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Thursday, December 3, 1998

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THE HONOURABLE GILDAS L. MOLGAT
SPEAKER

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THE SENATE

Thursday, December 3, 1998

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I would like to introduce a distinguished guest in our gallery: His Worship the Mayor of Montreal, Mr. Pierre Bourque. Mr. Bourque was first elected to office in 1994 and was re-elected in 1998. Welcome to the Senate, Mr. Bourque.

SENATORS' STATEMENTS

HIS WORSHIP, MR. PIERRE BOURQUE

MAYOR OF MONTREAL

Hon. Marcel Prud'homme: Honourable senators, I thank you for so kindly welcoming the mayor of the oldest French city in North America, the pillar of Quebec.

A number of senators will recall a great Senate personality, above all a great French Canadian from Quebec, the late Jean Marchand. He was a member of Parliament, a cabinet minister, a senator and a Senate Speaker. He said — and it remains true — that Montreal was the economic heart of Quebec and that if Montreal was on track, Quebec was on track and if Quebec was on track, it was happy. And if Quebec was happy, Canada could only do well. We must remember these words.

I am delighted to be one of Mr. Bourque's supporters, not only lately when things were going well, but from the moment he arrived, in 1994. I never left him. You will recall that I requested permission to say a few words the day after the election, but as there were several senators wanting to speak, I delayed my statement. In a sense that is just fine, because today, instead of talking about him, I can introduce him to you.

He is someone who really understands the important role of the city. Montreal is a city that does not want to live in the past, it wants to live in the future. Forty per cent of its inhabitants are not of French Canadian origin and they will soon make up 50 per cent of the population. That is an example that should be supported.

[*English*]

I was glad that he met with the Prime Minister of Canada today. He also met with the Honourable Martin Cauchon, the Honourable Sheila Copps and others.

[*Translation*]

Mr. Bourque has an excellent rapport with the public. You will recall the press all predicted last May that he would not be re-elected.

[*English*]

He had 13 per cent in May and ended up winning with 44.2 per cent. Yet, there are still those who say he does not have a clear mandate. Mr. Bouchard received 42.7 per cent of the vote and he is the Premier of Quebec. The Prime Minister of Canada was elected and went unchallenged with 38.5 per cent.

[*Translation*]

Mr. Mayor, with your 44.5 per cent, you can go forward. All the senators from Montreal, Conservatives and Liberals alike, together with the members of Parliament, support you and want to work together to make life easier in Montreal. I repeat:—

[*English*]

If Montreal is happy, Quebec will be happy, and if Quebec is happy, Canada will be happy.

NATIONAL DAY OF REMEMBRANCE

NINTH ANNIVERSARY OF TRAGEDY AT
L'ÉCOLE POLYTECHNIQUE

Hon. Joyce Fairbairn: Honourable senators, this is the ninth anniversary of an act of violence against women that was so shocking and tragic that it has become a symbol for action across this country ever since.

The Montreal Massacre, as it is called, occurred on December 6, 1989, an ordinary day as students attended their classes and socialized in the cafeteria at l'École polytechnique.

• (1410)

The normalcy of their lives was shattered by an individual so unhinged by his own problems that he took a semi-automatic rifle into a classroom, separated out the men and, proclaiming his hatred of feminists, he gunned down 14 young women. He killed himself as he ended their hopes and their dreams for the future.

Once again, we quietly recall their names: Geneviève Bergeron, Hélène Colgan, Natalie Croteau, Barbara Daigneault, Anne-Marie Edward, Maud Haviernick, Barbara Marie Klueznick, Maryse Laganière, Maryse Leclair, Anne-Marie Lemay, Sonia Pelletier, Michelle Richard, Annie Saint-Arnault and Annie Turcotte.

Behind those names are the families and friends who will never forget, joined by women and men who will gather this weekend at ceremonies across the land to reinforce a commitment to break the violence in our society.

The sad legacy of these young women is now the National Day of Remembrance and action on violence against women. As always, we look to the statistics, hoping they will be improved but knowing that they still remain distressingly high — statistics about sexual, psychological and physical abuse, and violence, assault, harassment, stalking, murder.

Women of all ages, from children to elders, are constant targets for violence. We have enacted gun control; we have stiffened many penalties under the law; we have set up protective homes; we have raised awareness through every medium of education, but clearly we have fallen far short of changing the attitudes and the social and economic conditions that foster fear, insecurity and desperation which, in turn, breed anger and violence.

Honourable senators, this is not just a women's issue. Men are victims, too, because those attitudes and conditions cut through our entire society, hitting hardest at the most vulnerable. It is important that all of us in this chamber, women and men together, use every opportunity offered by our privileged positions to support solutions and force change.

Our only tolerance must be zero tolerance against all forms of violence in what we like to think of as a caring and compassionate country. Those 14 young women, honourable senators, would be telling us to cut the excuses and get on with the job.

Hon. Senators: Hear, hear!

[Translation]

Hon. Shirley Maheu: Honourable senators, this Sunday will be the ninth anniversary of the deaths of 14 young women, cut down in the prime of life at Montreal's École polytechnique. For many of us, December 6 is a day to reflect upon violence against women.

Today, honourable senators, we shed a tear in remembrance as we think about these young women who will never have a chance to fulfil their dreams, and the hopes and dreams of their parents, because their lives were cut short so abruptly and brutally. I would ask you to join with me in expressing to the families and friends of these young victims our compassion and sorrow, coupled with the hope that this act of remembrance will help educate the public, and lead one day to the eradication of such acts against women.

[English]

ROUTINE PROCEEDINGS

THE ESTIMATES, 1998/99 REPORT OF NATIONAL FINANCE
COMMITTEE ON SUPPLEMENTARY ESTIMATES (B)
PRESENTED AND PRINTED AS APPENDIX

Hon. Terry Stratton: Honourable senators, I have the honour to present the seventh report of the Standing Committee on National Finance concerning the examination of Supplementary Estimates (B), laid before Parliament for the fiscal year ending March 31, 1999.

I ask that the report be printed as an appendix to the *Journals of the Senate* of this day, and that it form a part of the permanent record of this house.

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

Hon. Senators: Agreed.

(For text of report see today's Journals of the Senate, Appendix 'A', p. 1144.)

The Hon. the Speaker: When shall this report be taken into consideration?

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

COMPETITION ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. David Tkachuk, Deputy Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Thursday, December 3, 1998

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

EIGHTEENTH REPORT

Your committee, to which was referred Bill C-20, an act to amend the Competition Act and to make consequential and related amendments to other acts, has examined the said bill in obedience to its Order of Reference of Tuesday, November 17, 1998, and now reports the same without amendment but with the observations which are appended to this report.

Respectfully submitted,

DAVID TKACHUK
Deputy Chairman

(For text of appendix to report, see today's Journals of the Senate, Appendix 'B', p. 1154.)

The Hon. the Speaker: When shall this bill be read the third time?

On motion of Senator Callbeck, report placed on the Orders of the Day for third reading on Tuesday next, December 8, 1998.

ADJOURNMENT

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(h), I move, seconded by the Honourable Senator Perrault:

That when the Senate adjourns today, it do stand adjourned until Monday next, December 7, 1998, at 4 p.m.

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

Hon. Senators: Agreed.

Motion agreed to.

RECOMBINANT BOVINE GROWTH HORMONE

NOTICE OF MOTION TO AUTHORIZE AGRICULTURE AND FORESTRY COMMITTEE TO TABLE FINAL REPORT WITH CLERK OF THE SENATE

Hon. Leonard J. Gustafson: Honourable senators, I give notice that on Tuesday next, December 8, 1998, I will move:

That with respect to the Order of the Senate adopted on May 14, 1998 to examine the Recombinant Bovine Growth Hormone (rBST) and its effect on the human and animal health safety, the Standing Senate Committee on Agriculture and Forestry be permitted, notwithstanding usual practices, to deposit its report with the Clerk of the Senate, if the Senate is not then sitting; and that the report be deemed to have been tabled in the Chamber.

• (1420)

HUMAN RIGHTS

NOTICE OF MOTION TO ESTABLISH STANDING COMMITTEE

Hon. A. Raynell Andreychuk: Honourable senators, I give notice that on Tuesday next, December 8, 1998, I will move:

That rule 86(1) of the *Rules of the Senate* be amended by inserting immediately after paragraph (q) the following new paragraph (r):

(r) The Senate Committee on Human Rights and Fundamental Freedoms, composed of twelve members, four of whom shall constitute a quorum, to which shall be referred, on order of the Senate, bills, messages, petitions, inquiries, papers and other matters relating to the protection of human rights and fundamental freedoms.

PRIVATE BILL

THE ROMAN CATHOLIC EPISCOPAL CORPORATION OF MACKENZIE BILL TO AMEND—REPORT OF COMMITTEE

Leave having been given to revert to Presentation of Reports from Standing or Special Committees:

Hon. Lowell Murray, Chairman of the Standing Senate Committee on Social Affairs, Science and Technology, presented the following report:

Thursday, December 3, 1998

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

FOURTEENTH REPORT

Your committee, to which was referred Bill S-20, An Act to amend the Act of incorporation of the Roman Catholic Episcopal Corporation of Mackenzie, has, in obedience to the Order of Reference of Thursday, October 29, 1998, examined the said Bill and now reports the same with the following amendments:

1. *Page 1, Preamble:* replace line 9 with the following:

“of Mackenzie was erected into the Diocese of Mackenzie-Fort Smith by”.

2. *Page 1, Clause 1:*

(a) replace line 27 with the following:

“**1. The long title**”; and

(b) replace lines 30 to 32 with the following:

“An Act to incorporate the Roman Catholic Episcopal Corporation of Mackenzie-Fort Smith”.

3. *Page 2, Clause 2:*

(a) replace line 1 with the following:

“**2. Section 1 of the**”; and

(b) replace lines 3 to 9 with the following:

“**1.** The Right Reverend Gabriel Breynat, and his successors, being Vicars Apostolic of the Vicariate Apostolic of Mackenzie and Bishops of the Diocese of Mackenzie-Fort Smith, in communion with the Church of Rome, are hereby incorporated under the name of “The Roman Catholic Episcopal Corporation of Mackenzie-Fort Smith”, hereinafter called “the Corporation”.”.

Respectfully submitted,

LOWELL MURRAY, P.C.
Chairman

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

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

QUESTION PERIOD

SOLICITOR GENERAL

TREATMENT OF PROTESTORS AT APEC CONFERENCE
BY RCMP—POSSIBILITY OF REFERRAL OF SUBJECT-MATTER
TO SENATE COMMITTEE—GOVERNMENT POSITION

Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, last night on CBC's *The National Magazine* program, University of Ottawa Law Professor Ed Ratushny stated:

— unrealistic expectations...may also be generated in Parliament by the suggestion that we should wait for this inquiry to conclude, and that it will provide all the answers. It won't. And there is a political dimension of this that is certainly relevant to political debate right now. The accountability of the Prime Minister and the Prime Minister's Office, if it's not within the mandate of the commission, it certainly is within the mandate of Parliament.

Therefore, will the Leader of the Government not agree to the suggestion made by my colleague Senator Carney, that the Senate inquire into those matters that are clearly outside the scope of the RCMP Public Complaints Commission?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, as I have stated, there is already a process in place to inquire into the APEC events in Vancouver. The government has full confidence in the RCMP Public Complaints Commission. The commission is an independent body over which the government has no control. Even if it wanted to stop the inquiry, the government does not have the authority to do so.

We have received varying opinions on this subject. Senator Kinsella has cited one that was given on a CBC program last night by Professor Ratushny. But there is another opinion which I received recently.

I will read a few paragraphs of a letter, a copy of which I would be happy to table. It comes from a well-known body, namely the British Columbia Civil Liberties Association. It is dated November 30, 1998, and it is addressed to me. Perhaps the Leader of the Opposition already has a copy of the letter.

It states, in part:

Dear Mr. Graham:

Re: RCMP Public Complaints Commission Hearings Into the Events Surrounding the November 1997 APEC Meetings

In recent weeks, there have been calls for Parliament to halt the RCMP Public Complaints Commission (PCC) hearings into events surrounding last year's Asia Pacific Economic Cooperation (APEC) conference and replace them with a judicial inquiry. The B.C. Civil Liberties Association (BCCLA) is opposed to such action.

They go on to give a number of reasons, all of which I will not read.

Senator Carney: Read some.

Senator Graham: If honourable senators agree, I will be happy to table the letter.

The letter goes on to state:

As a complainant before the current PCC hearings, the BCCLA is especially concerned with discovering the truth about these allegations. However, because of the many delays, some people have given up hope that the PCC is still capable of bringing this truth to light. Indeed, one complainant has called for the resignation of hearing panellists in the hope that this will force the government to appoint an independent judicial inquiry.

The BCCLA does not share this view. While we have been critical of some aspects of the PCC hearing process, including the lack of legal funding for complainants, we are equally concerned with what may happen should the PCC not be allowed to complete its task.

If the PCC is not permitted to continue its hearings, this would not only signal to the public its lack of ability to investigate events surrounding APEC, it would also serve to undermine the important role that the PCC plays more generally as a mechanism for effective civilian oversight of the RCMP.

It is important to remember that the PCC hearings have a predominantly fact-finding role. A wealth of evidence has been assembled and 120 witnesses will be called —

I presume among them will be the Prime Minister's Chief of Staff and the former director of operations.

— to testify under oath about the events last Fall and be cross-examined on their testimony by lawyers, including those acting for the BCCLA. It is clear that the PCC has the mandate and the will to complete its task.

In our view, PCC hearings have several advantages over other forms of investigation:

In the interests of brevity, I will skip the points they raise there. The letter then goes on to state:

In addition, there is little reason to think that abandoning the current process in favour of a judicial inquiry would result in matters being dealt with more quickly or more thoroughly. A judicial inquiry would be subject to the same sorts of challenges and legal manoeuvring as is the PCC. To abandon the current process in the face of delay would, in the future, encourage any party to a Commission process which had extensive legal resources and which was concerned about a possible negative outcome, to use its resources to derail this process.

