon. Donald H. Oliver: Honourable senators, I would like to join in the debate on Bill C-30. I do so with fear and trembling and with a lot of misgivings, particularly after the eloquent speeches by both the Honourable Senators Day and Murray, and even more so after the accolades placed upon them by the Leader of the Government in the Senate. Nonetheless, I have a duty and an obligation, and I do wish to speak to this bill.

Honourable senators, I am a bit surprised that here we are on May 13 actually talking about this issue because if one can believe what has been said in the media over the last two months, we could very easily have been in an election sometime in April; if so, this bill would have died on the Order Paper.

As honourable senators have heard from the other senators today, this bill is now an absolute must and we must have it before Victoria Day. Only a couple of weeks ago the government was prepared to let it die on the Order Paper as it marched to the polls for a June 14 election day. Why was it not a priority when the government was contemplating a June 14 election and when did it become a must-have bill?

Senator Kinsella: Good question.

Senator Oliver: Early passage of this bill achieves two things, it seems. First, it allows the government to charge \$620 million of spending to the fiscal year that ended on March 31. Both Senators Day and Murray have alluded to that and I did as well two days ago at my second reading speech.

The Minister of Finance, in his testimony before the Standing Senate Committee on National Finance, last night stressed this as the key reason the government now needs the bill, stating:

Bill C-30 focuses on items that I would consider urgent. It particularly includes measures that relate to the last fiscal year.

As I explained earlier, to meet the standards and the tests of how one can properly book those items in relation to the last fiscal year, this measure would need to be enacted before we would close the books and send them to the Auditor General.

Honourable senators, we are being asked to give early passage to Bill C-30 so the government can achieve an accounting result. I have some real problems with this. The largest backdated item is a \$400 million payment to a public health trust, yet Bill C-30 does not specify when the government is to cut a cheque, does not require that the payment even be made, and allows the government to pay a smaller amount than \$400 million. The legislation simply says:

The Minister may make direct payments, in an aggregate amount of not more than four hundred million dollars...

What happens if the government changes its mind after the books have been closed on the 2003-04 fiscal year, given that it is under no legal obligation to make the payment? Do we then put the \$400 million back into this year's surplus?

Finance Minister Ralph Goodale did provide a rather lengthy explanation of the government's year-end accounting practices that could probably be paraphrased as, “We can get away with it as long as it is urgent, the bill is introduced before the end of the fiscal year, and legislation is passed before the books are closed in August.”

Honourable senators, who decides what is in fact urgent? As I said in my second reading speech, the government plans to backdate a \$100 million payment to Canada Health Infoway to last year, while booking a \$200 million payment to the Canada Foundation for Sustainable Development Technology to this year's account.

• (1540)

The payment to Canada Health Infoway is to help the provinces pay for hardware and software, which is understandable, and will flow to the provinces over a period of time. While this may be a worthy objective, how does it meet the test of urgency? This is pretty fancy accounting.

One reason that the government wants this bill now is so that it can issue GST rebate cheques to municipalities. The government is telling us that while the GST rebates to municipalities will be retroactive to February 1, no payments can actually be made until this legislation is passed. I see that the Leader of the Government in the Senate is nodding his head in agreement.

This is curious, given that, in the past, the government has used remission orders that the Honourable Senator Austin would be familiar with to refund other taxes. You did not need a bill, just a mere remission order. We trust that those retroactive cheques will be put in the mail the day after Bill C-30 receives Royal Assent. Only a few weeks ago, the government was willing to let them wait until the fall.

As a matter of law, dealings between Canada Revenue Agency and taxpayers only find their way into the public domain if the taxpayer releases the information or if someone is charged with tax evasion. Bill C-30 departs from that practice by allowing the government to disclose the rebates paid to individual municipalities. Can we assume, honourable senators, that the government will hold off issuing press releases, saying who got how much until it actually cuts the cheques?

Honourable senators, there are a group of other outstanding tax changes that have been announced but not yet brought to Parliament by way of legislation. Last October 3, the government announced several non-controversial and in some cases extremely technical GST measures. For example, the services of social workers are now GST-exempt. One change that will be retroactive to 1998 concerned the abatement or refund of tax as if it were a duty. Why is government not dealing with these other changes to the GST law, including rules for rebates, some of which were backdated by as much as six years? Where is the legislation for the huge pile of technical tax changes announced in December 2002, some of which are backdated to the mid-1990s? Where is the legislation for income tax measures announced in the 2003 budget? Does this government find it acceptable that their officials cannot deliver tax legislation in a timely manner?

Bill C-30 allows the cabinet to set the EI premium for next year if new legislation to create a new premium-setting mechanism is not in place by December. The minister told the committee last night:

In case, for some reason, we do not get through the legislative process by that time, it is important to have the regulatory authority to deal with the rates for the next calendar year, just in case.

Just in case of what? Would we simply not revert to the law that says that premiums are to be set by the EI Commission with a view to having enough money in the account to balance premiums over a business cycle? If that were the case, would the EI Commission, after looking at the \$47 billion EI surplus that I spoke about at length two days ago not be legally bound to chop premiums dramatically, as Senator Murray has suggested so eloquently? This clause has nothing to do with ensuring certainty, nothing to do with ensuring that rules exist for rate-setting, and

everything to do with keeping EI premiums higher than they ought to be, given the money in the EI account at present.

Take away that \$47 billion EI surplus, take away the \$25 billion in cumulative cuts that Prime Minister Martin made to payments for health and education in the government's first two mandates and there is no debt reduction. This government's fiscal success has been the result of overcharging for a program that is supposed to break even and under-funding health care and education.

The government has dragged its heels on a new rate-setting mechanism for almost four years now. It does not take that long to hold consultations, unless your strategy is one of delay, delay, and then some more delay. For all we know, the government may have already made a decision about how rates are to be set in the future, but it will not tell us until after the election that is imminent.

Bill C-30 legislates a new five-year framework for the equalization program, one that has not been well-received by the provinces. The Government of Saskatchewan, as Senator Murray has set forth again today, in particular, has serious problems with the treatment of mining and resource revenue. Three weeks ago, the Prime Minister gave an undertaking that his Minister of Finance would sit down with the Saskatchewan equivalent to revisit the matter.

The budget specifically told us that the treatment of resource revenue would not be reopened until the framework of this bill expires, five years from now, in 2009. The minister was asked in committee about time lines. I do not doubt that there will be discussions and an exchange of information and views back and forth. However, no specific commitment was given to deal with this matter earlier than five years. As the minister said:

The renewal processes are on a five-year cycle. Obviously, if a consensus can be reached, it is always possible to move more quickly rather than absolutely be locked into five-year cycles. I would hesitate to raise an expectation.

The minister is thus in the position of being able to say in his home province that the matter is open, while not making a commitment to actually fix the way some parts of the formula in the past have hit Saskatchewan, with clawbacks in the 200 per cent range.

Honourable senators, beyond the specific content of this bill, I would like to make two other brief observations. The six weeks since the budget have seen three major economic changes in the landscape. First, interest rates have gradually started to rise; the budget did assume that they would. Second, the dollar has shown some weakness in recent weeks. Third, and most significant, there has been a spike in gasoline prices.

On Wednesday night, neither the Minister of Finance nor any of the army of officials he brought with him before the committee could tell the committee how much in extra GST the government is reaping from the spike in gas prices. Given that the issue has been raised in the other place, and given the potential of a huge

windfall, I do not know what is more disturbing; that the minister did not know, or that no one around him had bothered to crunch the numbers.

Given the volume of the gas subject to the excise tax, the answer would probably be in the ballpark of about \$30 million per year at the pump. Let prices stay up at about 80 cents and the government will have enough money to pay for the whole adscam all over again.

We certainly know that higher gas prices have a positive effect on the government's bottom line. There are some who want higher gas prices to help meet our Kyoto targets. It is somewhat confusing trying to sort out just where the government stands on this. The Minister of Finance was known to be a Kyoto booster when we had Minister of Natural Resources, but says that the prices we have seen to date will not make that much of a difference in meeting our Kyoto targets.

He told the committee that:

The academic studies have indicated that before there would be any significant change in consumer behaviour, you would really have to see prices in the order of magnitude that are sort of on the street in Europe, and that is certainly not the direction in which the Government of Canada intends to go.

This is curious. In February, the Honourable David Anderson, the Minister of Environment, mused aloud about using higher gas taxes as a Kyoto strategy. The *Regina Leader-Post*, on February 17 carried this report:

Environment Minister David Anderson raised the possibility of an extra tax on gasoline Monday, saying the new levy could allow the government to decrease personal income tax.

'For every dollar we don't take in an excise tax, it means we take one more in an income tax. Is that the split people want? Do they want to pay higher income taxes, and less consumption taxes on gasoline?' Anderson asked. 'At least that choice should be put to them.'

• (1550)

Anderson floated the idea in response to a question about imposing a gas tax to help Canada meet the Kyoto Protocol.

Second, honourable senators, I observe that, as an election call draws closer, we see the government trying to shut down potential problems. Suddenly, there is money to fix regional problems in the EI program, particularly in a province like mine. Suddenly, the gun registry is under review.

One of the more recent retreats concerns the budget's proposed limits on investments in trusts by pension plans. The budget specified that pension funds would be restricted to putting a maximum of 1 per cent of their assets in business income trusts and acquiring no more than 5 per cent of individual business trusts. This is not part of Bill C-30, but it could be part of a future income tax bill if the government does not change its mind.

The government has faced heavy criticism about this measure, not only from pension plans such as the Ontario teachers' fund — OMERS — but also from Liberal counterparts at Queen's Park in Toronto. Earlier this week, the Minister of Finance said that he was rethinking this measure. He was reported in Wednesday's *National Post* as saying:

This is the sort of provision that quite frankly did not lend itself to advance consultation. I'm in the process of doing that.

The Hon. the Speaker: I am sorry to interrupt, but I should clarify. Are you asking for leave to continue, Senator Oliver? I took it that Senator Murray's intervention was the 45-minute intervention. I should have clarified earlier if you, as the Conservative spokesman, were to have the 45 minutes. The matter can be cleared up if you are asking for leave to continue. I take it that you are.

Senator Oliver: I can conclude with six more sentences.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

The Hon. the Speaker: Leave is granted, honourable senators.

Senator Oliver: Today's *The Globe and Mail* quotes an Ottawa insider as saying:

You don't particularly want to have a lot of municipal employees and teachers going to their all-candidate meetings and asking about this.

Thus, a tax measure that was cast in stone eight weeks ago is now open to consultation. The Minister of Finance simply did not do his homework.

Honourable senators, I suspect that this will be the last budget implementation bill introduced by this government. I look forward to debating the proposed budget legislation of the coming Conservative government.

Some Hon. Senators: Hear, hear!

Senator Banks: I think you refer to that as the "faint hope clause."

Some Hon. Senators: Question!

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.

Senator Kinsella: On division.

Senator Forrestall: On division.

Motion agreed to and bill read third time and passed, on division.

**PATENT ACT
FOOD AND DRUGS ACT**

BILL TO AMEND—THIRD READING

Hon. Eymard G. Corbin moved the third reading of Bill C-9, to amend the Patent Act and the Food and Drugs Act (The Jean Chrétien Pledge to Africa).

He said: Honourable senators, I could speak at length, but I feel that time is of the essence.

I should like to thank each and every honourable senator who contributed to this debate. After hearing the exchanges in committee yesterday, my feelings about this bill are reinforced and I again thank honourable senators, particularly Senator Keon, who raised pertinent questions and concerns. That was extremely useful.

The various departments involved not only in the drafting but also in the execution of the proposed provisions of this bill have been very open and helpful. Some questions and concerns remain, but it is important to note that there will be a review of this legislation in two years and that the Senate will be included in that review.

The proposed section 21.18 (2) will read:

The standing committee of the House of Commons that normally considers matters related to industry shall assess all candidates for appointment to the advisory committee and make recommendations to the Minister on the eligibility and qualifications of those candidates.

The Senate had been left out of that process, but yesterday, in committee, we received, from the Minister of Industry and Minister responsible for the Economic Development Agency of Canada and for the Regions of Quebec, Madam Lucienne Robillard, a letter of commitment, in both French and English, to the chair of the committee, the Honourable Peter Stollery. That letter was tabled with the committee and, with the chamber's permission, I would seek unanimous consent to table this ministerial commitment in the Senate at this time.

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

Hon. Senators: Agreed.

The Hon. the Speaker: Leave is granted to table as requested.

Senator Corbin: The bill is supported unanimously by all parties involved: Canada's research-based pharmaceutical companies; the Canadian Generic Pharmaceutical Association; NGOs; and both Houses. Everyone supports this bill and I believe it is ready

to go forward. I am always mindful, as a former elected parliamentarian, that things like this happen because the taxpayers support it. I think that all of Canada supports this initiative, and I am proud of it.

Hon. Wilbert J. Keon: Honourable senators, this bill represents a great humanitarian act and a great act of leadership on the part of Canada, and we are all very proud to be part of it.

The bill will make it easier for countries in the underdeveloped world that cannot afford necessary drugs to have access to them. There is no question about that, and it is wonderful to see Canada leading in this field.

There are some problems with the bill. It is not perfect. However, as Senator Corbin has said, it will be reviewed in two years. I should like to re-emphasize that the Senate has the capability and the responsibility to ensure that the necessary changes occur and, in particular, to monitor what happens in the next two years and make the necessary judgment. I am convinced, as I said previously, that there will be serious problems such as diversion, counterfeiting, growth of foreign generic companies, a paradoxical increase in the number of AIDS patients in developing countries due to the lack of health care infrastructure, and a serious lack of confidence on the part of generic drug companies leery of making any kind of a significant investment to produce drugs without the long-term commitment from the government; they have only a two-year window. Honourable senators, something will have to be done about that — perhaps a review. We may have to go beyond a two-year renewal. I am deeply concerned because drug companies, in India for example, will exploit that market if we do not support Canada's generic drug companies.

• (1600)

Honourable senators, I fully endorse Bill C-9. We will review it in a couple of years.

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 third time and passed.

**STUDY ON QUOTA ALLOCATIONS AND BENEFITS
TO NUNAVUT AND NUNAVIK FISHERMEN**

REPORT OF FISHERIES AND OCEANS
COMMITTEE AND MOTION REQUESTING
GOVERNMENT RESPONSE ADOPTED

On the Order:

Resuming debate on the motion of the Honourable Senator Comeau, seconded by the Honourable Senator Adams, that the fourth report of the Standing Senate Committee on Fisheries and Oceans, tabled in the Senate on April 1, 2004, be adopted and that, pursuant to rule 131(2),

the Senate request a complete and detailed response from the Government, with the Minister of Fisheries and Oceans being identified as Minister responsible for responding to the report.—(*Honourable Senator Watt*).

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, the Honourable Senator Watt had intended to speak to this item but informed me today that he does not now wish to speak, that he supports the fourth report of the committee and that he would like to see it passed.

Therefore, I propose that we do so.

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 report adopted.

ADVANCEMENT OF VISIBLE MINORITIES IN PUBLIC SERVICE

INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Oliver calling the attention of the Senate to the barriers facing the advancement of visible minorities in the Public Service of Canada.—(*Honourable Senator Di Nino*).

Hon. Consiglio Di Nino: Honourable senators, I rise today to applaud and support Senator Oliver's statements made in this chamber about the barriers facing the advancement of visible minorities in the Public Service of Canada. Representing minority interests is one of the Senate's core responsibilities and, to be frank, I am dismayed at how this institution has repeatedly dropped the ball on the issue of minorities in the public service — an issue that goes to the heart of the Senate's mandate.

Canada is a country of immigrants. In this chamber alone, one out of every 10 senators was born outside Canada, including myself. In the other place, the number is closer to one out of every seven. There is no doubt that new Canadians make an enormous contribution to the economic and cultural prosperity of our nation. Despite this, new Canadians, particularly visible minorities, are conspicuously absent from the ranks of the Canadian public service.

The government's response to this problem has been wholly inadequate. In his speech, Senator Oliver outlined initiatives implemented by the government to address this issue. While hiring targets have been set to increase the representation of visible minorities in the public service, there has been little substantive change in hiring policies. Complaints of discrimination in the public service hiring process abound.

The barriers facing the advancement of visible minorities in the public service are most pronounced at the highest ranks. Currently, visible minorities hold fewer than 4 per cent of executive positions. This is particularly problematic because, as one senior PCO adviser points out, visible minority executives are crucial "to accelerating cultural change in the public service." The Public Service Commissioner has stated publicly that a diverse and multi-ethnic workplace can spur innovation and create new opportunities.

The lack of visible minority representation in the public service is also problematic because it reduces the government's ability to provide effective service delivery to the growing diverse communities in Canada. Alex Himelfarb, Clerk of the Privy Council, said:

We need to mirror the society we serve. Our relevance to citizens depends on how we see and understand Canadian society and how we respect the varied qualities of our shared citizenship. We are a public institution; we must reflect that public. Our professionalism is assured only if we are staffed by leaders and employees who reflect Canada's rich ethno-cultural diversity.

Canada's largest employer must reflect the reality of Canadian diversity. Between 1992 and 2001, the visible minority population in Canada grew at a rate five times that of the overall Canadian population. Our public service simply does not reflect this reality and the unique capacities of our nation. Senator Oliver and I have been talking about this issue for years and, truthfully, I am a little tired of the platitudes.

The number of immigrants in this country will only continue to grow, encouraged by our immigration policies and by Canada's need for qualified, skilled workers. Approximately one half of Canada's immigrants are admitted to Canada under the category of so-called "economic immigrants," that is, immigrants with specialized skills and training that will make an immediate positive impact on the Canadian economy. While private companies have leapt at the opportunity to expand their workforce to include these new Canadians, the government continues to lag behind in integrating them into the public service. Colleagues, this problem can be addressed. All we need is the will to do so.

• (1610)

One considerable restraint on alleviating this problem is the public service's hiring policies. The current practice of hiring senior public servants through internal competition means that competent visible minorities must start at the bottom and work their way up, making the realization of benchmarks at the executive level virtually impossible in the short term.

As I mentioned earlier, a considerable number of Canada's immigrants are skilled professionals and tradespeople. As Senator Oliver pointed out, another serious barrier faced by these immigrants is the recognition of foreign credentials. Canadians lose out when the talents of its immigrants cannot be put to work for the betterment of the nation. Canada should seriously consider updating its policies with respect to foreign credentials.

The PCO has also suggested — and I stress “suggested” — providing additional training to ensure the eligibility of currently employed visible minorities, such as language training, career counselling and management training. I welcome these suggestions, but talk is cheap. Action is what is needed. Let us get it done!

Honourable senators, we all recognize that new Canadians are essential to the social fabric of our nation. The Senate should investigate this issue further and make recommendations on real measures to address the barriers facing new Canadians in fully participating in and contributing to a better and stronger Canada.

As a matter of fact, at an early future opportunity, I hope Senator Oliver will join with me to initiate a motion to refer this issue to the appropriate standing Senate committee for a full study and recommendations. At this point, honourable senators, I should like to move adjournment of the debate in my name. For the remainder of time I have available, in case we have an opportunity to debate this further, particularly, I would invite the Chair of the Standing Committee on Internal Economy, Budgets and Administration to comment. Hopefully, she can shed some light as to the progress we have made so far.

On motion of Senator Di Nino, debate adjourned.

[*Translation*]

COMPETITION IN THE PUBLIC INTEREST: LARGE BANK MERGERS IN CANADA

INQUIRY—DEBATE ADJOURNED

Hon. Marcel Prud'homme rose pursuant to notice of Thursday, March 11, 2004:

That he will call the attention of the Senate to the sixth report of the Standing Senate Committee on Banking, Trade and Commerce entitled: “Competition in the Public Interest: Large Bank Mergers in Canada,” tabled in the Senate on December 12, 2002.

He said: Honourable senators, this is a matter very close to my heart, as I was a member of the Committee on Banking, Trade and Commerce. Since my aging memory may not be trustworthy, I have had to reread the documents relating to this matter.

The Senate had a mandate to address this important issue of bank mergers. I was a recently arrived member of the Banking Committee, which was under the skilled chairmanship of Senator Leo Kolber. On December 10, after having heard a variety of testimony from all the major bankers of Canada, we members of the committee reached the conclusion that we could recommend these mergers.

I had asked for a vote, and it was not recorded, but my memory of the event is flawless. I voted against the report, but I did agree to allow the committee to report to the Senate without any indication that there had been dissent among the committee membership.

[Senator Di Nino]

My interests lie more with international affairs, national defence and CIDA than with banking, but since I was assigned to the Banking Committee rather than the one on Foreign Affairs, which I would like to be on before I die. I did my duty. This was the first time I met bankers, including the presidents of the top five Canadian banks. Among the questions I asked these banking executives was one of particular concern to me: Who will be the spokespersons for the workers, the ones to defend the 242,000 employees of these banking institutions? How would the mergers affect them? It was pretty hard to get any answer to that. I recall that Senator Setlakwe asked that question.

[*English*]

I will quote him in English:

My concern is if the banks close shop, and we only have a few Caisses Populaires in Thetford Mines, will we be getting competitive service?

Remember, Senator Setlawke is not Senator Prud'homme on Foreign Affairs. He is a banker; he knows money and business. He answered his own question. He said, “My answer is no.” He did not even wait for the bankers to answer.

I let things go on, and I was very thankful that Senator Lynch-Staunton — remember, this was tabled December 10, 2002 — was kind enough to let it die, without being prompted. Of course, he does not need any prompting from me. “Prompt” means push, and I respect him too much for that.

In passing, Senator Lynch-Staunton sat on the Montreal municipal council with my father. My father was the eldest councillor and Senator Lynch-Staunton was the youngest. You can imagine the stories.

The much respected Senator Lynch-Staunton took the same kind of motion and let it die. I thank him for that, because I thought it was inappropriate. I wanted to wait a little bit more, to see what would happen in the year or two following the adoption of that report. Senator Lynch-Staunton stood the order, as did everyone else and that made me happy. We then came to the end of a session. On March 23, 2003, I introduced in the Senate, and I thank our able staff for their counsel, a motion calling the attention of the Senate to the sixth report of the Standing Senate Committee on Banking, Trade and Commerce, entitled “Competition in the Public Interest: Large Bank Mergers in Canada,” tabled in the Senate on December 12, 2002.

I let it stand. No one took the floor, so it is now day 11 and we are about to prorogue. Strangely, however, I do not know if I was close to Mackenzie King, whom I met when I was with my father at 13 years old, but I think I saw the future in a crystal ball when I said, “I do not think we should pass this at this time.” I forecast in the year 2002 that there would be an election in early or late spring 2004. I do not think it is wise to have such dramatic change at this time. I know bankers want clear-cut rules so they can function better.

• (1620)

What do you think, Mr. Clark? Ask a banker, a great, well-paid — and some say bankers are too well paid — executive banker. That banker might say that, if the proposal were put forward, it would be bought right away. That means my proposal was not too extravagant. They may say, wait for a new government to do it.