They feel so strongly about the issue that, in the concluding paragraph, they say:

...should a court decide that the current PCC panel is unable to continue, we favour the immediate appointment of a new panel to hear our complaints. It should not be up to the government of the day, or the RCMP, to decide when and how such complaints are to be investigated.

In short, we have unfinished business with the PCC, and we are not prepared to stand idly by and see this process derailed.

The letter is signed by Andrew Irvine, President. My copy indicates that it has been forwarded to the RCMP Public Complaints Commission.

• (1430)

The honorary directors of the British Columbia Civil Liberties Association include some well-known and highly respected Canadians, including David Barrett, Ron Basford, Q.C., Thomas Berger, Q.C.

Senator Carney: They are all socialists!

Senator Graham: Kim Campbell, Andrew Coyne, Gordon Gibson, Mike Harcourt, Rafe Mair, Svend Robinson, and David Suzuki, among many other outstanding Canadians.

With the permission of the Senate, I would be happy to table this letter.

Some Hon. Senators: Hear, hear!

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

Hon. Senators: Agreed.

Senator Kinsella: Honourable senators, I am glad that we now have at least one document on this tragedy in this chamber.

Where should I begin? Perhaps I should begin with other parts of the letter. For example, the last paragraph on page 2 helps to paint the association's great concern about relying on the RCMP

Public Complaints Commission, which is the best game in town for them. Why? Because they are fearful of a judicial inquiry. What do they say? The Public Complaints Commission is, "Unlike a judicial inquiry whose mandate could be set by the cabinet in such a way as to avoid politically sensitive questions." They are very wise and astute.

Furthermore, on the next page, they state:

Unlike a judicial inquiry which may be stopped prematurely by the government of the day — as was the Somalia inquiry — ...

One can understand why this particular complainant, which will appear before the Public Complaints Commission, would not want to go the route of a judicial inquiry.

The Honourable Leader of the Government drew our attention to the fact that Mr. Svend Robinson is one of the patrons of the association. Last night, on the same CBC program, Mr. Robinson stated that former prime minister Mulroney "understood and respected the fact that we had a role...as opposition members of parliament and government members of parliament, to try and get at the truth."

I wish to tell honourable senators and the Leader of the Government in the Senate that we had the MacDonald Royal Commission into the RCMP wrongdoing in the 1970s. Whilst that commission was ongoing, the House of Commons Justice Committee went forward and heard from witnesses. We also had the Krever inquiry. It did not prevent the government from addressing the need for changes to the blood system whilst that was going on. Indeed, there is the El-Mashat affair. While that was being adjudicated, Parliament was given the opportunity by Prime Minister Mulroney to get at the truth. In the words of the current Minister of Foreign Affairs, who will be here later this afternoon — and, perhaps this will remind him of what he said in 1991 — will we get at the truth or not?

If we did not wait for Parliament to become involved then, although commissions and other fora were dealing with the matters of abuse, why are we waiting now?

Senator Graham: Honourable senators, I am merely suggesting that we ask that due process be followed with both the Public Complaints Commission and the Federal Court. There are several matters before the Federal Court. I have full confidence in both bodies, and I would certainly not want to circumvent the important work that they have to do.

Hon. David Tkachuk: Honourable senators, I have two supplementary questions. I think a lot of members on this side understand it, but I do not.

Is the Leader of the Government in the Senate saying that the RCMP inquiry into the APEC affair has the right to call witnesses who work for ministers of the Crown to ask them about their role in this matter?

Senator Graham: Yes. Honourable senators, in my opinion, they have that right.

Senator Tkachuk: If the commission were investigating the conduct of the RCMP in their investigation of the Airbus affair, then they would have the right to call officials of the government and the Crown — whomever they wanted according to your statement — to appear and testify about their role in that investigation. Is that correct?

Senator Graham: Honourable senators, that would be up to the body that was making the inquiry and was charged with that responsibility, depending on the mandate of that particular commission. The mandate of the Public Complaints Commission, which I outlined the other day and I repeat, is to inquire into all matters relating to these complaints.

Senator Tkachuk: Therefore, honourable senators, in some cases they do and in some cases they do not, depending on what the government feels they should or should not do. Is that correct?

Senator Graham: No. It depends on the mandate.

Hon. Pat Carney: Honourable senators, should the Leader of the Government in the Senate be correct in his interpretation, of course we would honour it. However, should the minister be wrong in his interpretation and the Public Complaints Commission declares itself unable to deal with these political matters of political staffs and political direction, would the Leader of the Government in the Senate commit, on behalf of the government, to supporting hearings by the Senate into this issue?

Senator Graham: Honourable senators, it would be presumptuous and hypothetical for me to try to judge what may happen in the future. However, we would certainly be prepared to deal with the matter at that particular time.

Hon. Ron Ghitter: Honourable senators, I have a supplementary question. In that the Leader of the Government in the Senate places such emphasis on the letter that has been tabled today, would he also agree with the following portion of the letter:

As the attached documents show, there is also strong *prima facie* evidence to think that the PMO is not a neutral party in these proceedings. These documents have been culled from the thousands of pages of evidence that have been tabled before the PCC. We believe that they are relevant to our complaints since they lend support to the view that fundamental free speech rights of Canadian citizens may have been compromised, and that there may have been improper attempts on the part of the PMO to use the RCMP to advance political objectives.

In that the Leader of the Government in the Senate seems to agree with everything else in the letter, does the minister also agree with that paragraph?

Senator Graham: Honourable senators, we agree with the main point of the letter. The main point of the letter, Senator Ghitter, is that until a full examination of the documentary evidence has taken place before the Public Complaints Commission, we will not know the full truth.

Senator Ghitter: Honourable senators, I have one final supplementary question. Is it then agreed that if the Prime Minister is asked to appear to give testimony, he will appear?

Senator Graham: That would be up to the Prime Minister.

NATIONAL DEFENCE

VINTAGE OF LABRADOR HELICOPTER FLEET—POSSIBILITY OF LEASING REPLACEMENT AIRCRAFT TO UNDERTAKE SEARCH AND RESCUE MISSIONS—GOVERNMENT POSITION

Hon. J. Michael Forrestall: Honourable senators, I have a question for the Leader of the Government in the Senate. He will have noted the grounding of additional helicopter aircraft, this time because of faulty screws that could be catastrophic were they to wind up in the engines of those helicopters.

Yesterday, honourable senators, the minister said that the oldest part contained in the Labradors is the number plate and that is not 35 years old. It is a wonder sometimes that the Leader of the Government in the Senate believes everything that he reads in his briefing book.

• (1440)

Does the Leader of the Government truly believe that this is the case? Will he not admit that the airframes of those helicopters, the ribs, the substantial undercarriage, are the original design, part of the original aircraft, and that they are technology from the 1950s? Will he not admit that those planes are too old to be flying?

I would ask the honourable leader to respond to that comment. It is nonsense to say such things if he is not prepared to back them up. In particular, he should not say such things if he does not know what he is talking about, because that can mislead people.

Could the Leader of the Government in the Senate shed any further light on the suggestion that the Minister of National Defence and the government are actively considering the leasing of equipment to replace the Labradors, until such time as they have either grounded those aircraft and put them to rest forever, or we have new equipment?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, the number to which I was referring was the serial number. We remain confident that we can perform search and rescue missions with current Canadian Forces assets.

Senator Forrestall: What does that mean?

Senator Graham: However, as I have said, if additional resources are required to carry out search and rescue missions, the government and the Department of National Defence would be prepared to entertain a range of options, including leasing.

Senator Forrestall: I am not sure, honourable senators, what all of that gobbledegook is about, except evasiveness and a disproportionate and out-of-whack suggestion that no one gives a damn about the men and women who fly this equipment. I doubt very much that that is what the Leader of the Government in the Senate is suggesting. Can he not tell us whether the government is considering leasing equipment?

Five of the twelve helicopters are now grounded, and two others should be grounded. Chances are that one will ground itself permanently, and that will be the end of someone.

Senator Graham: Honourable senators, following the incident involving the Labrador in Fredericton, where a screw was ingested by the engine, all Labrador squadrons have been sent an inspection notice to check the screws in question as part of the ongoing airworthiness program.

In the opinion of the officials at National Defence, there is no reason to ground the Labrador fleet. The incidents reported over the last few weeks involve specific and localized problems that can be fixed.

I repeat what I said in my previous answer, namely that leasing is one of the options that is being examined by the military at the present time.

Hon. Gerry St. Germain: As a supplementary question, for clarification, I do not know how many incidents we must have and lives lost before this matter is taken seriously. This business of having things under consideration, honourable senators, is fine. It is an honourable intention. However, I believe the information that is available to Canadians and to the Armed Forces and everyone else indicates that this is not a time for intending to do something; we have arrived at the point in time when we must do something.

I asked the minister yesterday if he would approach his cabinet colleagues, in particular the Minister of National Defence, and determine whether they will actually lease. It is not a question of intention. These pilots are out there, and they must take passengers and crew up with them when they go on these rescue missions. It is not only their lives that are at stake, it is also the lives of their passengers. This undermines their confidence, their ability to perform their tasks in the way that they should be performed, and their ability to perform the search and rescue missions in the way that they should be performed.

Senator Forrestall is trying to obtain a definitive "yes." When there is a flagrant situation such as this one, I believe that it is incumbent upon all senators to ask the government and the cabinet to give us a definitive answer, especially in view of the gravity of the situation.

Senator Graham: First, the possibility of leasing is under consideration. I discussed this matter with the Minister of National Defence as recently as this morning.

Second, the decision to restore the Labrador fleet to full operational availability was made by the Chief of the Defence Staff. Full operational availability means that the fleet is available for search and rescue operations but proficiency training and all non-essential flying are kept to the absolute minimum.

INADEQUACY OF LABRADOR HELICOPTER FLEET TO UNDERTAKE
SEARCH AND RESCUE MISSIONS—
ACCOUNTABILITY OF MINISTER FOR POSSIBLE RESULTING
FUTURE LOSS OF LIFE—GOVERNMENT POSITION

Hon. Brenda M. Robertson: As a supplementary, honourable senators, my question is to the Leader of the Government in the

Senate. I should like an answer of either "yes" or "no." We have a Constitution in this country, and we have laws. Are ministers of the Crown responsible for their departments, "yes" or "no"?

Hon. B. Alasdair Graham (Leader of the Government): Yes.

Senator Robertson: Thank you. The government has placed the responsibility of flying those Labradors squarely in the hands of the pilots, the crews, and their families. In my opinion, that is not good enough. Government has a responsibility to the people of Canada for ensuring that the military has safe equipment, and that Canadians have a national search and rescue service.

The Leader of the Government in the Senate has assured us that the Labrador fleet is safe, and that there are adequate resources for search and rescue. In the event of another fatal crash of a Labrador and/or death due to the lack of search and rescue capability or readiness, which minister of the Crown is responsible?

Senator Graham: Honourable senators, I respect Senator Robertson a great deal, but I do not think anyone wishes to address the tragedies that occurred and lay them at the door of one individual, no matter what position they hold in the country.

The ultimate responsibility lies with the Minister of National Defence. However, the Chief of the Defence Staff reports to the Minister of National Defence, and the Chief of the Air Staff reports to the Chief of the Defence Staff. That is the chain of command.

The decision to restore the Labrador helicopters to full flying capability was made by the Chief of the Air Staff, and he reports to the Chief of the Defence Staff. The buck stops, I assure you, with the Minister of National Defence, and he is prepared to take full responsibility.

Senator Robertson: I understand the line of command. Heaven help us if we have another accident, or more lives are lost at sea.

In that line of command, the way you stated it, do I hear another opportunity for the government to blame someone else down the line?

Senator Graham: Indeed not. There are chains of command, most particularly in the Armed Forces, and they are followed carefully. If there is any department of government where the chain of command is followed, it is certainly in the Department of National Defence.

The Minister of National Defence, who has an outstanding record in Canada in all of the many offices he has held, is not one who would want to duck his particular responsibility. We are taking every precaution to avoid any kind of tragedy from recurring.

We talked yesterday about the sad circumstances that surrounded the crash of the Labrador helicopter in Quebec early in October.

Senator Lynch-Staunton is mumbling about who cancelled the helicopter contract.

Senator Lynch Staunton: I am trying to restrain myself.

Senator Graham: He is trying to say that the present government cancelled the contract. However, I wish to remind you that even if the present government had gone forward with the particular contract which the previous government had proposed, those aircraft would still not be delivered until late next year.

Senator Lynch-Staunton: Now it is four more years.

Hon. Gerry St. Germain: Honourable senators, the Leader of the Government in the Senate is trying to pass the responsibility down to the Chief of the Air Staff. This is totally wrong, because the Chief of the Air Staff does not have the resources for this, or the final decision-making authority on whether to lease or not lease. That authority lies with cabinet, unless things have changed since I came from there.

• (1450)

Senator Graham: Senator St. Germain, may I correct you? I did not say that the Chief of the Air Staff has the responsibility for leasing. The Minister of National Defence and the government have that responsibility. I did not make that suggestion at all.

Senator St. Germain: Yes, but you are making the suggestion that it is the Chief of the Air Staff's decision that determines whether these airplanes will fly for not.

Senator Graham: That is correct, but the final responsibility rests with the Minister of National Defence.

Senator St. Germain: What you are trying to do, with all due respect, is put the responsibility on the Chief of the Air Staff, which is totally unfair. It is unfair to the ranks below because we know what has happened in the military over the last few years. The responsibility lies with the minister, and the minister should be making those decisions, and making them immediately, because if there are more lives lost, the responsibility will belong to the minister and to the cabinet.

Senator Graham: In all fairness, Senator St. Germain, I do not want to have your remarks misinterpreted by anyone in this chamber, or by the public at large. I did not at any time suggest, first, that the Chief of the Air Staff was responsible for making a decision on leasing, or second, that the Minister of National Defence was ducking his responsibility — not at all. Mr. Eggleton is an honourable gentleman who has an outstanding record in our country, and he is an outstanding Minister of National Defence.