We know that commitments could be made soon. Perhaps on June 30 the Minister of Finance should reflect on the mergers. Senator Kelleher, rightly so, had a civilized exchange with Senator Austin, our able Leader of the Government in the Senate. They even talked about the colour of their ties on that day, if I remember well.

On December 21 last, Senator Kelleher asked what would happen — because this day was definitely coming. I am of the opinion, stronger than ever, that this government, which may be heading into an election, should make no announcement on the question of mergers before June 30. I am a parliamentarian, but I am also someone who likes politics.

By the way, I will make five speeches in the Toronto region, starting on Friday and continuing on Saturday, Sunday, Monday and Tuesday. The audience will not be partisan, but I will convince them of the greatness of Canada. I will probably talk a little bit about how I will vote in the next election.

What worries me is that this is not the time to take a great decision on mergers, that is, before June 30. Let the universe unfold, as Mr. Trudeau so ably said, at least until the new government, of whichever stripe it may be — I do not want to be partisan — has time to reflect and come to the next session with clear-cut rules on the question of bank mergers. That new government can reflect on our committee's work. I asked for a vote — I repeat that I only asked once — but the Banking Committee is not accustomed to taking a recorded vote. Of course, I was a minority of one. I think it would be wise, before a major decision is taken, that the government reflect and not take a decision on banking.

I am so happy to participate. I went to China with Senator Day, who so ably presided over the Asia-Pacific Parliamentary Forum with Mr. Nakasone from Japan. I helped build that association alongside Mr. Nakasone in 1991 and now it is flourishing. However, I am no longer active in that association because I am supposed to be independent. I am most thankful to those who were responsible for sending me there.

During that time the new Minister of Finance, Mr. Goodale, expressed his worries about banking. I am sure he did not read my intervention; it was not a classic intervention on financial matters. However, he repeated, almost word for word, my concerns. I am concerned about what will happen to small provinces. Will there be competition in Saskatchewan? You will note that I try to avoid commenting on Quebec. However, Mr. Goodale mentioned Saskatchewan and he, of course, comes from that province. He does not come from Main Street or Bay Street; he comes from the

real Canada that we love so much and that may not be well served if there is no competition. Mr. Goodale has said he has concerns about that. He worries about the small villages and about the small provinces, and that is good.

Mr. Goodale also worries about the impact of any decisions that are made. Honourable senators will remember that 200 bankers did not know how many employees they had until I asked them the question. I told the bankers that they should stop paying immense amounts of money to lobbyists of all kinds, very expensive lobbyists, and to employ their 232,000 employees as daily public relations officers for their banks. Their response was: "My God, what a good idea." One even said, "If you ever quit politics, maybe we would want to have you around." I said, "Not me!" However, that means I am not too far out in thinking about the protection of the small people as a priority, thousands of whom live and work in my area.

Senator Munson looks concerned. I know the vote is at 5:15 p.m., so perhaps I should stop now.

Honourable senators, those are my views. I am not in favour of this, but this is the first time I have a chance to express that. My concerns have been well expressed by the new Minister of Finance. I believe there will be more order if no decision is taken before June 30 on such an important matter as banking.

I therefore conclude my speech, although I wanted to take a full 15 minutes.

On motion of Senator Day, debate adjourned.

IMPORTANCE OF PARLIAMENTARY AND INTER-PARLIAMENTARY ASSOCIATIONS

INQUIRY—DEBATE ADJOURNED

Hon. Marcel Prud'homme rose pursuant to notice of May 11, 2004:

That he will call the attention of the Senate to the importance of Parliamentary and Inter-Parliamentary associations.

He said: Honourable senators, once again I call your attention to the importance of parliamentary and inter-parliamentary associations and why I attach so much importance to them.

I have written two reports on this subject. The Board of Internal Economy of the House of Commons requested the first one in 1993. I was seconded by the House of Commons to prepare that report, even though I was a member of the Senate.

The opening paragraph in my first report stated that federal parliamentarians simply must have a working knowledge of and sensitivity to what is happening in the world today.

[*Translation*]

I find it unbelievable that a senator or a federal member of Parliament appears to be apologizing for having international concerns. That seems absurd to me.

Second, I feel it is very important for a parliamentarian who, like me, has international concerns to be aware of what is going on around the world. One has to be educated. Education is necessary; it is essential.

As an aside, I would like to tell you why I find it so important. I wish those in charge would read this 1993 report. I recently returned from Mexico where I went on Inter-Parliamentary Union business — thank God, I have been blessed with being sent back to my first love, the Inter-Parliamentary Union, where I have difficulty ensuring a degree of continuity. I understand my role as an independent senator, and I accept it.

One of my colleagues, Senator Fraser, had the great honour of being elected chair of the coordinating committee of the Women Parliamentarians of the World.

[*English*]

That is a great honour for Canada.

• (1630)

One of the most controversial discussions that takes place and which divides the world and divides Canadian delegations is the Middle East. Guess what? This year, for the first time, we did not need to vote on it. Why? Because of the sagacity, the patience and the intelligence of the drafting committee. Who sat on the drafting committee? I could name all the countries. Canada was always asked by the Europeans, because they want to keep away from that. They say, “We propose Canada,” so of course Canada was on the drafting committee. No one wanted to chair this hot potato, so they said, “We will choose the Canadian delegate,” and the Canadian delegate, representing the West, was no one else but Senator Carstairs. I want to say here on record that she did such remarkable work that, for the first time, not only was there no division, among the Canadians, or among the membership, when the time came to vote but it passed unanimously, even though we had to play a little. There was some reluctance by Israel, rightly so, and some by the Palestinians, rightly so. Some people managed or massaged the Israeli delegation so that they would not object. I took charge of the Palestinians. I said to Senator Carstairs, “Do not worry; that is all there is against unanimity.” I stood up in front of 1,000 parliamentarians, and I went directly in front of the Palestinian delegation. Senator Fraser was there. To their amazement, I spoke with passion, because I know them, and I know the Israelis, too. They were divided.

That is one of the advantages of paying attention to what is going on around the world. I cannot understand parliamentarians ducking and going on television and being afraid to say that they just arrived from a great trip. They call that a trip. A trip is something different in my book. I spoke about the importance of

[Senator Prud'homme]

parliamentary associations, and I gave you a very good example where some of our colleagues were elected to the highest positions.

In my report of 1993, I spoke of the importance of the Canada-United States Parliamentary Association. I did not wait for any war, and I did not have any knife at my throat. I said if we were to abolish every parliamentary association because of one reason or another, the one that should survive, because of our economy and our neighbourliness, is Canada-United States. That was in 1993.

Then I made a very special call to the whips. I said that the time has come for whips to remember that Canada is not only Ontario and Quebec. It is time that they remember there are people from across Canada, and also it is time that they remember that there are women in Parliament. As such, they should be part of it. I did not wait until last week to say that. I said it in my first report, the Prud'homme report, as they called it, in 1993.

I mentioned women, and I want to make another remark. Mr. Paul Martin, I am talking to you publicly. Show the world that Canada can be in the vanguard by having the representation in one of the Houses of Parliament at 50-50. It is difficult to find women in the other place because they are elected. Well, the Prime Minister has an option; he can appoint here in the Senate. There will be 40 vacancies in less than a year. Until we reach 53 women and 52 men in the Senate, only women should be appointed, and after that we could have a balance. He could do that within a year and a half by appointing a couple of old-timers. What a good example that would show to the rest of the world, having one of the two Houses of Parliament in Canada at 50-50, because we have the option in this country to do so.

Having said that, I also pay homage to Your Honour's wife. She is so patient, and she works so hard, and she is so supportive in receiving international parliamentary delegations. She is an asset to Your Honour and the work that you do.

Hon. Senators: Hear, hear!

Senator Prud'homme: I want her name to be on the record. Kathy is a gracious and elegant hostess who plays such a great role, often looking after the diplomatic corps and the various international parliamentary groups or parliamentarians of countries around the world. We neglect to pay homage to the people who do these things.

It is not enough to be a member of a parliamentary association and ask, “When is the next trip?” I do not organize, and I am not a travel agency. You have responsibilities when you join a parliamentary association. I talk directly now to the whips, for the future.

There is another report I was asked to write, because there was such a big problem. This is the first time you have heard this. There was a lack of comprehension by the Alliance Party on the importance of parliamentary associations. One member of the Board of Internal Economy in the other place said only one guy

can smooth things out, and they put me with Mr. Strahl. They called it the Strahl-Prud'homme report of 1999. We worked so well together that when the time came to vote the budget, I made sure that everybody would shut up and let it be proposed by Mr. Strahl, seconded by some Liberal member, and it worked very well.

These two reports had a continuity in my life and in the life of parliamentarians of the importance of parliamentary associations. We must remember that there are women. We must remember that there are regions. We must also understand that there must be continuity.

Some people have been sitting on too many associations for too long. We do not own parliamentary associations. There must be a breath of fresh air. Thus, you will see me very active in the next Parliament, if God lets me get through the summer. I will be active, but I will not run for any association, regrettably. However, I will be actively implementing the spirit of my two reports that were accepted by both the Board of Internal Economy and the Standing Committee on Internal Economy, Budgets and Administration. They pick and choose. It goes together. At least, they are moving.

Mr. Armitage has been talking about this, and I thank him publicly for helping me draft a few pages of it.

If you do not believe in what you are, well, sometimes I am rude and say, "Get out of the Senate," or, "Get out of the House." We have a collective responsibility to be well briefed. That is why I am so active. You saw me today and last week talking about the job of the Standing Senate Committee on Foreign Affairs. I am, in my own way, involving members by bringing in members of various parties, of various houses, to make them realize that we are federal members of Parliament, not provincial members of Parliament, or municipal councillors. We must have international concerns. We must have international knowledge. If we have both of those things, why would you be scared of talking directly to Mr. Aubry from the *Citizen*, as I do, in a civilized way? If you believe it is important to belong to a federal system, then you must believe that there are federal responsibilities.

• (1640)

I tell honourable senators that I was elected for 30 years in my district and I never ducked. They were so honoured when they saw Marcel with the Pope and the Queen of Canada. I hope the CBC will stop calling her "the Queen of England." Until such time as we change the system, she is the Queen of Canada. I say that as a French Canadian. We cannot change history to please this one or that one.

[*Translation*]

It is the Queen in right of Canada, of course — the honourable Senator Lapierre is a better historian than I am; I find that thought comforting — until it is decided otherwise.

[*English*]

One of the last interventions I will make on this subject is to say to not be afraid to defend the importance of parliamentary exchanges and inter-parliamentary associations. One of the greatest geniuses of international politics was my tutor, Professor Giulio Andreotti. He is Foreign Affairs Chairman of the Senate and one of nine lifetime senators in Italy. He told me about the importance of parliamentary diplomacy. Over the years I have increasingly heard people speaking about parliamentary diplomacy. We started that concept with great difficulty in the IPU when the world was divided, unfortunately, into West versus East. Of course, I have trouble with some colleagues, whom out of graciousness I will not mention. What do they want me to add to European delegations?

There is Marcel Prud'homme, always with one or two colleagues, with the non-aligned countries and the Eastern countries. Then, of course, Canadian security gets worried; they bug you and do everything.

If one believes what one is doing is right, go for it. However, do not only ask when the next trip is. There is local responsibility. It is all very well to go abroad, but one had better first attend the briefing meetings. When a parliamentarian returns to Canada, he or she should be debriefed, as some countries do with their parliamentarians. Briefing and debriefing are important. Also, when foreigners visit us, we have a moral and political responsibility to offer our services and not to say, "I cannot be there" or "When is the next trip?" What parliamentarians want to do abroad they must do here.