Senator Robertson: As a supplementary, honourable senators, the Leader of the Government in the Senate mentioned that even

if the present government had not cancelled the order for helicopters placed by the previous government, they still would not be available, and we well understand that. However, let me say this: If Brian Mulroney were the prime minister, he would not put in jeopardy the lives of the military, or of those fishermen.

Some Hon. Senators: Hear, hear!

Senator Robertson: Will this government act in the same manner?

Senator Graham: Those honourable senators who have followed the course of the actions that have been taken by this government will know that a replacement for the Labradors has been ordered.

Senator Lynch-Staunton: Why did you cancel the order in the first place?

Hon. Eric Arthur Berntson: I have a supplementary.

The Hon. the Speaker: I regret, honourable senators, that the time for Question Period has expired.

Senator Berntson: Your Honour, I have a supplementary.

The Hon. the Speaker: I am sorry, honourable senators. The rule says that Question Period will last for 30 minutes, and the 30-minute period has expired.

Senator Berntson: I ask for leave, honourable senator, to extend Question Period.

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

Hon. Senators: Agreed.

CANCELLATION OF PROFICIENCY FLYING OF LABRADOR
HELICOPTER FLEET—GOVERNMENT POSITION

Hon. Eric Arthur Berntson: Honourable senators, a couple of supplementaries ago, my honourable colleague the Leader of the Government in the Senate suggested that the Department of National Defence was actively pursuing the goal of 100 per cent availability of the Labrador fleet for the purposes of search and rescue. In the same sentence he said, however, that proficiency flying will be kept to a bare minimum.

Has the question occurred to anyone as to why proficiency flying, for all intents and purposes, will not take place? It is likely because the aircraft are not considered to be safe. If they are not considered to be safe for training and proficiency flying, how can they possibly be considered to be safe for search and rescue purposes?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, as I said, that is a decision that has been taken by the Minister of National Defence on the advice of those who report to him.

Senator Berntson: Honourable senators —

The Hon. the Speaker: Honourable senators, leave was granted for one question. That is what I heard.

Senator Berntson: It was for supplementary questions.

The Hon. the Speaker: That is the basis that I heard for the giving of leave. That is the statement I heard.

BUSINESS OF THE SENATE

EXTENSION OF QUESTION PERIOD—POINT OF ORDER

Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, I rise on a point of order. Leave was requested to extend Question Period. His Honour understood that leave was for only the one question to be posed by the Honourable Senator Berntson. It was our understanding that leave would also be inclusive of two other senators who had stood, including Senator Oliver in particular. I noted that the Leader of the Government in the Senate nodded, so I took it that he and I were in agreement.

I think if His Honour the Speaker puts the question again as to whether leave is granted for Question Period to be extended, he will find agreement in this house.

The Hon. the Speaker: Honourable senators, if leave is granted, under what conditions will it be granted? Is it leave for two more questioners?

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, everyone in the chamber is aware that this will be an extremely long day. I will certainly commit this side to two more questions, but without any additional supplementaries to those two questions.

Senator Lynch-Staunton: What generosity!

TRANSPORT

IMPLEMENTATION OF ALTERNATIVE FINANCING ARRANGEMENTS UNDER FEDERAL-PROVINCIAL HIGHWAYS AGREEMENTS—GOVERNMENT POSITION

Hon. Donald H. Oliver: Honourable senators, the Auditor General says there has been poor implementation of the Minister of Transport's directions with regard to the treatment of tolls under federal-provincial highway programs. To quote the Auditor General:

Transport Canada should seek clarification of the federal position on the treatment of alternative financing arrangements for its highway investment programs and its application not only to tolls but to such arrangements in general. It should assess the need for entrenching that position in all new federal-provincial highway agreements, and take action as appropriate.

My question is for the Leader of the Government in the Senate. What is this government's position on toll highways? Is it "toll highways if necessary, but not necessarily toll highways"?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, that is an interesting question. The agreement has been interpreted by some provinces to mean that they can have toll highways. The matter at the present time is being examined by the Minister of Transport with respect to tolls, in the present and in the future.

Senator Oliver: What is the current policy?

Senator Graham: Honourable senators, the current policy is that the tolls have been allowed in the province of New Brunswick.

Senator Oliver: The auditor also had a few more criticisms.

The Hon. the Speaker: Honourable senators, I am sorry, the understanding was that there would be no supplementary questions. It is not for me to rule, but that was the agreement.

[*Translation*]

NATIONAL FINANCE

USAGE OF STANDARD ACCOUNTING PRINCIPLES IN FINANCIAL STATEMENTS OF GOVERNMENT—POSITION OF MINISTER

Hon. Roch Bolduc: Honourable senators, can the Leader of the Government in the Senate confirm that the Minister of Finance will commit to respecting objective accounting standards in submitting the government's financial statements?

[*English*]

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I am sure he always does. The Minister of Finance is very consistent in his approach.

Senator Bolduc: I did not hear your answer. What did you say?

The Hon. the Speaker: I believe the answer was not understood by Senator Bolduc.

Senator Graham: The Minister of Finance is always consistent in the approach that he takes with such reports.

Senator Bolduc: That is too light an answer for me.

The Hon. the Speaker: Senator Bolduc —

Senator Bolduc: This is a matter of principle.

The Hon. the Speaker: Senator Bolduc, I must operate under the rules that the Senate gives me. The understanding was that there would be two senators with one question each, and no supplementaries.

I will certainly be prepared to recognize the senators who had questions today, but did not get an opportunity to ask them, next time we meet.

ORDERS OF THE DAY

CRIMINAL CODE CONTROLLED DRUGS AND SUBSTANCES ACT CORRECTIONS AND CONDITIONAL RELEASE ACT

BILL TO AMEND—SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Moore, seconded by the Honourable Senator Lucier, for the second reading of Bill C-51, to amend the Criminal Code, the Controlled Drugs and Substances Act and the Corrections and Conditional Release Act.

Hon. Ron Ghitter: Honourable senators, I rise today to speak to second reading of this omnibus bill. This bill includes some important amendments to three pieces of legislation. As is properly the case with omnibus legislation of this nature, there is little in this legislation that is of a controversial nature. The amendments have the support of the legal, political and enforcement communities. Only the Reform Party seems to find the amendments unacceptable in that, in their view, the legislation should have brought forward stricter sanctions in the amended statutes.

The substance of the bill has been well expressed and analysed by Senator Moore in his contribution to the debate on November 24. The bill introduces amendments to 12 different areas of the law, the most significant being as follows: With respect to the law of homicide and criminal negligence, the bill removes the time-honoured provisions of the Criminal Code that disallows the prosecution of an individual for murder, manslaughter and other offences after more than a year has passed since the death of the victim, regardless of how clearly it is proven that the accused caused the victim's death.

The rationale behind the legislation is appropriate in that, with the scientific advances of this modern era, an individual injured as a result of a crime could live well beyond the year and a day, even though their eventual death could be proven to be attributable to the criminal act.

It would be interesting to know how many of such cases have resulted in an accused avoiding prosecution. I doubt that there are many, but perhaps the committee studying the bill can make such inquiries. In any case, the amendment makes sense, and I support it.

Other amendments include the modernization of the fraud and theft provisions in respect of valuable minerals; the provision of rules governing how the time on a conditional sentence runs following the breach of a condition; widening the scope of the offence of obtaining the services of a prostitute under 18 years of age, and ensuring that only officials with law enforcement duties can execute search warrants, are also aspects of the bill.

In the gaming area, there are two interesting amendments, one of which deserves some particular attention. The first permits the

operation of casinos on international cruises that are Canadian, or in Canadian waters. This amendment affects only those who are able to utilize these expensive and luxurious cruise ships. Therefore, I have little concern should their customers be parted from their disposable incomes at the gaming tables on the cruise ships.

However, I have some concern over the provisions that permit dice games to be conducted in casinos under provincial guidelines. I happen to know a little about dice — less elegantly known as “craps” and immortalized in the world's largest floating crap game in *Guys and Dolls*. Craps is a fast game. Money can be won and lost very rapidly and, as I know, mostly lost. The game requires an element of skill and knowledge, and most players have neither.

I do not intend to advance the moral argument on the evils of gambling. We just went through this excruciating debate in Alberta last October, when Albertans generally chose to keep VLTs, which followed months of petitions, arguments and soul-searching. However, there are certain indisputable truths with respect to this issue. Governments are just as addicted to gambling as are those who frequent our casinos to play blackjack, or our restaurants and bars to play the VLTs. The governments get richer — in Alberta, to the tune of \$700 to \$800 million a year from VLTs alone, and over \$2 billion a year from all forms of gaming.

While the poor get poorer and their families suffer, ultimately the money received by governments goes from one pocket to the other, in an attempt to assist those who are on social assistance due to their gaming losses. I must say that I am basically of the philosophy that individual responsibility must always prevail, and that it is not for the government to guide its policies on the basis of the minority who are unable to show responsibility in their lives. Once governments get into the area of telling individuals what is best for them, and assuming the responsibilities that should be assumed by the individual, we are in trouble, for where does it stop, and who is to say that the government knows best?

There is an argument that the more we allow the expansion of gambling opportunities, the more we allow for the enticement of weaker individuals into the follies of hoping for the big score against all odds, and in playing dice I can assure you that the odds are very much in favour of the house. The minister, in introducing this legislation, suggested the following:

I want to assure the house that changes are not intended to increase the level of gambling activity in Canada, nor do we expect them to have this effect.

With the greatest of respect to the honourable minister, may I suggest that not only will there be an increase in the level of gambling activity in Canada as the result of allowing dice into the casinos, there will be an increase in the losses of those visitors who come into our casinos. To suggest otherwise indicates a lack of understanding of the mystical qualities and the lure of “dem bones” and the roll of the dice. The expression “roll the dice” you may recall, in a political sense, which certainly caused a furore in some circles in politics in Canada in the past.

I raise this issue because one could ask where do we stop, if at all? How far should governments go in allowing gambling in our country? A difficult and important moral issue arises, to which the committee charged with examining this bill should direct its attention.

At this point in time, I have no further comments with respect to this bill, pending the review of the transcripts of the committee hearings, which I look forward to reading.

The Hon. the Speaker: If no other honourable senator wishes to speak, I will proceed with the motion.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Moore, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

[Translation]

CORRUPTION OF FOREIGN PUBLIC OFFICIALS BILL

SECOND READING

Hon. Céline Hervieux-Payette moved the second reading of Bill S-21, respecting the corruption of foreign public officials and the implementation of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and to make related amendments to other Acts.

She said: Honourable senators, I am pleased to rise to speak on a bill of such major importance for the conduct of international business.

Corruption is a threat to the rule of law, democracy and human rights. It undermines the principle of good governance, threatens the stability of democratic institutions and undermines the moral foundations of society. Corruption is prejudicial to international trade and free competition, and hampers economic development, particularly in developing countries. Through its OECD partners, Canada is working actively to encourage global systems for ensuring security and the improvement of the human condition and to strengthen trading ties, in order to help nations develop and prosper. We are increasingly aware that the best way to defend our national interests is to defend them within international institutions and tribunals and to put in place rules and institutions that will allow Canadians to obtain the kind of protection they need.

Bribery of public officials is one of the major problems encountered in international trade and investment. Within the OECD, it is a very important issue for Canada and for other international organizations. The OECD has 29 members, including Canada, the United States, most of the European

countries, Japan and South Korea, and is the principal economic policy tribunal for the most advanced industrialized democracies.

The convention binds each signatory to establish a criminal offence of bribery of foreign public officials in international transactions and to take the necessary action, in accordance with its legal principles, to establish the responsibility of corporations in the event of bribery of a foreign public official.

• (1510)

Each party, or country, must ensure that these penalties are effective, appropriate and dissuasive, and that the bribery and the proceeds of the bribery can be seized. The range of penalties must be comparable to that for domestic bribery. The new offence of bribery of foreign public officials is a crime carrying a maximum jail sentence of five years. Section 67.5 of the Income Tax Act has also been amended to add this new offence to the list of Criminal Code offences to which this provision refers, thus ensuring that bribes paid to foreign public officials are not tax deductible.

The convention also requires the parties to ensure that bribes and the proceeds of bribing a foreign public official can be seized and confiscated, and to consider imposing other civil or administrative penalties. The new offence of bribery of foreign public officials is an organized crime offence authorizing the search, seizure and detention of criminal proceeds and is also considered a major offence in a charge of laundering criminal proceeds.

The convention also contains provisions dealing with enforcement, legal assistance and extradition, which Canada already meets. Where their judicial system allows it, each party is required to provide assistance with criminal and civil matters. During the negotiations, Canada said it could provide assistance to other states in criminal matters but not in civil ones.

At the G-8 Summit in Birmingham, Canada and the other G-8 members undertook to make every effort to ratify the OECD Convention by the end of 1998.

The Canadian business community considers the OECD Convention to be one of the greatest achievements to date in the international campaign to combat bribery. This convention is regarded as an opportunity to create an environment in which Canadian companies will be able to compete on the basis of quality, price and service, as it will limit the capacity of foreign competitors to use bribery to land contracts.

So far, Japan and Germany have tabled their instruments of ratification with the secretary general of the OECD. Also, the United States and the United Kingdom have completed their domestic procedures and should table their instruments in the coming weeks.

Five of the OECD's ten largest countries must ratify the Convention by the end of 1998 for it to come into force. We hope that Canada, as a leader in the fight against corruption, will be the fifth country to ratify the convention.

[English]

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, we on this side have no problems with the bill. As a matter of fact, on the Order Paper on November 18, I put down a question asking if the Canadian government would introduce the appropriate enabling legislation. While the question itself has not been answered, I am more than satisfied with the fact that the bill was given first reading this week.

We understand that the government wishes to fast-track this bill and that the Minister of Foreign Affairs will be here later, as will other witnesses. We support that procedure in this case, although I want to emphasize that the fast-tracking of a bill is something we would ordinarily refuse unless it is emergency legislation, such as the settling of labour strife. The post office issue was the last bill we dealt with in that way. Under exceptional circumstances, we certainly support fast-tracking what is identified as emergency legislation. This bill, however, does not fall into that category, except that, as Senator Hervieux-Payette has pointed out, if at least five signatories to the convention, representing at least 60 per cent of the trade between 27 OECD members, do not pass the enabling legislation by the end of this year, the convention will suffer a major setback.