I could go on describing the two reports, but I will not do that. I will, however, add one comment because a new Parliament is around the corner. I hope that the strong-willed people I see and can name will implement the suggestion that no parliamentarian should sit on more than one executive. Parliamentarians cannot devote their time to their districts, their occupations or their committees and be members of two or three executives. They have to share. I choose the IPU, with great difficulty.

I thank honourable senators for their patience. Let us move forward in the next Parliament. Let us get involved. Let us not be afraid to tell Canadians about the importance of parliamentary exchanges, inter-parliamentary associations and bilateral groups. Do not call them friendship groups; that is hypocrisy. They are parliamentary groups composed of two countries. Our ultimate goal is to help people in the world who are opening up to our kind of democracy.

Hon. Senators: Hear, hear!

Hon. Joan Fraser: Honourable senators, I promised Senator Prud'homme that I would speak to his inquiry, but I shall be brief. There may not be many more occasions when I will be able to keep my promise to Senator Prud'homme.

I agree with a great deal of what he said about the importance of these parliamentary associations. I think we really should work a little harder at explaining to the people of Canada how important they are and how they serve this country's interests.

These associations serve Canadians in two ways. I speak largely from my experience in the Inter-Parliamentary Union, but I am sure it is true of the other associations as well. First, they help us to broaden and deepen Canada's influence abroad. I have seen in the IPU the influence that Canada wields, way beyond what one might expect from a country of our size, because we are able to carry our principles and our experience into fora where our principles and our experience are valuable. We advance our interests within the IPU. For example, Canada has been able to do serious work to advance, among many other causes, the anti-personnel land mines treaty; the cause of the International Criminal Court; and, on a more general basis, the cause of the equality of women, the latter of which was piloted by our former colleague Senator Finestone, who did wonderful work in the IPU for many years.

It is all very well for us to say that women have made it. Even in Canada, women have not really made it as much as we sometimes think. However, much of the rest of the world has many miles to go, and we have an influence. This country's delegates have had a serious influence in helping to advance the status of women in other Parliaments. I have seen that with my own eyes.

We broaden Canada's influence and we increase the respect in which Canada is held by our peers in other countries. We also learn. We learn as legislators in a way that we cannot possibly learn anywhere else. We learn by living with our peers for the purposes of these meetings, and by learning from them and their experiences. We learn about their political interests and their structural experiences. We learn an infinite number of things that we could not learn in any other way. We bring back the benefit of that experience to our work here as legislators. It is precious work. I know that I am a better senator — I may not be that great a senator, but I know I am a much better one for the benefit that I have gained dealing with legislators from around the world in the IPU.

I offer several observations about things that might be improved in the way Parliament approaches these matters. The first relates to resources. The IPU — although I believe this relates to all parliamentary associations — tends to get short shrift when budgets are being allocated. We all know there is not enough money for parliamentarians in general, but parliamentary associations tend to take a back seat when budgetary priorities are being set, which I think is a great pity.

Second, we need to rethink the way in which we determine the composition of delegations. There is not, in my view, enough continuity. I am certainly not arguing that anyone should have rights in perpetuity to a seat on these delegations, but I have been impressed when I see what some other countries do to ensure continuity, which works to the advantage of those countries. The Scandinavian countries, for example, tend to name a certain number of members as their country's delegation to a given parliamentary association for the duration of a Parliament. It is not a lifelong sentence or privilege, but it allows for the creation of some institutional memory within that delegation and, hence, for the deepening and broadening of that delegation's influence in these international fora.

[Senator Fraser]

• (1650)

We should look fairly carefully at some variation on that theme, perhaps, but in any event at some way in which to give a better guarantee of institutional coherence and continuity in our delegations, not only on the government side but also among opposition parties, both in this chamber and in the other place. That might be worth examining as part of the democratic reform which has been exercising some of our finest minds.

Those are my thoughts. I thank Senator Prud'homme for raising this issue. I think it is an important one, and we should all be grateful to him for bringing it to our attention.

Hon. Senators: Hear, hear!

The Hon. the Speaker: I see a number of senators rising. Are some senators rising for questions?

Hon. Joseph A. Day: Your Honour, I do not have a question. I was about to make a comment and then seek the adjournment, but I can make a short comment and then let my colleague take the adjournment.

Hon. Rose-Marie Losier-Cool: I do not wish to take the adjournment. I would like to say a few words on this item.

The Hon. the Speaker: Senator Day has a comment or a question. We will deal with the comments and questions first and then go to Senator Losier-Cool for her speech.

Senator Day: Honourable senators, I would like to speak briefly on this inquiry and thank the Honourable Senator Prud'homme for bringing this matter to our attention.

This is an extremely important issue. I share the passion that has been shown by Senator Prud'homme with respect to the parliamentary associations and the potential for putting a face on Canada internationally through parliamentary associations.

I have had the good fortune of travelling with Senator Prud'homme on parliamentary business to parliamentary associations, most recently to the Asia-Pacific Parliamentary Forum. I have seen the seriousness with which Senator Prud'homme takes his responsibilities when he is chosen as a member of a delegation and the effectiveness that can be displayed.

My understanding is that he is the founding chair of no less than five parliamentary associations in his illustrious career of 40 years as a parliamentarian, and I applaud him for that. I look forward to continuing to work with Senator Prud'homme and other honourable senators in advancing the work of parliamentarians and of Canada through parliamentary associations.

I believe, honourable senators, that we as senators have, by virtue of our institutional knowledge and abilities to continue over a period of time in various parliamentary associations, a wonderful and an important opportunity to serve Canada and Parliament through the Senate on parliamentary associations.

I would endorse the words of Senator Prud'homme, and I am hopeful that we will continue this inquiry when Parliament returns.

The Hon. the Speaker: I should clarify. I thought, for instance, that Senator Day had only a comment but he wanted to speak, and he has spoken. I know Senator Losier-Cool wants to speak.

Do you wish to speak, make a comment or put a question, Senator Trenholme Counsell?

Hon. Marilyn Trenholme Counsell: It is just a brief comment on Senator Prud'homme's presentation.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): I urge the honourable senator to proceed.

Senator Trenholme Counsell: Thank you very much, honourable senators. I enjoyed very much what the Honourable Senator Prud'homme had to say, and the wisdom and experience that he displayed. I did not expect to have a chance to speak about the unexpected but wonderful experience that I was privileged to have at the Canada-Europe Parliamentary Association encompassing the Council of Europe. I mention this because you can imagine the range of topics that were discussed there, but one of the major ones was that of euthanasia. In the preamble to this discussion and these papers on euthanasia, there were some words about palliative care, but in my opinion not enough, so I chose and was given the privilege to speak on euthanasia, but especially on palliative care.

I want to say to Senator Carstairs that I referred extensively to her report on palliative care and that the people of those European countries and everyone there was most interested in that report. Of course, palliative care is mentioned in the reports of Romanow and of Kirby, and in the most recent book by Dr. Rachlis but, as our esteemed senior senator has said, we had an opportunity, and I was so surprised that I was able to offer anything. However, they were most interested in the work of Senator Carstairs and her report on palliative care, and I found myself engaged in quite an extensive debate with people there, thanks to the work of our Senate and the opportunity to be there. It reflected well on Canada.

I wish to thank you for your intervention today, Senator Prud'homme.

[*Translation*]

Senator Losier-Cool: Honourable senators, I would like to talk very briefly about the Assemblée parlementaire de la Francophonie. I would also like to say a few words about Senator Prud'homme's comment that several parliamentarians are members of their association executive. The Canadian branch of the APF does not accept parliamentarians who are already sitting on the executive or the board.

Canada occupies a place of honour within the Assemblée parlementaire de la Francophonie. Many members are African countries and Canada has distinguished itself with its CIDA program. Every time I get the opportunity to speak, whether at meetings of the Network of Women Parliamentarians of La Francophonie — of which I am the vice-president — or other board meetings, I always mention CIDA. Today, we passed Bill C-9, which will help developing countries. Canada is one of the leaders in this field.

I simply wanted to add these few comments and conclude by saying that it is true that we learn from other parliamentarians at inter-parliamentary association meetings.

On motion of Senator LaPierre, debate adjourned.

[*English*]

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, as you know, we have an order for a vote on an amendment to Bill C-3 at 5:30 p.m.

We have completed our business. Accordingly, pursuant to rule 7(2), the sitting of the Senate is suspended until 5:15 p.m., whereupon the bells to call in the senators will be sounded until 5:30 p.m.

I will now leave the Chair until 5:15 p.m. May I have agreement, honourable senators, that I return to the Chair just before the 5:30 vote?

Hon. Senators: Agreed.

The sitting of the Senate was suspended.

• (1715)

The sitting of the Senate resumed.

The Hon. The Speaker: Call in the senators. The vote will take place at 5:30 p.m.

• (1730)

CANADA ELECTIONS ACT INCOME TAX ACT

BILL TO AMEND—THIRD READING— MOTION IN AMENDMENT—VOTE DEFERRED

On the Order:

Resuming debate on the motion of the Honourable Senator Mercer, seconded by the Honourable Senator Munson, for the third reading of Bill C-3, to amend the Canada Elections Act and the Income Tax Act.

And on the motion in amendment of the Honourable Senator Lynch-Staunton, seconded by the Honourable Senator Kelleher, P.C., that the bill be not now read a third time but that it be amended in clause 27, on page 14, by replacing lines 30 to 36, with the following:

“comes into force on June 27, 2004.”.

Motion in amendment negated on the following division:

YEAS
THE HONOURABLE SENATORS

Cochrane	Lynch-Staunton
Di Nino	Nolin
Eyton	Oliver
Forrestall	Plamondon
Keon	Tkachuk—11
Kinsella	

NAYS
THE HONOURABLE SENATORS

Atkins	Hubley
Austin	Kroft
Bacon	LaPierre
Banks	Léger
Biron	Losier-Cool
Callbeck	Maheu
Carstairs	Mercer
Christensen	Merchant
Cook	Milne
Corbin	Moore
Day	Morin
Fairbairn	Munson
Ferretti Barth	Murray
Finnerty	Pearson
Fitzpatrick	Phalen
Fraser	Ringuette
Furey	Robichaud
Graham	Rompkey
Harb	Smith
Hervieux-Payette	Trenholme Counsell—40

ABSTENTIONS
THE HONOURABLE SENATORS

Nil

The Hon. the Speaker: Honourable senators, we are now resuming debate on the main motion.

Hon. David Tkachuk: Honourable senators, I rise to speak at third reading of Bill C-3, to amend the Canada Elections Act and the Income Tax Act. The summary of the bill states that it is the government's response to the decision of the Supreme Court of Canada in *Figuroa v. Canada (Attorney General)*. The bill proposes to impose a lower threshold on the number of candidates that a political party must field before it will be recognized as such under the Canada Elections Act and Income Tax Act, cutting the number from a minimum of 50 candidates to a single candidate. If the government is not prepared to eliminate a candidate threshold altogether, as the Supreme Court seems to have required, I find it surprising that the government has decided on an absurdly low threshold rather than something reasonable.

The question that arises is this: What is a genuine political party, and who decides the parameters? The bill itself provides, for the first time, a definition, which is, and I quote from clause 1:

...an organization one of whose fundamental purposes is to participate in public affairs by endorsing one or more of its members as candidates and supporting their election.

This is not a very high standard. It is not onerous, but it does require that a political party name at least one candidate for election. Luckily, the bill does not stop there or we might be swamped by organizations trying to take advantage of the tax receipt provision for political parties, as well as trying to obtain some of the free broadcasting time available during elections. It is surprising that the government decided on this low threshold rather than something reasonable.