Honourable senators, it is too bad the proposed legislation did not come to us earlier so we could have had more time to spend on it. Perhaps the minister will explain the delay in its introduction in the Senate.

The point is that this bill is now before us. In principle, we believe it will be good legislation. We certainly support the convention which has resulted in Bill S-21, but we do have some questions for the minister.

I am delighted that representatives from Transparency International-Canada will be here. Transparency International is a non-governmental organization, formed only a few years ago, with chapters all over the world. This organization has done extraordinary work in the field of international bribery. I think colleagues will be very impressed with their presentation, and I look forward to moving to Committee of the Whole to continue the debate.

[Translation]

Hon. Marcel Prud'homme: Honourable senators, I must say that, at the beginning of the week, people were kind enough to inform me of this bill, for which the approval of the Senate is required rather urgently. I must say that I share the opinion of Senator Lynch-Staunton. The nice thing about the Senate is, I hope, that there are still senators who listen to what others have to say.

I listened carefully to the comments of Senator Hervieux-Payette and Senator Lynch-Staunton. I myself wonder. Why adopt bills so quickly? I went through this unfortunate experience in the other place, where we sometimes may not have

had the wisdom to take the time necessary to look at all the implications of certain bills.

The signatures of certain countries at the bottom of that new treaty made me suspicious. In my 35 years as a parliamentarian, I have travelled to many countries to try to understand what was going on, and I hope to have contributed to Canada's good reputation. What I did see was, of course, very unpleasant.

Today, when I see countries anxious to sign treaties very quickly, enthusiastically and with honour, to use an old expression, I tell myself that, perhaps, we should be a little more careful about what we are asked to do in a hurry.

I am pleased to hear that the Minister of Foreign Affairs can come to this chamber. This will give us an opportunity to listen to him and to those who absolutely want us to pass this bill quickly. What Senator Lynch-Staunton said really caught my attention.

[English]

I have had bad experiences in the House of Commons with fast-track bills. I promised myself not to rush into fast-tracking a bill through first, second and third reading. I always regretted not saying "no" to the fast-track procedure so that members would have had time to reflect, for at least a day or a weekend, on certain bills.

Honourable senators, this is a very difficult bill to speak against. It represents virtue and honesty. However, we live on planet Earth. Those of us with international experience have every reason to be careful before entering into a new treaty. Having said that, I believe I have put my views as clearly as I can.

Honourable senators, I understand the minister will be appearing in Committee of the Whole this afternoon. We will see what he has to say to those senators who have some concern.

• (1520)

The Hon. the Speaker: Honourable senators, if no other honourable senator wishes to speak, it was moved by Honourable Senator Hervieux-Payette, seconded by Honourable Senator Gill, that this bill be read the second time.

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

Hon. Senators: Agreed.

Bill read second time.

REFERRED TO COMMITTEE OF THE WHOLE

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

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, I move that the bill be referred to a Committee of the Whole now.

Motion agreed to.

[Translation]

ROYAL ASSENT

NOTICE

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

RIDEAU HALL

December 3, 1998

Sir,

I have the honour to inform you that the Honourable Charles Gonthier, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 3rd day of December, 1998, at 5:45 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Judith A. LaRocque
Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

[English]

CORRUPTION OF FOREIGN PUBLIC OFFICIALS BILL

CONSIDERED IN COMMITTEE OF THE WHOLE

The Senate was accordingly adjourned during pleasure and put into a Committee of the Whole on the bill, the Honourable Eymard G. Corbin in the Chair.

The Chairman: Honourable senators, the Senate is now in Committee of the Whole on Bill S-21, respecting the corruption of foreign public officials and the implementation of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and to make related amendments to other acts.

Shall the title be postponed?

Hon. Senators: Agreed.

Senator Carstairs: Honourable senators, I would ask that the Honourable Lloyd Axworthy, Minister of Foreign Affairs, be invited to participate in the deliberations of the Committee of the Whole.

The Chairman: Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Chairman: While waiting for the minister to arrive, I would draw to the attention of honourable senators the rules which apply to Committee of the Whole. Rule 84 deals with such matters as being required to speak from your seats, that there is a 10-minute time limit but that it is permissible to intervene any number of times, and so on.

Pursuant to rule 21, of the *Rules of the Senate*, the Honourable Lloyd Axworthy, P.C. M.P., Minister of Foreign Affairs, was escorted to a seat in the Senate Chamber.

Senator Carstairs: I am pleased to introduce the Honourable Mr. Lloyd Axworthy, Minister of Foreign Affairs. He is accompanied by Department of Foreign Affairs officials, Mr. Alan H. Kessel, Director, United Nations Criminal and Treaty Law Division, and Mr. Keith Morrill, Deputy Director, United Nations Criminal and Treaty Law Division.

The Chairman: Mr. Minister, welcome to the Senate. Do you have a statement at this time?

The Honourable Lloyd Axworthy, P.C., M.P., Minister of Foreign Affairs: Honourable senators, thank you for the opportunity to appear before your committee and to address Bill S-21 dealing with the bribery and corruption of foreign officials in international business transactions. This is a very important piece of legislation. I appreciate the fact that the Senate is now in deliberation on this matter.

Senator Hervieux-Payette, in presenting this bill, made a very important point. She said that corruption distorts all aspects of international trade, competition, economic development and investment. In fact, it has a corrosive effect on the fundamentals of the rule of law, democracy and human rights.

I would compliment the Standing Senate Committee on Foreign Affairs for its recent report on Asia which I had the opportunity to read last evening. It makes a very important connection between an effective business climate and an effective global system which has the responsibility to live up to the rule of law and to adhere to basic principles.

It has certainly been my experience in negotiating and working on a number of these matters that one of the most insidious influences that we now face internationally is the incidence and frequency of corruption in a wide variety of countries. It undermines not only what we do as Canadians in our relations, but it has also had quite a dramatic and horrific effect on a number of countries.

By taking the position represented in this legislation, by setting certain standards and following up with efforts to provide a much stronger international code, we believe countries will, themselves, incorporate a broader set of standards and behaviours which will improve the general business climate internationally. We believe this effort will also impact upon the capacity of countries themselves to develop a regime which recognizes that good government, clean and honest government, is the most effective form of promotion for economic development, economic growth, and maintaining good relationships internationally.

In this sense, we are exporting not only our goods and services but certainly our values. We have learned the hard way that integrity and probity in one's behaviour result in all kinds of benefits and proper conduct. That, in itself, will result in a much better climate of relationships for all of us.

In developing our partnerships, it is important that we tackle these problems. As senators know, this has been a major focus of work in the OECD. It has commanded the attention of OECD ministers. Agreements were made just in 1997 to proceed with this.

• (1530)

The OECD draft was put together last spring. Since then, we have worked actively in consultation with the provinces and with the business community in Canada to see how it can be implemented. The legislation that is before you today is a result of that.

I should also like to mention that the Organization of American States has also adopted a convention on corruption which follows many of the same principles, as has the Council of Europe. What you can see is a broadening network of commitment and engagement of a number of countries in establishing these kinds of standards.

This legislation will allow Canada to honour the commitments that we have made at the OECD, as well as commitments made by the Prime Minister at the Denver Summit of the G-8 and the United Nations. I strongly believe that it will also respond to the needs of Canadian business. Most honourable senators have probably received correspondence or know that the business community, in particular the international business community of Canada, has been a strong advocate of this legislation. You will be hearing later from the transparency group who will make the point for you. To their credit, they believe that doing clean business is good business. They have been a strong promoter of this measure.

We are in a very key position at this time. Under the OECD rules, five countries are needed to ratify it in order for it to become law. Canada is the fifth country to provide the ratification. If we can do this expeditiously, we will be able to claim that we are providing the key which will unlock the door to making this happen.

The essence of the convention is the requirement that each state which is party to it will criminalize the bribery of foreign officials, and take measures to establish the liability of legal persons, which also include corporations, for the bribery of foreign public officials. If you look at clause 3 of the bill, you will know that this is the centrepiece of the proposed legislation before you.

The provision prohibits the bribery of a foreign public official in the course of business. It would be punishable on indictment and carries a maximum penalty of five years in prison.

The bill describes facilitation payments that would be exempt from the ambit of the offence. Facilitation payments are the

normal course of licensing fees and permits which one uses in terms of international trade discourse, for example, cargo fees.

As well, it would not be an offence if the advantage were lawful in the foreign public official's country or public international organization. Countries have their own laws which we must recognize and by which we must play.

Reasonable expenses incurred in good faith and directly related to the promotion, demonstration or explanation of products and services, or to the execution or performance of a contract, could also be argued as a defence under the act.

Honourable senators have also heard reference to the fact that bribes paid to foreign public officials under this legislation would not be deductible under the Income Tax Act.

The bill further proposes to create two additional criminal offences, namely, the offence of possession of property or proceeds obtained from bribery of foreign public officials; and the offence of laundering the property or proceeds.

In closing, it is useful to quote Donald Johnston, a former minister of justice who is now the Secretary General of the OECD. In a recent article he was quoted as having said that integrity in commercial transactions is essential in making the global marketplace work and to assure that the public supports it. He said that the logical consequence of globalization is that honesty has to be enforced at the global, not just the national, level.

With the passage of this legislation, Canada has the opportunity to ratify the OECD convention and to bring it into force, thus ushering in a new era of international accountability.

Mr. Chairman, I believe that explains the basic intent of the legislation. I would be happy to answer any questions that members of the committee may have.

The Chairman: Honourable senators, shall clause 1, the short title, be postponed?

Hon. Senators: Agreed.

Senator Lynch-Staunton: Thank you, minister, for your presentation. We certainly support the bill. We do have some questions, however, because we have not had much of a chance to study it. It is unfortunate that it comes at such a late stage and has to be fast-tracked in order to meet the December 31 deadline. If that were not the case, I do not think we would be as cooperative. Having said that, it is a significant piece of legislation, as well as a rather unusual one.

Three ministers were involved in the press release announcing the bill. What minister will be responsible for the application of this bill? Under whose jurisdiction does it fall?

Mr. Axworthy: Mr. Chairman, I am cosponsoring this measure with the Minister of Justice. Clearly, the enforcement provisions are up to the Attorney General of Canada and the attorneys general of the provinces. On the enforcement side, it is clearly the Minister of Justice who will be taking the lead.

As Minister of Foreign Affairs, it is my responsibility to get through legislation which has treaty implications for Canada, which is why I have been taking the lead with regard to the bill. Under the legislation are certain income tax requirements that will also apply.

I take on the general wholesaling of the bill while other ministers take on specific responsibilities with respect to it. The great joy of being the Minister of Foreign Affairs is that once you get this stuff through you can go on with something else.

Senator Lynch-Staunton: If I were a member of the House of Commons, to whom would I direct questions as to how this bill, once it becomes law, is being applied? Who would answer for it?

The one thing that is missing in this bill, and I hope you will accept an amendment to include it, is a provision for reporting to Parliament on the monitoring of this bill, so that Parliament will know exactly how it is being applied, if it needs to be applied. Perhaps the cases of bribery by Canadians are such that we have a pretty good record. On the other hand, if there are those who are being caught and prosecuted, it would be revealing to have a regular report on the impact of this measure once it becomes law.

Mr. Axworthy: Senator, because I am responsible for reporting to the OECD on the implementation of the convention, I would take on broad reporting responsibility. If you were in the House of Commons, senator, or if in fact you were to direct questions to the Leader of the Government in the Senate on this matter, then most of your questions, thankfully, would be referred to the Minister of Justice.

Senator Lynch-Staunton: Would you accept an amendment or addition to the bill to include a requirement that there be a report tabled in Parliament on a regular basis?

Mr. Axworthy: Yes.

Senator Lynch-Staunton: If we were to write one today, would you accept it?

Mr. Axworthy: Yes.

Senator Lynch-Staunton: Thank you, minister. My other questions are just for clarification. Are subsidiaries and parent companies covered under clause 3(1) of the bill?

Mr. Axworthy: I think it would depend on whether the subsidiary was doing business in Canada. It is much more difficult to use the bill extra-territorially to indict a subsidiary of a Canadian company that has its incorporation in some other country. If there is any form of legal attachment in terms of responsibilities of the head office of that subsidiary, then the legislation would apply.

Senator Lynch-Staunton: The definition of business in the bill states that it is limited to any kind of business carried out in Canada or elsewhere for profit. Why would non-profit businesses not also be included?

Mr. Axworthy: In this case, the purpose behind the OECD discussions was to deal specifically with business transactions in this area. As a result, we are following the code set out by the OECD. I can find the reference on that. In fact, the convention itself reads “on combating bribery of foreign public officials in international business transactions.”

• (1540)

Senator Lynch-Staunton: There is nothing to stop a company from setting up a charitable foundation and funnelling bribes through that foundation, which is legally set up on a non-profit basis, is that correct? There is nothing to stop anyone from finding loopholes in this law, but if you included the word “non-profit” that would put such corporations on alert, too.

Mr. Axworthy: I am not a lawyer. As a result, I pray a lot. If some business was attempting to engage in a conspiracy to defraud by way of front companies or other kinds of surrogate organizations, the skill of the RCMP and our justice officials would hunt them down.

Senator Lynch-Staunton: That was spoken like a true minister of justice. I will draft an amendment and let my colleagues proceed with their questions.

Senator Atkins: I am curious as to whether a bid for the IOC — that is, the International Olympic Committee — although it is not under the definition of “business,” would apply to this law.

Mr. Axworthy: I always thought that involved sport, not business. In today’s world, who knows. That is my answer. I am sorry, senator. I do not think it would apply in this case.

Senator Tkachuk: I have a question that is directly related to Senator Lynch-Staunton’s question. I am not sure whether it was accepted that there would be an amendment on the question of non-profit status.

Mr. Axworthy: No, it would be on reporting.