It will surprise no one to find that this government's solution is to add a layer or two of red tape to discourage new parties, including the signatures of 250 supporters, appointment of officers, audited financial statements and the possibility of severe penalties. This bill does not comply with the decision of the Supreme Court; it just pretends to do so. The insertion of a so-called "sunset clause" means that the government has effectively decided not to deal with the matter now, but has instead put off making a real decision until sometime in the future.

As Senator Lynch-Staunton noted, a requirement for one candidate is still a threshold. That clearly means that the government believes that the decision of the Supreme Court is wrong. Even if Bill C-3 passes as it stands at the moment, we already know there will be additional legal actions — witnesses have said as much. It will surprise no one to find that this government's solution is to add a layer or two of red tape to discourage this kind of action because there are other benefits provided to political parties based on other kinds of thresholds.

The decision itself was the result of an action that was a bit far-fetched. Professor Nelson Wiseman of the University of Toronto did not mince words in his testimony regarding the decision. He said:

...I was flabbergasted by it, although not completely surprised given the court's record on electoral law...

Time limitations in committee meant that he was unable to provide a complete explanation, but this is what he did say:

As an academic, let me begin by hovering above these concerns and touching on the Supreme Court's thrust in terminology; the rationale for its decisions.

Two platitudes and imprecise phrases on which it constructs its judgment are: effective representation and meaningful participation. These are highly contested and elastic terms that, like rubber bands, can be stretched in different directions. The court, in my respectful opinion, is poorly trained and equipped to spell out what these terms should mean in theory or in practice. This is more properly the work of the political classes rather than the legal class. That is, it is better addressed by politicians, public administrators, political scientists, political philosophers — and the public itself, through the exercise of the franchise.

I find the court's very entertaining of the Charter challenges to our electoral law somewhat problematic. In its landmark 1981 patriation reference case decision, the court cited provincial election acts as part of provincial constitutions. By extension, federal election acts may be considered as part of the Constitution of Canada. Since the court has also ruled that all elements of the Constitution must be considered together in judging conflicts between them, then in my opinion the Charter ought not to be unquestionably trumping Parliament's electoral acts.

He later continued:

To some, this permits a welcome measure of flexibility. To others, including myself, it means continued uncertainty, perpetual challenges and a further marginalization of parliamentarians. In my opinion, the court has been undermining rather than buttressing the integrity of the electoral system, a system which, since the 1970s, has become more accessible, transparent, open and participatory than at any earlier point in our history.

• (1740)

Professor Wiseman's comments raise a serious concern about judges making laws rather than Parliament. Phrases such as "effective representation" allow almost unlimited scope for twisting the result in any direction. When the term was used in previous decisions relating to electoral law, it was not regarding the political process or political parties, but, rather, it was used in deciding questions about how to divide a province into electoral districts. "Effective representation" meant that each vote should have approximately equal weight.

A series of leaps and bounds took the reasoning of the court from the Charter right to vote to a right to effective representation and on to a right to meaningful participation. The court said that it was using a "broad and purposive approach". On this point, Mr. Justice Dickson, in *R. v. Big M Drug Mart Ltd.*, [1985] stated:

At the same time it is important not to overshoot the actual purpose of the right or freedom in question, but to recall that the *Charter* was not enacted in a vacuum and must therefore, as this Court's decision in *Law Society of Upper Canada v. Skapinker*, [1984] 1 S.C.R. 357, illustrates, be placed in its proper linguistic, philosophic and historical contexts.

I am not a lawyer, but I have to wonder if the authors of section 3 of the Charter of Rights and Freedoms would have thought that the plain words, "Every citizen of Canada has a right to vote in an election of members of the House of Commons," would one day be given the broad meaning inserted by the Supreme Court. Certainly, the historical context, which Mr. Justice Dickson indicated should be taken into account, suggests a plain meaning would be appropriate. It seems that the Supreme Court did overshoot the actual purpose of the right to vote contained in section 3 of the Charter.

The history of the right to vote in Canada is one in which various groups and classes of individuals were prevented by law from marking a ballot and voting. This was the case at Confederation under varying rules in each of the provinces. Restrictions included both large and small groups, including those on social assistance, Indians, various categories of civil servants, teachers, those convicted of certain crimes, those of Chinese origin and, perhaps most infamously, women. There were also restrictions based on age, property ownership, annual income and annual rent.

It was against this backdrop, with a lengthy history of exclusions from the vote and the correction of these exclusions, that the Charter of Rights and Freedoms was written. Even after the Charter, in other words in recent times, Parliament has tried to block the right of prisoners to vote. The plain wording and meaning of section 3, therefore, cannot be taken as mere motherhood statements, but as more of a conscious decision to protect a basic right.

All this leads me back to thresholds. If the government is prepared to accept the Supreme Court's argument that a threshold of 50 is too high, but that a threshold is still an acceptable requirement for registration of a political party, we ought to choose one that is more meaningful than the single candidate threshold now proposed by Bill C-3.

The other place requires that a party have 12 elected members before it receives the advantages of being recognized as a party. Since a political party that nominated fewer than 12 candidates cannot achieve recognition as a party in the other place, it seems reasonable to me that any party that seeks to be registered as a national party under the Canada Elections Act ought to be required to field at least that number.

MOTION IN AMENDMENT

Hon. David Tkachuk: Accordingly, I move, seconded by the Honourable Senator Oliver:

That Bill C-3 be not now read a third time but that it be amended:

(a) in clause 5,

(i) on page 3,

(A) by replacing lines 18 and 19, with the following:

"registered party, if it has candidates whose nomination has been confirmed in at least 12 electoral districts for a general",

(B) by replacing line 22 with the following:

"writs for that election and has not been",

(C) by replacing lines 27 and 28 with the following:

“general election if it satisfies the requirements of”,
and

(D) by replacing lines 32 to 39, with the following:

“the close of nominations, inform the leader of an eligible party whether or not the party has been registered.”, and

(ii) on page 4, by replacing line 5 with the following:

“the writs for that election.”;

(b) in clause 16, on page 7, by replacing line 9, with the following:

“endorsed a candidate in at least 12 electoral districts.”;
and

(c) in clause 23, on page 11, by replacing line 43, with the following:

“participating in public affairs by endorsing 12”.

An Hon. Senator: Question!

The Hon. the Speaker: It is moved by the Honourable Senator Tkachuk, that Bill C-3 be not now read a third time —

Senator Carstairs: Dispense.

Senator Kinsella: Dispense.

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

Hon. Senators: Question!

The Hon. the Speaker: Those in favour of the motion in amendment will please say “yea.”

Some Hon. Senators: Yea.

The Hon. the Speaker: Those opposed to the motion in amendment will please say “nay.”

Some Hon. Senators: Nay.

The Hon. the Speaker: I believe the nays have it.

And two honourable senators having risen:

The Hon. the Speaker: Call in the senators.

Senator Tkachuk: Pursuant to rule 67(1), I ask that the vote be deferred until tomorrow at 5:30 p.m.

The Hon. the Speaker: It is in accordance with the rules.

Senator Mercer: Why not Saturday morning?

Some Hon. Senators: Oh, oh!

The Hon. the Speaker: The vote on the motion in amendment will take place tomorrow at 5:30 p.m., the bells to ring at 5:15 p.m.

BUSINESS OF THE SENATE

Hon. Bill Rompkey (Deputy Leader of the Government): Would His Honour ask if there would be a consensus to suspend the sitting now to the call of the Chair for the purpose of Royal Assent later this evening? It had been agreed that we would have Royal Assent, and it is in process at the moment. I would seek agreement to suspend the sitting to the call of the Chair for that purpose.

Senator Forrestall: When will it be?

Senator Rompkey: At 7:30 p.m.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, in 12 minutes it will be six o'clock and we could be asking for agreement to not see the clock. My understanding is that Her Excellency is signing, by written assent, a number of bills at seven o'clock and the message should be back here at about 7:15 p.m., if we understand the phrase, “to the call of the Chair” to mean around 7:15 p.m.

Senator Rompkey: Agreed.

The Hon. the Speaker: To clarify, my understanding of the agreement is that we now suspend our proceedings to reassemble at the call of the Chair, which will be at approximately 7:15 p.m. Perhaps we should have the bells ring five minutes prior to 7:15 p.m.

Hon. John Lynch-Staunton (Leader of the Opposition): Can we not be given a time certain? That would be much easier.

Senator Rompkey: If everyone understands that we must be here at 7:15 p.m., that would be preferable. If His Honour returns to the Chair at 7:15 p.m., and we all understand that we must be here, that would be better.

The Hon. the Speaker: Is it agreed that the sitting be suspended to the call of the Chair at 7:15 p.m.?

Hon. Senators: Agreed.

The Hon. the Speaker: The sitting is suspended until 7:15 p.m. As that time falls between six o'clock and eight o'clock, I take it that it is agreed that we not see the clock.

Hon. Senators: Agreed.

The sitting of the Senate was suspended.

• (1920)

[*Translation*]

The sitting of the Senate resumed.

ROYAL ASSENT

The Hon. the Speaker informed the Senate that the following communication had been received:

RIDEAU HALL

May 13, 2004

Mr Speaker,

I have the honour to inform you that the Right Honourable Adrienne Clarkson, Governor General of Canada, signified royal assent by written declaration to the bills listed in the Schedule to this letter on the 13th day of May, 2004, at 6:56 p.m.

Yours sincerely,

Curtis Barlow
for Barbara Uteck
The Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

Bills assented to Thursday, May 13, 2004:

An Act to amend the Parliament of Canada Act
(*Bill C-24*)

An Act to change the names of certain electoral districts
(*Bill C-20*)

An Act to amend the Canada National Parks Act
(*Bill C-28*)

An Act to implement treaties and administrative arrangements on the international transfer of persons found guilty of criminal offences (*Bill C-15*)

An Act to implement certain provisions of the budget tabled in Parliament on March 23, 2004 (*Bill C-30*)

An Act to amend the Patent Act and the Food and Drugs Act (The Jean Chrétien Pledge to Africa) (*Bill C-9*)

[*English*]

CANADA ELECTIONS ACT INCOME TAX ACT

BILL TO AMEND—ALLOTMENT OF TIME FOR DEBATE—NOTICE OF MOTION

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, I rise, pursuant to rule 39, to inform the chamber that I have had a discussion with my counterpart, the Deputy Leader of the Opposition, about the disposition of Bill C-3, to amend the Canada Elections Act and the Income Tax

Act. It has not been possible to reach an agreement concerning the time to be allocated for the third reading of this bill. Therefore, pursuant to rule 39, I give notice that, at the next sitting of the Senate, I will move:

That not more than a further six hours of debate be allocated for the consideration of the third reading stage of Bill C-3, to Amend the Canada Elections Act and the Income Tax Act;

That when debate comes to an end or when the time provided for the debate has expired, the Speaker shall interrupt, if required, any proceedings then before the Senate and put forthwith and successively every question necessary to dispose of the third reading stage of the said bill; and

That any recorded vote or votes on the said question shall be taken in accordance with rule 39(4).

POINT OF ORDER

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I rise on a point of order.

As Senator Rompkey will discover if he reads rule 39(1), a notice of motion for time allocation can only be brought forward “for consideration of any stage of consideration of any adjourned debate on any item of government business.” We are not on an adjournment of any item of government business. We are not adjourned on the matter of Bill C-3. The position we are in is that we are at the stage of a division, which has been called and which has been deferred. Therefore, he will have to wait until tomorrow when we are on the item that is subject of debate.

Rule 39(1) on page 39 of the *Rules of the Senate* states:

At any time while the Senate is sitting, the Leader of the Government in the Senate or the Deputy Leader of the Government in the Senate, from his or her place in the Senate, may state that the representatives of the parties have failed to agree to allocate a specified number of days or hours for consideration of any stage —

— and I underscore this —

— of consideration of any adjourned debate on any item of government business.