Senator Atkins: I am not a lawyer either, minister, so I have the same problem. My understanding is that there are non-profit organizations that are charitable — that is, they are recognized by Revenue Canada as being allowed to collect money and issue receipts for income tax deductions — and then there are non-profit organizations that are not charitable. For example, the Olympic corporation is probably a non-profit organization, and many sports organizations are run as non-profit organizations. In other words, as a non-profit organization you can carry on business anywhere you want like any other corporation. Internationally, I am sure there are many non-profit organizations that are doing business, including some that are charitable and some that are not. Will those be covered?

Mr. Axworthy: Perhaps I can go back to the bill itself. In the definition, article 2 states that “business means any business, profession, trade, calling, manufacture or undertaking of any kind carried on in Canada or elsewhere for profit.” That is the definition contained in the bill and that fits the OECD convention, which was to deal with business transactions.

I have no doubt there may be other transgressions of the kind you describe. They are presently not addressed in this bill. The main concern for us was to deal with the growing incidence of corruption and how it impeded business. From the discussions we have had with the business community in Canada, it was their concern as well that we tackle that specific problem in this legislation.

That is why questions about non-profit organizations were not included. There would only be an attachment if there were an attempt to use a non-profit organization as a front or to commit conspiracy against the act. It would then be part of the investigation that the police and justice officials would undertake.

Senator Tkachuk: Does the bill focus on the question of whether the transaction itself was carried on by a for-profit company or not-for-profit company or whether the transaction was carried on for the purposes of creating a profit? Which one is it?

Mr. Axworthy: In clause 2, it is carried on in Canada for profit. That is the definition contained in the legislation.

Senator Tkachuk: It does not matter what the vehicle is, then? That is to say, it could be a person or a non-profit organization?

Mr. Axworthy: If they are in the business of making a profit, they would be covered.

Senator Austin: Minister, for whatever value my opinion has, I think you gave the right answer, namely, that you look at the facts to see whether the transaction is in the nature of a for-profit transaction. I am a lawyer, but my advice is free.

Mr. Axworthy: That is a first!

Senator Austin: With regard to questions looking for exclusionary practices, two questions have been asked already, namely, the question of “non-profit” and the question of “subsidiary.” The third question is whether the person alleged to have committed an offence would not have committed that offence if the transaction were with a member of a political party.

In the original material issued by the OECD and commentaries related to those documents, it was intended in the agreement to exclude transactions with “political officials,” meaning members of a political party, not in the legislative, administrative or judicial roles. If the answer to that question is that they are excluded, would it not be easy for those countries who wished to turn their back on this type of legislation to appoint recipients as party officials?

Mr. Axworthy: I refer you to the definition found in clause 2 of the bill, where it says “a person who holds a legislative, administrative or judicial position of a foreign state,” meaning a “member of Parliament, including the upper chamber, an official within government or a judge.” That is the definition that we have. If one were to use it as a party position — and, there are some countries in which the party sometimes holds

precedence over officials positions — that would have to be tested in the law itself. The intent is there, but I would rely, again, upon the reading of the law in terms of the attorneys general to determine whether there was an effort to get around the law. We would then be able to see it by whatever precedent applies.

Mr. Kessel has provided more elaboration. It also includes any definition of “foreign public official.” It says, “any person exercising a public function for a foreign country.” If someone was “Secretary General of the Vegetarian Party,” and that party was in government at the time, but exercising a public function, they would be caught under the act. That is contained in the clause of the convention of the OECD.

Senator Austin: Could we have a definition of “person”? There is a reference in the definition clause, clause 2, to section 2 of the Criminal Code. Earlier, I asked for a copy of the Criminal Code, which has just arrived as we speak. We are talking about juridical persons as well as living persons.

Mr. Axworthy: Yes.

Senator Austin: In asking these questions, I recognize how important this advance is in terms of international commercial practice and how imperfect international negotiations can be.

• (1550)

However, what was agreed to in November of 1997 is certainly an advance, and I welcome the legislation.

Senator Kinsella: Minister, you mentioned in your presentation that there had been discussion with the provinces. Could you elaborate on that, and how it relates to the ratification process of the convention?

Mr. Axworthy: We thought it was important to consult with the provinces, but this legislation is federal legislation. We worked with them on the basis that the provincial attorneys general would also be part of the enforcement agency under the bill. The bill is a stand-alone bill, but provincial attorneys general would also be agents of the law in this case.

Senator Kinsella: Article 8 of the convention deals with the matter of accounting. Section 1, in part, says:

...each Party shall take measures as may be necessary, within the framework of its laws and regulations regarding the maintenance of books and records, financial statement disclosures, and accounting and auditing standards...

Those seem to be items that fall under provincial jurisdiction. Whilst the provincial attorneys general might have given an indication of agreement to the Criminal Code kind of amendments, there seems to be an obligation for accounting practices to be assumed under provincial jurisdiction.

Therefore, are you telling us that it is not necessary to have more formal concurrence from the provinces for the ratification of this convention?

Mr. Axworthy: In fact, the federal Criminal Code already includes a number of offences which work on the generally accepted accounting principles. Section 397, 361, 362, 400, 366, 388, all require measures similar to those contained in this proposed legislation. Therefore, it is already part of the federal legal regime.

Senator Kinsella: Notwithstanding that, have there been discussions with the provinces?

Mr. Axworthy: Yes.

Senator Kinsella: Was the result of that discussion that the provinces are in agreement that this is a good move?

Mr. Axworthy: Yes.

Senator Kinsella: We also see this as an important instrument in the area of human rights and international business.

Let me turn to a couple of specific items. In the convention, in Article 1, section 4, they define "foreign public official." In clause 2 of the bill, the bill defines "foreign public official." The definition in the bill seems to drop the words "whether appointed or elected" from the definition, which is what is included in the definition that is in the convention. I am curious as to why the words, "whether appointed or elected," were dropped.

Mr. Axworthy: I have just been informed that the reason for that is we are using the definition which is contained in the Criminal Code in order to be consistent.

Senator Kinsella: Was there an analysis that this does not make a difference, or if it made a difference, what was that difference?

Mr. Axworthy: The case law in Canada said that "elected" covers all kind of positions including those appointed. We are all held under scrutiny.

Senator Kinsella: Would the definition in clause 2 cover the situation of a bribe being given to someone in contemplation of that person becoming an official? In other words, the bribe being made before the person becomes an official?

Mr. Axworthy: You are questioning me on a point of law. My response would be that if it were proven that that person then became a public official under the definition of the bill, than an offence under the bill could have been committed. Therefore, if one were hoping that the person would become the minister of the ministry responsible for customs and the person ended up being the minister of foreign affairs, one might have made a bad investment.

Senator Andreychuk: Minister, the OECD had unwritten rules some time ago. Am I correct that this legislation will only cover bribes directly or indirectly to the official, and that he or she must gain from it?

From my small venture into that unique and unusual world of international diplomacy, my concern is that the money is rarely paid these days directly to the official, nor does he gain from it.

However, surprise, surprise, someone very near and dear to him is profiting from it. There is no direct conversion, there is no direct implication of the public official. One must simply go to that country, live there for a while, and what was often said was "You learn the culture." In other words, you knew where to place the money. Am I correct in my quick reading of this proposed legislation that none of that activity will be stopped by this legislation?

Mr. Axworthy: Actually, senator, the bill does cover any offence that would be a bribe directly or indirectly, which would include agents of a person and family members. It would cover off the concern you raise.

Senator Andreychuk: Are you saying that if a public official does not get involved in any way, nor are there any conversations, but if some gift is given to a close friend of the minister's or to his extended family, with no discussion as to why that gift is given, then we would be in a position to take action? In other words, are you saying that it is inference we are working from, not direct evidence?

Mr. Axworthy: Senator, there would have to be some evidentiary process. You would have to prove that the public official gained some benefit along the way through this activity.

That brings us back to investigation. Again, the wording is taken from the Criminal Code, so that the case law under that statute would be applicable.

Senator Andreychuk: I am pleased to see that the legislation is now dealing with those who are giving bribes. We have often pointed and accused people for accepting them but we have rarely commented on the fact that it was more from the developed world that the bribes were coming. We are going in the right direction.

I want to underscore that there is a growing sophistication on how to move money and gain benefits. I am not sure that this proposed legislation will trap it.

Do we feel that we have sufficient mechanisms in place to be able to prosecute fully? Much of the evidence will be offshore, and probably offshore from the country where the official is located, or the third party, in perhaps a third country. Do we have enabling legislation sufficient to address that situation today?

• (1600)

Mr. Axworthy: One of the corollary developments of the convention has been quite active arrangements being made for coordination of police activities and the sharing of information. Clearly, even under the convention, there is a requirement for mutual assistance in these matters. Signatories would then be in a position where, if a case is considered on either side of the exchange, the other country would be required to cooperate actively with police forces in that investigation.

Senator Andreychuk: Will this legislation trap officials in the World Bank and other institutions like that who control much of the foreign activity?

Mr. Axworthy: Yes, it does include members of the international organizations.

Senator Andreychuk: Finally, will you be considering different instructions to foreign service officers? Presently, when business goes out, the instruction to our foreign service is that they are not to get involved in the contents and the negotiations of contracts. However, they do hear a lot and know a lot. Will they have increased responsibilities and obligations to bring forward information for investigation, and has that been put in any kind of policy guideline that we can see?

Mr. Axworthy: If there is any sense that a crime has been committed, any Canadian public official is under an obligation to report it. We will also be ensuring, through the cooperation of many of the international business groups involved in the consultation in this, that people doing business overseas will know what their obligations will be under the act.

Senator Andreychuk: Will there be a separate set of guidelines?

Mr. Axworthy: I am not sure it is necessary. When we set out instructions to each head of mission, one of the requirements was that they follow through on the laws of Canada.

[Translation]

Senator Joyal: I would like to continue on the last question of Senator Andreychuk about the information to give or make available to Canadian businesses regarding their activities abroad.

I remember a few years ago that the Auditor General of Canada had noted in his report irregular payments made by certain Crown agencies, which I will not name. These agencies, in their activities abroad, had remitted payments which, according to the Auditor General, did not comply with Canadian practice.

I think that if we are going to encourage the private sector to comply with the objectives of the law — and I will repeat an adage that my colleague Senator Beaudoin knows well — “the wife of Caesar must be above all suspicion.” And I think the first to serve as an example of this are Canadian government agencies involved in trading activities abroad.

Do you not consider it appropriate to inform Canadian agencies involved in trading activities of the objectives of this law so that no one may later plead ignorance of the initiative we are pursuing today?

[English]

Mr. Axworthy: Senator, no doubt there will be communication. Currently, we have quite a good Web site connecting all our posts abroad, our officials, and all those in the posts who represent different agencies, Crown corporations, and others who work abroad. Once proposed legislation of this kind receives Royal Assent, its purpose would certainly be posted on that Web site, and we would undertake any other form of dissemination that is required. This will be an important piece of

legislation. It will set a new standard, and we want to ensure that people recognize that it will be setting a new international standard for business transactions.

Senator Joyal: In the same context, Senator Lynch-Staunton mentioned the Senate being given an opportunity to follow up on how the act is being implemented.

We have had, in the last month, legislation sponsored by our colleague Senator Corbin. The Senate had the opportunity to debate and report on it. Bill C-3 is before the Standing Senate Committee on Legal and Constitutional Affairs, and that is a bill which contains similar provisions. We would invite you to consider an initiative that would give the Senate the opportunity to review the implementation of this legislation, especially considering that we are breaking ground on this. We are not just one of the 29 countries signing it; we are the fifth.

It is important that members of this house have an opportunity to follow the implementation of this legislation. I would certainly support such an initiative. It would, as you have said, echo the objective of the report that the Honourable Senator Stewart tabled yesterday in this house in order to ensure that all our initiatives on the international front are coordinated and measured by the same standards of ethics.

Mr. Axworthy: On that point, Senator Joyal, I have talked to officials, as has Minister Marchi. We would like to respond to that report. I consider it to be a very instrumental report. When we are able to fully review it, we will report back to the chair of the committee and to the committee itself our views and the initiatives that it recommends. We will be responding to that report.

There are two levels of reporting. One is by the OECD itself, and that is part of the convention. It would be done under its own assessment and monitoring procedures. The other, as Senator Lynch-Staunton has proposed could be done by Parliament. If senators wanted to move an amendment that would require an annual report to be tabled in both chambers, we would certainly agree with that.

Senator Joyal: I should like to return to the question of non-profit corporations that was raised by other colleagues.

The Criminal Code states that “person” is also defined in section 33 of the Interpretation Act, and that it includes a corporation. It was held in *R. v. Township of Richmond* that “corporation” includes a municipal corporation which could therefore be charged with an offence contrary to the Fisheries Act and so forth. A corporation, as we say in French, is a —

[Translation]

We are talking about a corporation. Whether this is a profit-making or non-profit corporation, it exists and it is justiciable.

Accordingly, I do not see how there can be support for a narrow definition of the word “person” that excludes non-profit corporations.

[English]

Do have you an opinion indicating anything to the contrary?

Mr. Axworthy: Perhaps to provide further clarification on that point, I might refer to, as you did, "person" as defined in section 2 of the Criminal Code. It reads as follows:

"every one," "person," "owner," and similar expressions include Her Majesty and public bodies, bodies corporate, societies, companies and inhabitants of counties, parishes, municipalities or other districts in relation to the acts and things that they are capable of doing and owning respectively;

The key in this case is that if any of those named above is engaged in a profit exercise, it would come under the convention.

Senator Joyal: I plead for a liberal interpretation of this section, if you understand me, Mr. Minister.

Mr. Axworthy: I am always in favour of liberal interpretations.

• (1610)

Senator Joyal: I should like to move on to subclause 3(3) which reads, in part, as follows:

(3) No person is guilty of an offence under subsection (1) if the loan, reward, advantage or benefit

(a) is permitted or required under the laws of the foreign state...

I am having some second thoughts about that proposed provision because it seems to me that we may be creating a double standard. On the one hand, there are certainly countries in the world where the provisions of their Criminal Code are not as stringent as ours and, on the other hand, in many regimes, what is not prohibited is allowed. I am not sure if, with such open-ended drafting, or loophole, we are not in fact supporting, indirectly — I do not mean at all that it is the objective of the bill — what we want to prohibit in countries where the laws are not as compelling as our own legislation. It seems to me that we should follow the code of ethics we have in Canada when we are dealing with other countries. I do not want to give any analogies, because they may not apply perfectly, but there is no doubt that certain acts that are prohibited in our Criminal Code could be allowed in other countries.