The rule is very clear. The time to do that is when the matter is subject to debate, and it is not; at this time it is subject to a division.

Hon. Bill Rompkey (Deputy Leader of the Government): I would argue, honourable senators, that it is in order for the Deputy Leader of the Government, at any time, to give a notice of motion. I would argue that the debate is adjourned. We are obviously not debating it. I would argue that the notice of motion is in order and should be allowed.

The Hon. the Speaker: It is Senator Kinsella's point of order and I will return to him, but do other senators want to intervene?

Senator Kinsella.

Senator Kinsella: I would refer His Honour, in deciding this point, to *A Glossary of Parliamentary Procedure*, Third Edition, January 2001, which has been published under the authority of the Clerk of the House of Commons, where he will find "adjournment of debate" defined as follows:

Often a dilatory tactic which may be employed to delay progress on a question. If a motion to adjourn a debate is adopted, the item is not dropped from the Order Paper but may be taken up again on a later day.

We know what adjournment of a debate is. We are not in the state of an adjourned debate. We are in the state of a deferred division, which the *Glossary of Parliamentary Procedure* defines as:

A recorded division which is not held at the close of a debate, but at a later time pursuant to various provisions in the Standing Orders.

Rule 39(1) of the *Rules of the Senate* comes into play when we are at the debate stage of an item of government business, and we are currently dealing with a matter that is subject to a division, not a matter that has been adjourned.

Hon. Jack Austin (Leader of the Government): Honourable senators, if I correctly recall the proceedings that took place, Senator Tkachuk moved an amendment, and the next stage in the debate was, as the record will show, an attempt to adjourn the debate, which was refused on this side.

Hon. John Lynch-Staunton (Leader of the Opposition): A vote. No, no; a vote.

Senator Austin: Then Senator Tkachuk deferred the vote until tomorrow at 5:30 p.m.

Senator Lynch-Staunton: The question was called. You called the question. The yeas and nays were called for and then the vote was deferred.

Senator Austin: It is true.

Senator Lynch-Staunton: There was no adjournment.

Senator Austin: We called the question, and the act of deferral is in fact an adjournment of the debate. That is the question.

Senator Lynch-Staunton: That is the question.

The Hon. the Speaker: Honourable senators, I would like a few minutes to consider this point of order. However, before I retire for a few minutes with an adviser, does any other senator wish to intervene?

Senator Kinsella: I would add that the move the government had available to it was not to call the question but, rather, to move the adjournment of the debate. The matter would then have

been adjourned, and then rule 39 would have been applicable. It is not my fault if they do not move to do what I would have done if I had been in their position, namely, to move the adjournment of the debate. The whole point of time allocation is that the Senate has decided — and thus we have the rule — not to have things delayed through adjournments but, rather, that the debate must continue.

• (1930)

The option that was available, which was not exercised, was to move the adjournment of the debate and say, at that point in time, "This debate is not proceeding in a certain time frame and therefore we give notice for time allocation." That was not done. We are in the middle of a vote. That vote is being deferred. The rule is sound. Management on the other side did not do what they needed to do if they wanted to be in the same place.

Senator Austin: Honourable senators, the rule does not say anything about moving an adjournment. The rule says "consideration of any adjourned debate." I have already made the argument that the act of deferral of the vote is an adjournment of the debate. There is no purpose in adjourning a debate twice.

Hon. Laurier L. LaPierre: Honourable senators, I fail to see the relevance of any of this discussion. I am sure that if this debate were televised to the Canadian people, they would ask what the hell we were doing. At the end of the day, sir, we have to bear in mind that our rules are valid, but what is more valid is how the Canadian people feel about us. With all due respect to you, sir, although they feel a lot about you, they do not feel any of these discussions are productive for the common good of any of the Canadian people.

I am sorry to have to say that but I have sat here, honourable senators, now for four and a half years. I will be here for another four or five months and I think that a lot of this stuff is a waste. At the end of the day, the Canadian people do not care about points of order. What they care about is to be able to advance and to look at the Senate so that the Senate can be an instrument of their freedom and the goodness of their way of life.

I thank you, Your Honour. I should not have said any of that and, therefore, before you ask me to apologize, I apologize.

The Hon. the Speaker: Honourable senators, I have heard enough on the two positions taken by Senator Kinsella and by those who disagree with Senator Kinsella. I must take 15 or 20 minutes to reflect on what I have heard, and to see if, in my review of the rules and authorities, there are relevant matters to consider when ruling on this point of order.

I appreciate fully that timeliness is important here. We are at a stage where there seems to be a desire to dispose of this matter quickly, at least on one side, and not so quickly on the other side. Thank you, Senator Kinsella and others, for participating in the discussion on the point of order. I will return to the Chair in as short a time as possible. I suggest 15 or 20 minutes.

The sitting of the Senate was suspended.

• (2000)

The sitting of the Senate was resumed.

SPEAKER'S RULING

The Hon. the Speaker: Honourable senators, thank you for your patience. I have now had an opportunity to consider the point of order. I have also had a chance to look for other authorities or rules that might be applicable, although I have been unsuccessful in that quest.

In terms of precedents in our chamber, we have done this before, and I refer honourable senators to a specific example in the *Debates of the Senate* of December 17, 2001, at page 2095. Notice was given at 2:10 p.m., which interrupted the proceedings on Bill C-36, the terrorism bill. The notice to allocate time was given after a vote had been called and deferred and before the vote was taken. For what it is worth, we have done this before, and that is the example. However, this matter perhaps deserves more comment than that.

In my mind, the issue boils down to this: Are there categories in which items of business are put on our Order Paper under Government Business that are different in terms of awaiting the next procedural step, whether it be a vote, a decision of the Senate to proceed with further debate or any other matter that relates to Government Business? There are matters on our Order Paper under Government Business that, by operation of the Senate rules, are deemed subject to an order, such as the case at hand where the vote is deferred by virtue of the operation of the rules. We have other examples where there may be unanimous agreement that an item of Government Business stays on the Order Paper because we have adjourned early. It is unusual in respect of Government Business, but it has happened. Are items on the Order Paper in different categories other than adjourned because they rest or stay on the Order Paper by operation of some action of the Senate that has a name such as a deferred vote or by some other action? In my opinion, there is no difference. An item stays on the Order Paper under Government Business, whether it is adjourned by agreement of the Senate, that is, it stands; whether it is adjourned by the operation of a vote of the Senate or dealt with in some other way by unanimous consent; or whether, as in the case at hand, by the operation of the rules it is an item to be dealt with on our agenda under Government Business on the next sitting day. It remains in the same place that it would have been had it not been subject to a deferred vote. The only thing that is different is that, by operation of the rules, there is a deemed order that there will be a vote at 5:30 p.m. That does not imply that it is not an adjourned item. If that were not the case, we would have to determine refined categories of items, other than those that are adjourned and remain in their normal place on the Order Paper. I do not believe that is applicable in the current instance. Accordingly, I rule that the matter is adjourned for the purposes of rule 39.

• (2010)

No other objection was made. I will not go into that in detail. The Senate was sitting at the time the appropriate person, namely, the deputy leader, put the notice. There was no objection to the

precedent, which is an important part of the operation of this rule namely, that the parties have failed to reach an agreement for a number of days or hours of consideration before a matter is voted on and dealt with at all stages.

The rule is a rather harsh and controversial one. It always has been. I think it is in keeping with the nature of rule 39 — time allocation — that decisions such as the one I am making in this ruling must be made on a fairly hard-line basis, and that is that there is no separate distinction of “deferred,” which would remove this item from the “adjourned” category for purposes of the operation of rule 39.

I see a senator rising. Is the honourable senator rising to challenge the ruling?

Hon. Laurier L. LaPierre: I have absolutely no idea what the Speaker has said. It was beautiful and literate but, with all due respect, I have no idea what he has said. Is he saying, essentially, that this is lost and we cannot deal with it again?

The Hon. the Speaker: Our rules are clear on this, Senator LaPierre.

Senator LaPierre: With all due respect, I am a member of this Senate and I want to know what this means.

The Hon. the Speaker: By standing, as the honourable senator is now doing, he is indicating that he is either challenging the ruling or he is not.

Senator LaPierre: I am not challenging the ruling.

The Hon. the Speaker: If the Honourable Senator LaPierre is standing to challenge the ruling, I will put the question to the chamber. If he is not, then I would remind him that we do not debate a ruling once it is given.

I am sorry that my language was not such that he feels comfortable with it, but I have done the best that I could.

BUSINESS OF THE SENATE

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I am not speaking to the decision of His Honour, but I would ask for leave to make several comments, because I do not think any of us wants to go down a certain road, which is where we seem to be heading now.

Hon. Senators: Agreed.

Senator Lynch-Staunton: Honourable senators, we must all be wondering why we are suddenly in the position of having a vote at 5:30 p.m. on Friday when the result is pretty well known ahead of time. How did we get there? It is a valid question.

If senators will allow, let me explain our position. Hopefully, they will sympathize with it.

Bill C-3, as such, is not an adequate response to the Supreme Court, largely because the Supreme Court's opinion is inadequate. This is not a personal opinion; it is shared by many others. However, the government had no choice but to follow its opinion and introduce proposed legislation by a certain date. It realizes, itself, that the bill is not a complete response because it contains a two-year sunset clause. The House of Commons has already formed a committee to look into a better way to implement a decision that is difficult to implement because it is not as clear-cut as it should be. That is one thought that we should all share on this bill.

The other thought is that, even if it is not passed by June 27, the sky will not fall. The election that is to be held the day after, according to the latest gossip, will still be held. All that will happen is that certain provisions of the Canada Elections Act will no longer be constitutional and will not be applicable until the next election; or, at least, their inapplicability will not offend anyone.

The carrying out of our responsibilities has been, since the beginning of the year — since our return in February, certainly — seriously hindered by their being constantly limited by moving deadlines. Bills had to be rushed through before Easter. Then, after Easter, more bills had to be rushed through to meet another deadline. As we have seen this week, more bills have to be passed within hours to meet a new deadline.

This interfering with the proper functioning of the legislative process is not only bad policy; it can only lead to bad legislation. Bill C-3, by the way, does not affect national parties. I am not here, nor are my colleagues, objecting to the provisions of the bill out of self-interest. However, it does affect the smaller parties, as they themselves testified and as academics have testified. As a matter of fact, my colleagues in the House of Commons supported this bill, but upon reflection — which is our role — we should improve on it. However, in its wisdom, the majority in this place decided not to do that. I want to emphasize that all we have been trying to do is improve this bill; nothing more and nothing less.

We know the government is adamant in wanting this bill passed. We know the next deadline. I hope it will be the last deadline.

With unanimous consent, the Senate can cancel the order setting the vote for tomorrow and proceed to it this evening or at any other time, if it so wishes.

I will not stand in the way of such a decision, but should we reconvene again before the end of this month, you can be assured that this is the last time that I, for one, will agree to any derogation from our rules, no matter how trivial or even justified, because I have been manipulated enough.

Some Hon. Senators: Hear, hear!

Hon. Marcel Prud'homme: Honourable senators, I have been following closely the debate on this bill. I know some will violently disagree with what I am going to say. We cannot know if gossip has any basis, but if the gossip of an election on June 28

has any merit, we still cannot know what the result will be. I would hope that my colleagues will accept this, especially Senator Lynch-Staunton. We cannot know what the ultimate result will be.