Are we creating a loophole?

Mr. Axworthy: To begin with, senator, all the parties to the convention itself have laws against bribery, so it is not as if someone has an open licence. The exact definitions and interpretations are clearly subject to the national laws of those countries. The convention itself is a negotiated one. It is one that brings countries together to find what is a common norm which we can accept.

If we were at all times to establish our standards, which are sometimes different from and sometimes better than, those of

other countries, then we would be putting ourselves in two types of jeopardy. The first would be in attempting to apply an extraterritorial application, and the second would arise by putting an onus on our own businesses that no one else would adhere to and which would therefore substantially disadvantage them. However, let us take this for what it is. It is a major step, based upon an agreement of other countries, to establish this as a norm. It will take some while to see how it works. There are reporting or monitoring mechanisms to determine that.

One reason we want a stand-alone act is so that we can adapt it over time without having to make repeated Criminal Code amendments. Therefore, we will learn from it. If we were now to say that we will take the quintessential performances that we expect at the highest level in Canada and assume they will happen in some other country automatically, I think we would be, as I say, putting ourselves in some jeopardy, first, by applying our own standards to an international treaty, and second, by putting our own business community at a disadvantage as a result.

Senator Joyal: Clause 6 of the bill reads as follows:

A peace officer or a person acting under the direction of a peace officer is not guilty of an offence under section 4 or 5 if the peace officer or person does any thing mentioned in either of those sections for the purposes of an investigation or otherwise in the execution of the peace officer's duties.

My first reaction to that was to recall the McDonald commission. Are we not giving peace officers our blessing to break the law when they are conducting investigations? Were there not some commissions that made very stringent recommendations to Parliament regarding how peace officers must abide by the legislation when they conduct their investigations?

Mr. Axworthy: Senator, this is designed primarily to protect police officers doing investigations. If they seize proceeds from an illegal act, an act of bribery, they have to be given exemption, otherwise they would be liable under the act. We would have great difficulty with enforcement if we started indicting police officers for carrying out their duty of dealing with whatever exchange had taken place under a bribery charge. This is simply to ensure there is a clear sense of accountability for those who are engaged in the act. It does not drag police officers themselves into criminal conduct.

Senator Stewart: We all know that Canada is highly dependent on trade in goods and services. Presumably, one of the chief purposes of bribery, as dealt with in this bill, would be the facilitation of the business activities of the persons mentioned in the definition. That leads me to two related questions, both anticipated, to some extent, by Senator Joyal.

Are we convinced of the capacity of the governments who have signed the convention to perform? Taking the area of human rights, for example, conventions have been signed and, lo and behold, the government of the day in the signatory state finds that it is just not strong enough to carry through on its commitment. Therefore, we may be insisting upon a high

[Senator Joyal]

standard of performance by our Canadian business persons and then finding that that high standard is not being lived up to by business persons of other countries, all to our disadvantage in terms of trade in goods and services.

I suspect that it will require almost the rhetorical ability of the Governor of the Bank of Canada to deal with my first question. Are you satisfied that the signatories are able to deliver on the terms of the convention?

Mr. Axworthy: First, Senator Stewart, we always have to work on a basic belief that a government that commits itself to ratify a treaty is prepared to implement its standards. No one is perfect, as we all know. In the human rights field, we know countries are far from perfect. Nevertheless, states are ratifying on the basis of commitments.

In this particular case, we are dealing with 14 states in the OECD, all of which are well-developed, active countries with good governance and very strong laws. They are also our major trading partners, so there is no disadvantage to Canadian companies per se because most of the countries in the OECD are the ones our own businesses are dealing with, and we expect the same high level of enforcement we get in the area of our own jurisdiction.

Will it be perfect? We do not know, but, as I said earlier, we will monitor it, and correct it, but it is important to take the first step. My own experience with other treaties has been that they also set standards for countries other than the signatory countries themselves. They begin to raise the bar of behaviour internationally in a much wider swath, a much wider network, and that is why we believe the pursuit of this convention, similar to what we will be pursuing through the OAS on other matters, substantially extends that standard on a more global basis. Can I guarantee absolute adherence? No, but I can certainly guarantee the situation will be much better than it is now.

• (1620)

Senator Stewart: I thank you for that response. I have a very easy question now. You say there are 14 countries which are signatories.

Mr. Axworthy: It is actually 29. I misspoke.

Senator Stewart: Which four of that 29 have already put themselves, in terms of ratification and legislation, in a position to perform?

Mr. Axworthy: Right now it would be the United States, the U.K., Japan and Germany. We would be the fifth.

[Translation]

Senator Prud'homme: This bill originated in the Senate, which is a rare occurrence. This is an excellent precedent. The fact that we are presently sitting in Committee of the Whole tells me that you want the bill passed as quickly as possible. I would have expected this bill to be referred instead to the Committee on

Legal and Constitutional Affairs chaired by Senator Milne. This is a very important bill with international ramifications.

When I look at the list of the countries that were the first to sign this treaty, my suspicions only get stronger. I am a little concerned about their haste to sign it.

Looking at who has yet to sign, I ask myself why Canada should be the fifth signatory.

Do you have any assurances that a Senate bill can be passed quickly by the other place? Have discussions taken place with the various political parties, seeing that we are expected to pass this bill today? I am not sure I can support this bill at third reading.

[English]

I am not sure I will give third reading today, but we will see.

[Translation]

What assurances do you have that the House of Commons, which, based on my information, should adjourn next Thursday, will quickly pass such an important bill originating from the Senate? We all know how virulent the Reform Party is and what state of mind the Bloc Québécois is in these days: slightly depressed following their defeat in the Quebec election last Monday. Why not refer it to the Committee on Legal and Constitutional Affairs?

[English]

Mr. Axworthy: First, Senator Prud'homme, let me it make clear that I make no distinction between the two chambers in terms of introducing bills of this importance.

Senator Prud'homme: We are very happy.

Mr. Axworthy: In fact, I wish to express my appreciation to the Senate for the way in which they dealt with the pre-clearance transit bill, which is now going into second reading and receiving the proper consideration. We have a number of initiatives in international agreements and conventions that are coming and I hope we can continue to work closely with this chamber in introducing them and getting your cooperation.

As to this specific legislation, I cannot answer as to which committee it will be referred to, that is up to leadership of the Senate. You run your own business. However, as far as the House of Commons is concerned we are at present in negotiation with the various parties to determine if we can get consideration. It depends in part on when it emerges from the Senate. If we can have the bill so that the Commons can consider it next week then I believe we will have it by the adjournment, but that is all subject to negotiation.

[Translation]

Senator Prud'homme: If Canada is the fifth country to sign, you will be very happy, but what should we expect from countries that do not sign? Must they respect the treaty?

[English]

Mr. Axworthy: The 29 countries have all signed and now it is a matter of ratification. The important point about the fifth country is that it establishes the convention. As I indicated, the United States, United Kingdom, Germany and Japan, which are, if not the most significant economic powers in the world, certainly our major trading partners and competitors, have already signed on and that is the lead we want to deal with. I am sure the others will come along. As we have found in other treaties, if everyone waits for everyone else you never get anywhere and that is one reason we are asking for the Senate's approval before the end of the year.

One reason that it is coming in at this time is that we wanted to allow for careful consideration by the business community in Canada, which we did undertake, and they have made several recommendations on the legislation, as well as the provinces. I will point out that generally this process is very fast track, not just for us but for everyone. This was only decided approximately a year ago. In the realm of international treaty making, this is a very quick response, which I believe indicates the wide degree of support it has right now.

Senator Prud'homme: Over the years, and I think some of my colleagues have touched on this subject, we have seen great corruption coming from some Crown corporations. If someone were to challenge me, I will give them the amount of money, what it was for and who got the money.

What assurance do we have that this bill covers people who are not officials and who are used as intermediaries at great cost because they happen to know the right person in the right place? I am thinking of an incident where \$15 million was paid for the sale of a CANDU reactor in a certain country. We know who got the money. Will that be covered by this bill?

I have many examples, but they will disturb the Christmas atmosphere.

Mr. Axworthy: I have not noticed much Christmas atmosphere from the place I occupy every day but I am glad it is happening here.

Two points have already been raised; one being that under the definition the convention does cover Crown corporations. We are talking about including Her Majesty and public bodies, corporate societies, companies, inhabitants, et cetera, so they would all be covered if there was a profit transaction.

Second, in response to Senator Andreychuk, I pointed out that convention also covered indirect activities, which would include agents, family and other persons who would be used in some way to act as intermediaries. You must prove it and you must get the police evidence; nevertheless, I believe they are covered under this act.

Senator Lynch-Staunton: I have one question, and then I will read what I hope will be an acceptable amendment, subject to the legal experts refining the language if need be.

You mentioned earlier in your presentation that the OAS also had a similar convention that we have yet to sign. Would this bill cover the OAS requirements; in other words, any other international organization which decides to try and implement the same sort of limitations on bribery?

• (1630)

Mr. Axworthy: Senator, I believe that this bill will cover the OAS convention. There may be some tinkering on the edges, but they have very strong parallel convention articles in them. The legislative changes we are making under this bill would allow us to proceed with our obligations under the OAS as well.

Senator Lynch-Staunton: Honourable senators, my suggested amendment is as follows: The minister of — fill in the blank, but I imagine it will be the Minister of Justice — within four months of the end of the previous fiscal year shall table in both Houses of Parliament an annual report on all matters concerned with the enforcement of this act.

Mr. Axworthy: Senator, I just asked the officials for a view on that interpretation. It would depend, in part, on what you are looking for. If you are looking for enforcement actions in Canada, it would be the Minister of Justice. If you are looking for reports on what is happening with other countries under the conventions, it would be the Minister of Foreign Affairs. What I recommend is that it say that the Government of Canada would table a report, as opposed to a specific minister.

Senator Lynch-Staunton: We are looking for a regular report on an annual basis as to how the act is being enforced, who has been caught under it and whether it is effective. If there are weaknesses, they should be pointed out to Parliament.

I now have what the law officers have suggested, and I will read it again. Subject to your officials approving it, we could bring it up at third reading.

That Bill S-21 be amended on page 6(a) by adding the following after line 35:

Annual Report

12. Within four months of the end of each fiscal year, the Minister of Justice and Attorney General of Canada shall prepare a report on the administration of this act, and the minister shall cause a copy of the report to be laid before each house of Parliament on any of the first 15 days on which that house is sitting after the report is completed; and

(b) by renumbering the clauses...

It is a question of who is responsible for tabling the report.

Mr. Axworthy: I would expect there to be a large catalogue of prosecutions every year. In the United States, where they have had similar legislation since 1997, there have been about 16. In effect, it would be a short report.

Going back to what Senator Joyal said, if you wanted to broaden that orbit slightly to include examination of what we found under the convention in the OECD itself, that would be the responsibility of the Department of Foreign Affairs and International Trade. It is a shared responsibility in this case.

My point is that with respect to requiring the Minister of Justice, all you would get are prosecutions in Canada. You would not get the broader assessment that might be made in terms of OECD activity. If I hear the intent of senators, you would like to have that broader assessment.

Senator Lynch-Staunton: Correct.

Could we put in something to the effect “the Minister of Foreign Affairs, the Minister of Justice and the Minister for International Trade shall jointly...”?

Mr. Axworthy: Sure.

Senator Lynch-Staunton: Something like that.

Mr. Axworthy: Yes.

Senator Lynch-Staunton: Perhaps you should refine it, and then we can bring it up at third reading when we get there.

Mr. Axworthy: We will consult with the law officers of the chamber and come up with some words for you by third reading.

Senator Lynch-Staunton: Could you do that before we adjourn today?

Mr. Axworthy: Yes. My distinguished colleagues can stay a few minutes after I am through and do their refining legal work.

Senator Kinsella: Looking with great specificity at the matter of the ratification of this convention, perhaps it would be good for us to have on our record the process followed by Canada in depositing the instrument of ratification. Am I correct in understanding that you, as Minister of Foreign Affairs, will make a recommendation to the Privy Council that a decision will be taken and a minute recorded? That will constitute the authorization for you, as Minister of Foreign Affairs, to deposit that instrument of ratification with the depository.

Mr. Axworthy: There would have to be an Order in Council authorizing me to proceed with the ratification.

Senator Kinsella: That is done pursuant to article 14 of the convention. In my reading of this convention, that could be done this afternoon, even though this particular bill has not passed Parliament. Indeed, if they are a little slow in the other place, I suggest that you consider doing that and depositing that instrument of ratification on December 10, which is International Human Rights Day.

I say that having read the substantive articles of the convention. Is it not true that the convention is seeking to create an obligation by using such words as, “Each Party shall take such measures....”? In other words, it is the future tense.

We are obviously well along the way. Indeed, as you can see, honourable senators are anxious to see this bill enacted. We could ratify that convention without this bill having passed Parliament. Am I incorrect in my reading of the convention, or am I correct?

Mr. Axworthy: I think you are correct in terms of form. However, having been around a long time, I have learned that it is better to pay good attention to parliamentary procedures and hold Parliament in full respect. Therefore, I would prefer to have the legislation pass before I went for ratification.

Senator Kinsella: I think my technical questions have been raised and answered by other senators. That is all I have.

Senator Eyton: Mr. Minister, for the record I wish to say that this convention as conveyed in the bill before us is well supported by business both in Canada and worldwide. It is not perfect, and that is because it is the result of discussion, compromise and consensus amongst thousands of individuals and organizations. However, it is a great step forward.

I make these observations partly because I have been a member for some years of the executive committee of the International Chamber of Commerce based in Paris. This subject has much engaged them for a very long time.

When the OECD became seized of the subject and was proposing this action, the ICC struck a committee or commission with specialists who became much engaged in the discussions I mentioned earlier. The product has the blessing of the ICC. That is not immaterial. The ICC has membership representing over 120 countries.