I have five days of speaking engagements from tomorrow until next Tuesday — not for any political party. However, because of what Senator Lynch-Staunton has said tonight, perhaps I can help put some salve on our pain tonight. Not knowing what the result will be, but just by the stand that the honourable senator took tonight, if the result were to be different from what we think, then he would deserve to be the Leader of the Government in the Senate by showing that he is the man who ultimately could be highly reasonable and understand the limbo in which we find ourselves.

Hon. Jack Austin (Leader of the Government): Honourable senators, I rise to the challenge what has been put to me by the Honourable Senator Prud'homme.

I want to acknowledge the statement made by the Leader of the Opposition and I thank him for it. I understand the sentiments on which that statement is based. I agree with many of his views with respect to Bill C-3, but I depart on a key point, and that is the determination by the Supreme Court of Canada of a deadline by which it has asked Parliament to act. I believe that deadline, which is June 27, 2004, should be respected. The bill definitely needs to be reworked. The Leader of the Opposition did not propose that this chamber, when it next meets, constitute an order of reference so that we may also exercise our responsibility to improve the bill, but I am sure he would agree with the suggestion that I am now making that we take precisely that step when we do return.

• (2020)

I understand, honourable senators, that Royal Assent could be given tonight if this session could be suspended for a further hour.

Senator Lynch-Staunton: We have to vote first.

Senator Austin: Yes, I am just providing information so that senators will know, in terms of their own calculation, how we plan to use our time.

Honourable senators, with that, I would ask that we call the question.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, with leave of the Senate, on behalf the opposition, I request that the exercise of the authority by the Chief Opposition Whip, pursuant to rule 67(1), be stood aside and that, with consent, we be seized of the question in amendment.

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

Some Hon. Senators: Agreed.

Senator LaPierre: I will not sit down. I am a member of this Senate —

The Hon. the Speaker: Senator LaPierre —

Senator LaPierre: I am sorry, Your Honour, but my rights are being affected here seriously.

Senator Corbin: The Speaker is on his feet.

Senator LaPierre: I will sit down, but nobody else does but me.

The Hon. the Speaker: Honourable senators, we are in a stage of Senate business that demands we complete what has been put forward to all senators. I do not want to try to improve on it. I think Senator Kinsella has put it well, which is that by unanimous consent we go to third reading of Bill C-3 and set aside the deferred vote that was in place by operation of the *Rules of the Senate*.

Let me simply ask if there is unanimous agreement to do that.

Is it agreed?

Hon. Senators: Agreed.

CANADA ELECTIONS ACT INCOME TAX ACT

BILL TO AMEND—THIRD READING

On the Order:

Resuming debate on the motion of the Honourable Senator Mercer, seconded by the Honourable Senator Munson, for the third reading of Bill C-3, to amend the Canada Elections Act and the Income Tax Act.

And on the motion in amendment of the Honourable Senator Tkachuk,

That Bill C-3 be not now read a third time but that it be amended:

(a) in clause 5,

(i) on page 3,

(A) by replacing lines 18 and 19, with the following:

“registered party, if it has candidates whose nomination has been confirmed in at least 12 electoral districts for a general”,

(B) by replacing line 22 with the following:

“writs for that election and has not been”,

(C) by replacing lines 27 and 28 with the following:

“general election if it satisfies the requirements of”, and

(D) by replacing lines 32 to 39, with the following:

“the close of nominations, inform the leader of an eligible party whether or not the party has been registered.”, and

(ii) on page 4, by replacing line 5 with the following:

“the writs for that election.”;

(b) in clause 16, on page 7, by replacing line 9, with the following:

“endorsed a candidate in at least 12 electoral districts.”; and

(c) in clause 23, on page 11, by replacing line 43, with the following:

“participating in public affairs by endorsing 12”.

The Hon. the Speaker: We are now at third reading stage of Bill C-3.

Is it your wish that we deal with the question now?

Some Hon. Senators: Yes.

Senator LaPierre: No.

Some Hon. Senators: Yes.

Senator LaPierre: No,no!

The Hon. the Speaker: Are we not to deal with the question?

Senator LaPierre: I am not interested until my rights are satisfied.

Senator Prud'homme: All right. If two senators rise, it is not too late.

The Hon. the Speaker: Senator LaPierre, you obviously have a great concern. I will give you a few minutes to make your point.

Senator Prud'homme: No, no, no, no.

Senator LaPierre: It would appear, sir, that you do not have unanimous consent for me to be able to explain what I am worried about.

Senator Prud'homme: Say “yea” and “nay.”

Senator LaPierre: I do not need anyone making editorial comments, sir.

The Hon. the Speaker: Are we ready to proceed?

Some Hon. Senators: Yes.

Senator LaPierre: I just said no. I have not given unanimous consent.

The Hon. the Speaker: I think that we did receive unanimous consent to revert to this stage. You have, after that, in my opinion, raised an issue on which you wish to speak. I am not sure. I invited you to speak, but you did not speak.

Senator LaPierre: I would speak, but I have been interrupted.

The Hon. the Speaker: I will give you a few minutes to make your point.

Senator LaPierre: I do not understand what this is about, and I have the right to understand. You people have been in the Senate for 1,000 years, and you will be here for another 1,000 years. I have only been here for two years, and I will not be here after November 21.

I have the fundamental right to understand. If you do not want me to understand, the hell with you.

Thank you.

Senator Prud'homme: That is okay, everyone.

The Hon. the Speaker: Senator LaPierre, what is happening is we are trying to deal with a piece of Senate business that has been contentious and outstanding for some time. We have an agreement between the opposition and the government on the manner of dealing with that business. I intend to proceed now to carry out the wishes, as I understand it, of the Senate and return to the third reading stage of Bill C-3 by unanimous content. Is it agreed?

Hon. Senators: Yes.

Hon. Bill Rompkey (Deputy Leader of the Government): If His Honour were to put the question, I believe he would find agreement on both sides to have a 15-minute bell to allow senators outside the chamber to take part in the vote.

Senator Kinsella: Agreed.

Senator Rompkey: The order would be to put the question and then to ring the bells for 15 minutes, but we have to put the question on the amendment first, as I understand it, and then on the main motion.

The Hon. the Speaker: Let me try to assist honourable senators. We must first vote to dispose of a motion in amendment, which is the item of business before us at third reading stage. If that amendment is defeated, we would be at third reading stage. If the amendment is passed, we would also be at third reading stage of the bill, as amended. It is my understanding that we have consent to proceed.

I now need a motion that we proceed to the question.

Senator Rompkey: I move that we proceed to the question, Your Honour.

The Hon. the Speaker: I will put the question. Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Hon. the Speaker: It was moved by the Honourable Senator Tkachuk, seconded by the Honourable Senator Oliver:

That Bill C-3 be not now read a third time but that it be amended

(a) in clause 5,

(i) on page 3,

(A) by replacing lines 18 and 19 with the following:

“registered party if it has —

Senator Rompkey: Dispense!

Hon. Senators: Dispense!

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

Some Hon. Senators: No.

Senator Lynch-Staunton: Yes.

Senator Prud'homme: On division.

The Hon. the Speaker: Those in favour of the motion in amendment please say “yea.”

Some Hon. Senators: Yea.

The Hon. the Speaker: Those opposed to the motion in amendment will please say “nay.”

Some Hon. Senators: Nay.

The Hon. the Speaker: I believe the “nays” have it. The motion in amendment is defeated, on division.

And two honourable senators having risen:

Senator Kinsella: We did want to give all honourable senators a chance to vote on this matter, so we are rising to ask that there be a vote and that the vote be held in 15 minutes.

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

Hon. Senators: Yes.

The Hon. the Speaker: We will nullify the vote that we have taken, and we will take the vote in 15 minutes. The division bells will ring for 15 minutes.

Call in the senators.

• (2040)

The Hon. the Speaker: Honourable senators, we are, by agreement, at a stage now where 15 minutes having passed for the division bells to ring, we will put the vote that we have agreed to do by unanimous agreement.

We are now at the point of taking the vote on the motion in amendment on Bill C-3, and I will put the question.

It was moved by the Honourable Senator Tkachuk, seconded by the Honourable Senator Oliver, that Bill C-3 be not now read a third time but that it be amended —

Hon. Senators: Dispense.

The Hon. the Speaker: Those honourable senators in favour of the motion in amendment will please say “yea.”

Some Hon. Senators: Yea.

The Hon. the Speaker: Those honourable senators opposed to the motion in amendment will please say “nay.”

Some Hon. Senators: Nay.

The Hon. the Speaker: I believe the “nays” have it. The motion in amendment is defeated.

Senator Kinsella: On division.

Hon. Marcel Prud'homme: Honourable senators, I would simply like to say that I had rushed back to my office and that had I been back here on time, I would have voted for the amendment of the Honourable Senator Lynch-Staunton.

The Hon. the Speaker: Honourable senators, we are now on the main motion. Are honourable senators ready for the question on the main motion?

Hon. Senators: Question!

The Hon. the Speaker: I will put the question on the main motion.

It was moved by the Honourable Senator Mercer, seconded by the Honourable Senator Munson, that this bill be read a third time.

All those honourable senators in favour of the motion will please say “yea.”

Some Hon. Senators: Yea.

The Hon. the Speaker: Those honourable senators opposed to the motion will please say “nay.”

Some Hon. Senators: Nay.

The Hon. the Speaker: I believe the “yeas” have it.

Senator Kinsella: On division.

Motion agreed to and bill read third time and passed, on division.

BUSINESS OF THE SENATE

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I thought I might rise at this interval, on the outside chance that we will not be back here on May 25, and, on behalf of the opposition, express our great appreciation to our pages who have served us so faithfully, diligently and assiduously during the session. We do appreciate their work and the service

they provide because it helps to cement the Senate and make the work of the senators that much more efficacious.

Also, we appreciate the work of our table officers, and we appreciate the work of our faithful reporters and all those who work to make the record of these proceedings clear, for sometimes they are not at the moment of presentation. I express our appreciation to all those who serve diligently, including our security staff, our cleaners and all those who participate in making the Senate of Canada function that senators may carry out the duties they take so seriously in fulfilling their responsibilities. For all of this, I wish to place on the record our appreciation.

Hon. Senators: Hear, hear!

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, I want to echo the remarks of the Honourable Senator Kinsella in thanking, on our behalf, the pages, the table officers, the translators, the reporters and the Black Rod's office, for the work that they have done and the way they have conducted themselves in helping us to carry out our duties here in the chamber.

I also want to thank the opposition for their role, because a democracy does not work without an effective opposition. It has been our experience that the opposition has come well prepared, is knowledgeable about the subject — too knowledgeable in some cases — and has presented its arguments well, forcefully, deliberately, and in a very strong way. We all should acknowledge that democracy does not work unless that happens.

Honourable senators, we need an opposition. I know how stressed they have been in terms of their numbers and how difficult it has been from time to time to man the various committees and to man them effectively. Yet they have done that and it has worked. We need to put that on the record and acknowledge it.

I also want to acknowledge my own colleagues, to thank them for their support and for the job that they have done. They are here tonight, although the hour is late. None of us is as young as we once were. I just had a birthday today, so I am aware of my own limitations. I am experiencing those this evening.

• (2050)

That brings me to one of our senior members who, shortly, will no longer be with us. He, perhaps, is casting his last vote. I want to acknowledge the experience that he has shared with us and the excellence and the devotion that he has demonstrated as a senator in this chamber. He always gives an eloquent and unique performance. I have listened to the speeches of Al Graham with great admiration and envy. I wish that I could write and speak the way he does.

Hon. Senators: Hear, hear!

Senator Rompkey: Finally, Your Honour, I wish to commend the way that you have conducted yourself.

I threatened last night to put a motion on the floor of the Senate today. There was a consensus in the room that a motion asking the Speaker to have more dinners in the Convention Centre would have passed easily.