The national organization of the ICC is the Canadian Council for International Business. Taken together, all of this means that the convention and the bill are strongly supported by world business, represented by the ICC, here in Canada by the Canadian Council for International Business, and its related organization, the Canadian Chamber of Commerce. As well, I should like to add my support for the bill.

I am rather curious as to what the Canadian government may do, what you may do in your efforts and your colleagues may do beyond the OECD. It is somewhat easier to have this convention in the bill and enforce it with the current signatories. What steps can the Canadian government take to encourage more signatories and much broader enforcement?

• (1640)

Mr. Axworthy: Senator Eyton, I appreciate your overview of the active work that has been done through the international business organization. One essential part of this process is to ensure that there is a concurrence of views. This convention is a product of that work.

In terms of other activities, as I pointed out during my opening remarks, we are also active in the OAS on pursuing a convention there. This legislation will conform to that. The Council of Europe is pursuing activities. The United Nations next year will

be dealing with a major convention on transnational crime. Various protocols are being examined. Part of the discussion will address how corruption is dealt with under those auspices. Ultimately, the WTO will be looking at this as part of its procedures as well.

This convention is a building block. Such a statement by the 29 OECD countries carries a lot of significance and weight and will provide the launching pad for a much broader application of these standards.

Senator Grafstein: Mr. Minister, I want to follow up on the question to which Senator Stewart and Senator Eyton have alluded. You raised it in your last response to Senator Eyton, and that is accession to the WTO. In the next few years — I am not sure of the actual timing — some major economies will be actively pursuing accession to the WTO.

Is there a common view or is it the view of the Government of Canada that, as a precursor to membership — I do not want to lay it down as a pre-condition — this treaty should be ratified, particularly by the major players where Canada has a major interest in pursuing its trade and investment proposals? I am thinking particularly, without any criticism at all, of China. We know China is actively engaged in seeking to join the WTO.

Mr. Axworthy: Senator, as you know, right now it is not a pre-condition for membership, but there is no doubt that the question of corruption is an active question in the WTO. It is a matter of great concern. In evaluating and judging applications, that is one of the tests which is increasingly being applied in terms of accession.

Countries that are interested in becoming involved recognize that they will have to begin changing standards. In some cases, that is a very significant challenge, but it is one that is faced by other countries.

To get back to the point I raised with Senator Eyton, by establishing a benchmark of 29 OECD countries — countries recognized to be among the most developed and active international traders — this convention provides a very strong signal. Furthermore, we hope this convention will eventually become more universal.

Meanwhile, as you know from your own experience, a country need not be a signatory to a treaty to adhere to its standards. However, a country operating outside of those standards will become increasingly stigmatized. That is one of the results of getting this convention on the law books.

Senator Joyal: What initiative are you contemplating to ensure that a greater number of countries join the ratification process, especially the major trading countries? All of us with international experience know that a certain number of countries in the world will play a key role as international models to ensure that the objectives of this convention will be implemented.

To be more specific, what is your game plan to ensure that we are not limited to five countries and that, in the reasonable future, Canada's major trading partners will join the convention?

Mr. Axworthy: The four countries which have already ratified and Canada together represent probably the top export countries in the world. It is not just a matter of numbers. It is also a matter of weight that they bring to bear on the matter.

As to the initiations, this was launched just in May of last year at the OECD ministerial meetings. As I said earlier, we are fast-tracking this convention, among a number of countries, until the year 2000. We will be using every opportunity at the OECD and at other ministerial bilaterals to move this ahead. At the G-8 meetings, this is one of the topics to which we will be committed. It is registered at the G-8 for the forthcoming meetings in June 1999.

For us to carry some leverage, we must pass it. It is difficult for us to urge on others if we are still in active debate. We want to have this matter completed so that when we attend a number of these active international meetings in the new year, we will carry in Canada's endorsement.

Senator Joyal: I understand that the four countries which have already signed are the U.S., Germany, Japan and the United Kingdom. Would you agree to keep the ratification of that convention as the top agenda item in your bilateral discussions with the other trading partners when you travel around the world or when the Canadian government is heading Team Canada missions?

Mr. Axworthy: Yes, this is one of the items considered to be of high priority by the Prime Minister, Minister Marchi and myself. We will certainly be using every opportunity to encourage other countries to sign on as quickly as they can once we have ratification.

Senator Joyal: If that ratification happens to be completed before the adjournment date of the other place, and in time for the visit of the French Prime Minister in mid-December, can we rely on you raise that issue with the French Prime Minister?

[Translation]

Senator Prud'homme: I just wanted to make sure that the reason for my hesitation was clear, Mr. Minister. I am not against the bill, on the contrary. I was the one who suggested it to the Parliamentary Centre.

[English]

I am a member of the board of the Parliamentary Centre which held a seminar on corruption and corrupt people. Basically, everyone at that seminar share the same views. I might just mention that Mr. Stanfield is a member of the board, as is Mr. Sharp. It is a very prominent board. I suggested that, if we hold a seminar to discuss corrupt people, perhaps we should hold one to discuss the corrupter.

[Translation]

It is all very fine and well to talk about corrupted people, but we should also talk about those who do the corrupting. In many countries, there would be no corrupted people without very sophisticated people to corrupt them. I want to make it very clear that I am not opposed to passing the bill, but I am being very cautious in these matters.

[English]

- (1650)

The Chairman: Honourable senators, that completes my list. If the minister wishes to make a final statement, I invite him to do so at this time.

Mr. Axworthy: Mr. Chairman, I would like to thank the senators for their consideration of this bill. I appreciate the proposed amendment. I think it will strengthen the legislation. I look forward to passage of the bill so that I can get on to making similar interventions with my colleagues in the other place.

Senator Graham: Honourable senators, on behalf of all of you, I wish to thank Minister Axworthy for his presence here and for the very clear and concise manner in which he has responded to all our questions and concerns. This is a very important piece of legislation. As the minister mentioned, other legislation with international ramifications is presently before the Senate.

In thanking the minister for coming today, we look forward to welcoming him back on future occasions to further the cooperation between the two Houses of Parliament. It is a very important step and a very important process we are following today.

Senator Carstairs: Honourable senators, there is another group of witnesses from Transparency International.

Is it the wish of honourable senators to hear from them this afternoon?

The Chairman: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Pursuant to Order adopted earlier this day, Mr. Wesley Cragg and Mr. Michael Davies were escorted to seats in the Senate chamber.

Senator Carstairs: Honourable senators, from Transparency International Canada, we have Mr. Wesley Cragg, who is the Chairman and the President. With him is Mr. Michael Davies, who is the Vice-President, General Counsel and Secretary.

I should say that in their other lives Mr. Davies is the Vice-President, General Counsel and Secretary of General Electric Canada; and Mr. Cragg is with the School of Business at York University.

The Chairman: Welcome to the committee, gentlemen. I invite either or both of you to make a statement, after which we will proceed with questions.

[Translation]

Mr. Wesley Cragg, President, Transparency International Canada: Mr. Chairman, I am very pleased to be here. This is a very important occasion for Canada and for the international community.

[English]

I will make a few comments and Michael Davies will follow with one or two of his own. We will then be happy to respond to your questions.

Transparency International supports very strongly this legislation. For some time, we have been urging the government to table anti-corruption legislation before the end of the current year. Mr. Axworthy has already indicated that the convention which Canada signed last December sets conditions that must be met if the convention is to come into effect. If Canada does not ratify the convention by the end of December, those conditions simply will not be met.

We are in the rather remarkable position of being number five, which is in some respects the most important position. Thus, in my view, this will bring considerable honour to this chamber and to the Parliament of Canada, as well as to Canada. If it is not passed, in our view, Canada will have lost an important opportunity to provide leadership in an area in which it is widely respected. That is one of our central concerns.

I want to talk a bit about corruption and why Transparency International is concerned about it. It is important to begin with a little history, which does not have to be lengthy. It is worth noting that corruption has only recently appeared as an issue on the public agenda. It is worth tracking a little bit why that is the case.

As recently as a few years ago, corruption simply was not a word that was used in polite company, certainly not in public. No one was doing it in international fora or in national fora.

The basic position of the World Bank and similar institutions, like the International Monetary Fund, was that corruption was essentially a cultural problem or political problem. It was usually considered to be a problem for Third World countries, and ones that they would have to deal with. The accompanying view was that corruption did not cause any economic difficulties, certainly not for the industrialized world. It was felt that if it had any effect at all it operated as a kind of grease to move economic machinery along when there were bureaucratic obstacles in its way.

Transparency International was formed five years ago in large measure to change that perception. Those attitudes, in our view, and in the view of the people who founded Transparency International, were extremely damaging and very inaccurate. The position of Transparency International is stated quite succinctly by the first president and chairman of the Transparency International Advisory Council, General Obasanjo, which is a name which some of you, perhaps, will recognize.

He was quoted in the *Financial Times* in October of 1994 as saying, "Let us strip away excuses and explanations. In no society, north, south or east, is it acceptable to the people for their leaders to feather their own nests at public expense. Once this simple truth is widely accepted, more meaningful social and economic development will follow."

General Obasanjo, as you will remember, was subsequently escorted to jail in Nigeria where he spent a good period of time. Canada played a significant role in the Commonwealth advocating for serious change in Nigeria, as well as in his release much more recently. He continues to be active in Transparency International as the chairman of our advisory committee and stands to us as a symbol of Third World views on the subject of corruption.

It is significant that the issue of corruption and its treatment in the industrialized world is being watched very closely in the developing world. I can tell you that there are people around the world who are extremely interested in what this chamber will do today and what the House of Commons will do, we hope, next week.

Transparency International is concerned about corruption. It believes that no one wants it. It believes that it is a plague on economic and social systems. It has been determined over the past five years to make it a public issue and to bring it to the attention of international institutions, as well as governments like that of Canada, with a view to encouraging action to begin to combat it.

It is worth pointing out why we are concerned about corruption. When Transparency International was formed many of the leaders came from the World Bank. Some retired early from that institution in order to make corruption a public issue at a time that the World Bank was not paying attention to it. They were concerned for three reasons. First, particularly in developing countries, corruption distorts public policy. It leads governments to make decisions that are not in the public interest but are, rather, in the interest of the people who will collect the bribes when the policy is effected and purchases are made. We now know that is the case. Research has established quite clearly that it has this distorting effect.

- (1700)

One of the important effects is that it moves money from what we call the soft side of the economy, that is, health, education and social welfare, into projects such as highways and military expenditures such as bridges, and so on. It is much easier to pass bribes when you are dealing with those kinds of projects than when you are dealing with things such as health or education. This is one of the significant distorting impacts that exists for poorer countries.

That second impact, which is a significant one, and we often lose track of it in our part of the world, is that it lowers the quality of goods and services provided by the private sector in the course of meeting their contracts. If you are offering substantial bribes, the money must come from somewhere. It certainly will not come out of profits. It comes either by

short-changing the countries with which you have a contract or by undermining the quality of the goods and services that you are offering in return for your contracts. This is an established fact and has a significant impact on the quality of services that people in developing countries receive from their tax dollars and also from the international aid that their governments receive.

Finally, and extremely important, corruption undermines government. It undermines the development of competent political and democratic institutions. Where they are in the course of development, it blocks that development. This problem has been recognized by the Canadian International Development Agency, to use one example. Good governance is one of the tools that we are now promoting in Canada as a way to begin to deal with the problem of corruption. The OECD convention is the second most powerful tool in this respect.

Transparency International is an international anti-corruption coalition that has chapters formed or forming in 70 countries around the world. We are a genuinely international organization. Our international secretariat focuses on marshalling public opinion around the world against corruption, and we have been effective in doing that. We work with international institutions such as the World Bank, the IMF and the United Nations around the world to develop anti-corruption programs. We also organize missions to countries whose governments request assistance in confronting domestic corruption. That is one of our tasks and one of the ones that we perform most effectively.

Our organization builds chapters worldwide and we have chapters in 70 countries around the world. We organize international anti-corruption conventions whose purpose it is to provide an opportunity for countries to come together and discuss the problems that corruption causes.

The national chapters are semi-autonomous. We work under a policy umbrella, but they take up the fight against corruption in creative ways in their own countries. Frequently it requires substantial courage and almost always it requires ingenuity. There are some remarkable things that are being done by our chapters, particularly in Third World countries. Nigeria is an example. General Obasanjo stands as a symbol for what can be done and the cost that some people must bear in the fight against the scourge of corruption.

There are extremely interesting things happening in Bangladesh, as in Chile and Argentina. I could go into some detail on that if you are interested. It is quite clear that these countries are putting corruption on the public agenda just as the international agency is putting corruption on the agenda in international institutions with organizations like the OECD.

Transparency International has played a significant role in encouraging the creation of the OECD convention. It was one of our objectives. We devoted enormous energy to it and we have had a positive role in the emergence of that convention. The convention was signed in December of last year, and it was an event of real importance because it signalled, for the first time, a collective resolve on the part of the industrialized world to address the issue.

Earlier in the discussion with Minister Axworthy, someone pointed to the fact that for a considerable period of time, and until recently, corruption has been thought of as being a Third World problem. Any time it was discussed in the industrialized world, it was a finger-pointing exercise. This convention says to the Third World, "We, too, have a responsibility. It is true that it is your officials for the most part who are taking the bribes, but it is equally true that our companies are offering the bribes. If our companies were not offering the bribes, there would not be bribes to be received." That is an extremely important issue for Transparency International and for the credibility of the international anti-corruption movement.

This convention is a powerful signal to the developing world and will provide enormous symbolic support for people in the Third World, who can now turn and say, "This is a partnership and we are now able to work with the industrialized world to deal with the problem of corruption." Our companies will be required to respect our rules and, it is hoped, communicate these values as they do business in the Third World.

With the convention, corruption will be recognized as a shared responsibility. That is an important step.

I want to talk briefly about the convention and then the legislation that you have before you. The convention is an excellent one. It is a marvellous first step. However, it is only a first step, as others have mentioned. Nevertheless, it is an important first step. It covers direct and indirect bribery. It calls for significant penalties for corporations and their agents. It is important that corporations are covered; it is not altogether clear in the legislation, but it is the case.