Your Honour, I said last night that you have performed with grace. You have been attentive, careful and cautious. You have acted with discipline and restraint. At times this place can become quite contentious, and the attitude of the Speaker contributes so much to the attitude of the chamber.

Thank you, Your Honour.

Hon. Senators: Hear, hear!

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, my very dear and esteemed colleague, Senator Plamondon, is permitting me to say a few words in her name.

We would like to add our voices to those of Senators Kinsella and Rompkey in offering our most sincere thanks to everyone. We share their deep appreciation for the Senate staff.

We sincerely thank you for everything, and especially we wish good luck to these young people, the pages.

[*English*]

Other senators and I often tell the pages to look to the future because tomorrow they might be surprised. I know they hear that often.

Senator Rompkey slipped a little bit. I remember the words of homage that Mr. Trudeau received when he resigned, not knowing that he would be back. We may have to live by what Senator Rompkey just said about the role of the opposition, because with elections one never knows what the results will be. Who knows, the opposition may be different. I hope we will not remind people of what Senator Rompkey said so gently.

In closing, honourable senators, Senator Plamondon and I would like to convey our warm thoughts to a very gracious and patient woman, His Honour's wife, Kathy. We extend our sincere thanks for her kindness, beautiful smile and patience with all of us.

Thank you, Your Honour.

Hon. Senators: Hear, hear!

The Hon. the Speaker: I thank you and I join with honourable senators in the thanks that has been extended to others.

I will now ask if there is agreement to suspend the sitting of the Senate to 9:30 p.m., at which time I expect that we will have letters from the Governor General to read with respect to Royal Assent on Bill C-3. Is it agreed, honourable senators?

Hon. Senators: Agreed.

The sitting of the Senate was suspended.

• (2130)

[*Translation*]

The sitting of the Senate resumed.

ROYAL ASSENT

The Hon. the Speaker informed the Senate that the following communication had been received:

RIDEAU HALL

May 13, 2004

Mr. Speaker,

I have the honour to inform you that the Right Honourable Adrienne Clarkson, Governor General of Canada, signified royal assent by written declaration to the bill listed in the Schedule to this letter on the 13th day of May, 2004, at 9:10 p.m.

Yours sincerely,

Barbara Uteck
Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

Bill Assented to Thursday, May 13, 2004:

An Act to amend the Canada Elections Act and the Income Tax Act (*Bill C-3*)

ADJOURNMENT

Leave having been given to revert to Government Notices of Motions:

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(h), I move:

That, when the Senate adjourns today, it do stand adjourned until Tuesday, May 25, 2004, at 2 p.m.

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

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned to Tuesday, May 25, 2004, at 2 p.m.

**THE SENATE OF CANADA
PROGRESS OF LEGISLATION**

(3rd Session, 37th Parliament)

Thursday, May 13, 2004

*(*Where royal assent is signified by written declaration, the Act is deemed to be assented to on the day on which the two Houses of Parliament have been notified of the declaration.)*

**GOVERNMENT BILLS
(SENATE)**

No.	Title	1 st	2 nd	Committee	Report	Amend	3 rd	R.A.	Chap.

**GOVERNMENT BILLS
(HOUSE OF COMMONS)**

No.	Title	1 st	2 nd	Committee	Report	Amend	3 rd	R.A.	Chap.
C-3	An Act to amend the Canada Elections Act and the Income Tax Act	04/04/01	04/04/22	Legal and Constitutional Affairs	04/05/06	0	04/05/13	04/05/14*	24/04
C-4	An Act to amend the Parliament of Canada Act (Ethics Commissioner and Senate Ethics Officer) and other Acts in consequence	04/02/11	04/02/26	Rules, Procedures and the Rights of Parliament	04/03/23	0	04/03/30	04/03/31	7/04
C-5	An Act respecting the effective date of the representation order of 2003	04/02/11	04/02/20	Legal and Constitutional Affairs	04/02/26	0	04/03/10	04/03/11	1/04
C-6	An Act respecting assisted human reproduction and related research	04/02/11	04/02/13	Social Affairs, Science and Technology	04/03/09	0	04/03/11	04/03/29	2/04
C-7	An Act to amend certain Acts of Canada, and to enact measures for implementing the Biological and Toxin Weapons Convention, in order to enhance public safety	04/02/11	04/03/11	Transport and Communications	04/04/01	0	04/05/04	04/05/06	15/04
C-8	An Act to establish the Library and Archives of Canada, to amend the Copyright Act and to amend certain Acts in consequence	04/02/11	04/02/18	Social Affairs, Science and Technology	04/03/11	3	04/03/29	04/04/22	11/04
C-9	An Act to amend the Patent Act and the Food and Drugs Act (The Jean Chrétien Pledge to Africa)	04/05/04	04/05/11	Foreign Affairs	04/05/13	0	04/05/13	04/05/14*	23/04
C-11	An Act to give effect to the Westbank First Nation Self-Government Agreement	04/04/27	04/04/29	Aboriginal Peoples	04/05/04	0	04/05/05	04/05/06	17/04
C-12	An Act to amend the Criminal Code (protection of children and other vulnerable persons) and the Canada Evidence Act	04/05/13							
C-13	An Act to amend the Criminal Code (capital markets fraud and evidence-gathering)	04/02/12	04/02/24	Banking, Trade and Commerce	04/03/11	0	04/03/22	04/03/29	3/04
C-14	An Act to amend the Criminal Code and other Acts	04/02/12	04/02/25	Legal and Constitutional Affairs	04/04/01	0	04/04/21	04/04/22	12/04

No.	Title	1 st	2 nd	Committee	Report	Amend	3 rd	R.A.	Chap.
C-15	An Act to implement treaties and administrative arrangements on the international transfer of persons found guilty of criminal offences	04/04/27	04/05/05	Legal and Constitutional Affairs	04/05/13	0	04/05/13	04/05/14*	21/04
C-16	An Act respecting the registration of information relating to sex offenders, to amend the Criminal Code and to make consequential amendments to other Acts	04/02/12	04/02/19	Legal and Constitutional Affairs	04/03/25	0	04/04/01	04/04/01	10/04
C-17	An Act to amend certain Acts	04/02/12	04/03/09	Legal and Constitutional Affairs	04/04/29	0	04/05/04	04/05/06	16/04
C-18	An Act respecting equalization and authorizing the Minister of Finance to make certain payments related to health	04/03/10	04/03/22	National Finance	04/03/23	0	04/03/25	04/03/29	4/04
C-20	An Act to change the names of certain electoral districts	04/02/23	04/03/09	Legal and Constitutional Affairs	04/05/06	0	04/05/12	04/05/14*	19/04
C-21	An Act to amend the Customs Tariff	04/03/24	04/04/01	Banking, Trade and Commerce	04/04/22	0	04/04/28	04/04/29	13/04
C-22	An Act to amend the Criminal Code (cruelty to animals)	04/03/09	04/04/20	Legal and Constitutional Affairs					
C-24	An Act to amend the Parliament of Canada Act	04/03/22	04/03/29	Social Affairs, Science and Technology	04/04/29	0	04/05/11	04/05/14*	18/04
C-26	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 2004	04/03/22	04/03/25	—	—	—	04/03/26	04/03/31	5/04
C-27	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 2005	04/03/22	04/03/25	National Finance	04/03/30	0	04/03/30	04/03/31	8/04
C-28	An Act to amend the Canada National Parks Act	04/05/04	04/05/10	Energy, the Environment and Natural Resources	04/05/12	0	04/05/13	04/05/14*	20/04
C-30	An Act to implement certain provisions of the budget tabled in Parliament on March 23, 2004	04/05/06	04/05/11	National Finance	04/05/13	0	04/05/13	04/05/14*	22/04

COMMONS PUBLIC BILLS

No.	Title	1 st	2 nd	Committee	Report	Amend	3 rd	R.A.	Chap.
C-212	An Act respecting user fees	04/02/03	04/02/11	National Finance	04/02/26	10	04/03/11	04/03/31	6/04
C-249	An Act to amend the Competition Act	04/02/03	04/04/01	Banking, Trade and Commerce					
C-250	An Act to amend the Criminal Code (hate propaganda)	04/02/03	04/02/20	Legal and Constitutional Affairs	04/03/25	0	04/04/28	04/04/29	14/04
C-260	An Act to amend the Hazardous Products Act (fire-safe cigarettes)	04/02/03	04/02/23	Energy, the Environment and Natural Resources	04/03/10	0	04/03/30	04/03/31	9/04
C-300	An Act to change the names of certain electoral districts	04/02/03							

SENATE PUBLIC BILLS

No.	Title	1 st	2 nd	Committee	Report	Amend	3 rd	R.A.	Chap.
S-2	An Act to prevent unsolicited messages on the Internet (Sen. Oliver)	04/02/03	04/03/23	Transport and Communications					
S-3	An Act to amend the Constitution Act, 1867 and the Parliament of Canada Act (Speakership of the Senate) (Sen. Oliver)	04/02/03		subject-matter 04/03/11 Legal and Constitutional Affairs					
S-4	An Act to amend the Official Languages Act (promotion of English and French) (Sen. Gauthier)	04/02/03	04/02/26	Official Languages	04/03/09	0	04/03/11		
S-5	An Act to protect heritage lighthouses (Sen. Forrestall)	04/02/03	04/02/05	—	—	—	04/02/05		
S-6	An Act to amend the Criminal Code (lottery schemes) (Sen. Lapointe)	04/02/04	04/02/11	Legal and Constitutional Affairs					
S-7	An Act respecting the effective date of the representation order of 2003 (Sen. Kinsella)	04/02/04	Bill withdrawn pursuant to Speaker's Ruling 04/03/23						
S-8	An Act concerning personal watercraft in navigable waters (Sen. Spivak)	04/02/05	04/02/12	Energy, the Environment and Natural Resources	04/03/10	0	04/03/11		
S-9	An Act to honour Louis Riel and the Metis People (Sen. Chalifoux)	04/02/05							
S-10	An Act to amend the Marriage (Prohibited Degrees) Act and the Interpretation Act in order to affirm the meaning of marriage (Sen. Cools)	04/02/10							
S-11	An Act to repeal legislation that has not been brought into force within ten years of receiving royal assent (Sen. Banks)	04/02/11	04/03/09	Legal and Constitutional Affairs					
S-12	An Act to amend the Royal Canadian Mounted Police Act (modernization of employment and labour relations) (Sen. Nolin)	04/02/12	04/04/28	National Finance					
S-13	An Act to provide for increased transparency and objectivity in the selection of suitable individuals to be named to certain high public positions (Sen. Stratton)	04/02/19							
S-14	An Act to amend the Agreement on Internal Trade Implementation Act (Sen. Kelleher, P.C.)	04/03/10		subject-matter 04/03/22 Banking, Trade and Commerce					
S-16	An Act to amend the Copyright Act (Sen. Day)	04/03/11	04/03/23	Social Affairs, Science and Technology					

No.	Title	1 st	2 nd	Committee	Report	Amend	3 rd	R.A.	Chap.
S-17	An Act to amend the Citizenship Act (Sen. Kinsella)	04/03/25	04/04/01	Social Affairs, Science and Technology	04/05/06	0	04/05/06		
S-18	An Act to amend the Canada Transportation Act (running rights for carriage of grain) (Sen. Banks)	04/05/13							

PRIVATE BILLS

No.	Title	1 st	2 nd	Committee	Report	Amend	3 rd	R.A.	Chap.
S-15	An Act to amend the Act of incorporation of Queen's Theological College (Sen. Murray, P.C.)	04/03/10	04/03/11	Legal and Constitutional Affairs	04/03/25	0	04/03/25	04/04/01	

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