The convention also calls for careful international monitoring of the implementation process. That is extremely important because this is not a piece of legislation that will be passed and then deposited. This is a piece of legislation that people around the world will be looking at. They will want to know how countries like Canada are implementing the legislation, how effective they are in their efforts and they will be evaluating that legislation and calling for improvements where they are necessary.

It is our view that the proposed Canadian legislation meets Canada's obligations under the convention. That is extremely important. We made it clear in our dealings with the government that we would not support the proposed legislation unless, in our view, it met our obligations under the convention. We want Canada to be a leader in the implementation of this convention. It is our view that this proposed legislation succeeds in that respect. That is extremely important.

Although time has been limited, I have been able to consult broadly with colleagues in Canada and elsewhere. I am convinced that the legislation will find broad support in Canada and internationally. I have consulted with my colleague, Mr. Davies, the business and legal communities and with my colleagues internationally in Transparency International. There is a solid response in every case. People are absolutely delighted that Canada is moving on this particular issue.

Transparency International-Canada strongly supports the legislation and urges that you pass it as requested and that we move on to the next stage.

I shall sum up by making the following comments. First, if Canada does not ratify by December 31, it is almost certain that the convention will not come into effect and we will not meet the conditions for entry into force of the convention. It is absolutely crucial that Canada ratify the convention by that date.

• (1710)

Once ratified, I would suggest that it is important that Parliament play a role in monitoring the implementation of the legislation. I understand that that process is in place or that there will be an amendment to that effect, and Transparency International would support that. We want to see Parliament play a role in monitoring the legislation by way of progress reports and debate on those progress reports. I can assure you that Transparency International will be watching your debate as well as participating publicly in it.

Third, we urge Parliament to encourage the Canadian government to play a leadership role in ensuring a strong monitoring role for the OECD. This is a rather unusual convention in as much as it calls for the committee that advised on the creation of this convention to continue in a monitoring role. The exact nature of that monitoring role has not been established. The OECD working committee will be doing it. Canada has a opportunity to ensure that the committee does its job, that it has the power that it requires to do its job, that it supports the committee as it goes about its job, and that it provides the kind of leadership that will "back off," as it were, some of the countries that are not as enthusiastic about this as we think they should be.

It is unfortunate but true that there are countries in the OECD which are dragging their feet on this. I should perhaps tell you, to give you some indication, that there were countries that signed the convention in December of last year that, as they signed the convention, had laws on their books which allowed their companies to deduct bribes as legitimate business expenses in their countries. Their having signed this convention means that they now must remove those laws, and they must move positively in the direction called for by the convention. That simply indicates where we are and where we need to go and why this convention is as important as it is. The first step will be to eradicate that kind of law in countries in Western Europe in particular.

Finally, we want the Canadian and OECD monitoring to be transparent. This will be extremely important. We do not want it to take place behind closed doors. When it occurs, we want it to be transparent, and we want it to be open to the participation of the voluntary sector as well as the private sector. We do not want this to be a purely government activity. We want the private sector involved in the monitoring process, as well as the voluntary sector, and particularly organizations like Transparency International. We invite you to urge the government to carry that message forward and to ensure that it takes place.

For our part, Transparency International proposes to join with other OECD country chapters in monitoring the implementation of the convention. A worldwide committee of Transparency International is coordinating the efforts of chapters like Transparency International-Canada and is already following closely what is happening in various countries and bringing pressure to bear. The Canadian chapter has been actively pushing the government to table this legislation and to move it forward and it will continue in that role as time goes on.

We have a program planned to bring the legislation to the attention of the business community and the public at large. We are committed to ensuring that the business community is aware of this legislation and its importance. We will be encouraging the corporate sector to develop programs to ensure that the legislation is respected in their activities, both with respect to the letter of the legislation and also with respect to the spirit. Mechanisms are available to corporations and there are programs that they can institute, and we will be urging them to do that.

We will be active. This legislation will not just die. To the contrary, it is absolutely crucial that it be implemented, as a first step, and that it be monitored to ensure that it does the job that it is supposed to do.

I will close now by saying that this is an extremely important piece of legislation, much more important than might appear to be the case from the perspective of a country like Canada at this point in history. Countries around the world are watching Canada now, and it is a remarkable opportunity for Canada to provide leadership both in the next week and also in the future.

Mr. Michael Davies, my colleague, wishes to make some comments about the position of the business community specifically with regard to this legislation.

Mr. Michael N. Davies, Vice-President, General Counsel and Secretary, GE Canada: Honourable senators, as Mr. Cragg mentioned, one of the hats I wear is that of director and vice chairman of TI Canada, the organization that Mr. Cragg mentioned. The Canadian business community is an active financial supporter of and actively involved in TI Canada. Among our charter members, in addition to my own company, are Alcan, Northern Telecom, *The Globe and Mail*, IBM, Placer Dome, Ontario Hydro International, and others. The business community in Canada is actively involved in the activities of Transparency International and supports and believes in those activities.

I wear and have worn another hat in connection with the OECD convention. Approximately two years ago, the Canadian Council of International Business established a new committee called the "Committee on Corruption and Bribery," and they asked me if I would chair that committee. Over the past two years, I have regularly attended meetings of the ICC and OECD working group on corruption in Paris, providing strong input and support from the Canadian business community to ensure that we had a strong and effective convention.

More and more Canadian companies are now developing, as you likely know, international or global codes of ethical conduct. More and more Canadian companies are walking away from contracts rather than getting involved in paying bribes in the international arena. That is one of the reasons we so strongly support this convention. Not only is it one of the most significant steps forward in fighting and dealing with the damage that corruption causes in Third World countries, but it will also help to create a level playing field for the Canadian business community where we can compete fairly in the world on the basis of quality, price, and service and not face competition that is much more willing, potentially, to pay bribes than we are.

As Minister Axworthy mentioned, in order for the convention to become effective, five of the top 10 trading countries in the OECD must ratify before the end of this year. Four of those countries have ratified; some other countries not within the top ten have ratified. For example, Iceland has ratified. More than four have, but only four within the top ten. It is a tremendous opportunity for Canada to confirm our leadership role in the international arena in the areas of promoting transparency and good governance and anti-corruption measures if we are the country that takes this thing over the top and brings it into effect by being the fifth country between now and December 31.

Along with TI and through TI and independently, the business community, CCIB, and the Canadian Chamber of Commerce, we have been contacting representatives and writing to representatives of the government and the opposition parties and speaking to many of you, urging the Canadian Parliament to bring this into effect and put it on a fast track in order to have it passed through both Houses of Parliament before the end of the year so that the convention will come into effect at that time.

Having come into effect, to answer a question that was asked earlier this afternoon, the impetus that this will then provide to bring other countries into signing the convention would be amazing. At the last meeting of the OECD that I attended approximately a month ago in Paris, a status report was given by all of the political representatives of the 29 OECD countries. We were not party to that, but it was summarized for us subsequently. Each country was called upon to report where they were in the implementation of the convention, what their plan was, their process, their timing, and their scheduling. The peer pressure that is brought to bear within the meetings of the OECD convention will be tremendous, particularly if the convention is brought into effect, as it is scheduled to be, by the end of this year. The next meeting of the ministers of the OECD takes place in May. At that point, every country will have to report on where it is.

• (1720)

Something else that was mentioned, which is very important and which we promoted within TI and the business community, is that the OECD working group, having brought the convention into place, will not just walk away. There is an OECD working group monitoring the process. They will not only monitor the legislation that the various countries enact with regard to how it

relates to the convention and fairly applies the convention, but will also monitor how the various signatories to the convention are enforcing and effecting that legislation. Therefore, the risk of countries passing hollow legislation without enforcement is minimized.

I thank honourable senators on behalf of the CCIB, the Chamber of Commerce and the business community for your efforts in supporting this legislation and bringing it forward on a fast-track basis so that Canada can put it into effect and be an international leader in this area.

The Chairman: Thank you both for your presentations.

Senator Lynch-Staunton: I am delighted that colleagues have had the opportunity to hear from these two witnesses about the work of Transparency International. I became more familiar with their work by chance last spring when I read an article on its founder, a former senior official of the World Bank who had seen so much international bribery and corruption that he decided something had to be done about it. In only a few years, as was explained, TI has taken a lead — if not the lead — in developing conventions and legislation to try to put a halt to this terrible practice. It is an NGO of which we have reason to be proud here in Canada. I congratulate Mr. Cragg and Mr. Davies and thank them for coming here this afternoon. Their support of the legislation reassures us that we are on the right track. They are to be commended for leaning on the government to ensure that the bill was brought before us before the end of the year; not so much to get credit for being in the top five, but to ensure that the convention is not sabotaged by missing the deadline. Now that we are on-side, the convention is safe and it is to be hoped that the next few years will show positive results.

Thank you for telling us your story, which has impressed us all.

Senator Grafstein: I wish to join Senator Lynch-Staunton in commending Transparency International and its NGO here in Canada.

If you have the opportunity, you should read the recent report tabled in the Senate by the Foreign Affairs Committee entitled: "Crisis in Asia: Implications for the Region, Canada and the World." Appendix 5 of that report is a comprehensive list of human rights violations relating to the 16 countries or states in that region. That material all came from two sources; the U.S. State Department, which does an annual human rights report review country by country; and the Human Rights Watch World Report, which also does that on an annual basis.

Is the intention of Transparency International to do a country-by-country report on an annual basis, or is that already being done?

Mr. Cragg: The association you have made between human rights and corruption is an important one. Although it does not relate directly to your question, I wish to emphasize that there is increasing concern about the impact of corruption on the respect for human rights. Transparency International is becoming a

leader in articulating those concerns and in moving people to understand that respect for human rights and corruption are closely connected. We must work on both fronts.

With respect to monitoring countries, yes, we currently have something called the Corruption Perceptions Index, of which some of you will perhaps be aware. This is quite a sophisticated analysis of the perception of corruption in different countries around the world. We rank those countries in our index. It is an extremely influential analysis that is used around the world. It has had quite an impact on countries that find themselves close to the bottom of the list, as well as others.

It is worth noting that Canada has consistently appeared at the top of the list; that is to say, it is one of the countries in which corruption is perceived to be not a great problem. We should be proud of that. That is one of the analyses that we do.

We are in the process of forming another analysis. We have been criticized for that one, particularly by people from the developing world, most of the countries of which find themselves at the bottom of the list. The criticism is that it is a finger-pointing exercise and that we are not acknowledging, in our Corruptions Perceptions Index, the role of the industrialized world in promoting corruption.

We are in the process of developing what we are calling a Corruption Propensity Index, which will rank countries according to the inclination of their companies to engage in corruption. The results of that analysis will be surprising and quite uncomfortable.

This is another way in which Transparency International is trying to ensure that appropriate pressure is applied to both the countries supplying the bribes and those receiving them.

Senator Kinsella: Mr. Cragg, in the paper you gave in Bangkok five weeks ago on human rights and business ethics, you drew from Gandhi. You referred to the fact that we celebrate the fiftieth anniversary of the Universal Declaration of Human Rights this year. Indeed, next week will be a special week as we approach December 10.

You wrote that we need to remind ourselves, as Gandhi and others have pointed out, that wealth without work and commerce without conscience are formulas for human exploitation, not human development.

Would you share with us your view of the relationship of this kind of initiative — both the convention and the legislation with which we are now dealing — to your view?

Mr. Cragg: That is a complex question. All senators are welcome to read that paper, should they wish to do so.

Corruption is just one element in the process. It is quite clear that companies that engage in corruption show considerable contempt for the rights and the status of the people who are being corrupted; both those receiving the bribes and those damaged by them. We frequently do not realize this.

As well, we do not realize that the suppliers of bribes are actually involved in the encouragement of bribery. We tend to think that there are people always willing to take bribes and that the bribers are simply responding to something placed before them. That is not the case.

Companies will frequently offer bribes where none are being requested, particularly if they believe that bribery is prevalent. It becomes very difficult for people, particularly public servants, not to accept bribes when their colleagues are being bribed. It is very difficult to stand up under that pressure.

We are hoping that this legislation will encourage corporations to look at the values around which they are building their corporate enterprises and to ask themselves whether these are appropriate values. The anti-corruption effort will certainly ask them to look at the way in which they treat the people with whom they deal, particularly in the developing world. We hope, as Michael Davies has already suggested, that this will encourage corporations to develop codes of ethics which, among other things, will provide guidance to their people, their agents and their employees to ensure that they stay away from questionable activities.

• (1730)

It is also the case that there are clauses in this bill which can be interpreted narrowly and broadly. Facilitation payments are a problem. They are in the bill and we recognize that that is appropriate, but we also want corporations to move on that front. We think that this bill will encourage them to look at the values that are operating, to develop codes, and to provide guidance for their employees and agents which will lead them to a higher ethical standard of business conduct.

Senator Kinsella: This chamber of Parliament has a good track record of carefully analyzing proposed legislation. We can fast-track this particular bill because we have already done a lot of work in this area. Reference has been made to the work of Senator Stewart and his committee. Other committees and individual members of this place have been studying this area for some time.

I expect that this bill will be passed in the Senate today, but I cannot anticipate what will happen in the House of Commons, because we have no control over what goes on there.

My reading of the convention is that Canada can ratify that convention; indeed, Canada could do so this afternoon or tomorrow morning. My reading of it also suggests that it is not necessary to have this particular bill enacted by Parliament in order for Canada to ratify the convention. Therefore, if the bill is slowed down in the other place, would your organization not see it as a good tactic to pressure the government to deposit the instrument of ratification pursuant to section 14 of the convention so that we can still be the fifth country to bring the convention into operation?

Mr. Davies: We would certainly be delighted if the government were to do that. Indeed, earlier we inquired of the government whether that might be possible if the legislation were not to go through. The explanation given to us, similar to that

provided by Minister Axworthy today, was that, to the extent that ratification of the convention involves an obligation to pass legislation, it is something the government hesitates to do without Parliament actually having passed the bill. Since Parliament has the right to do what it wants, there is a reluctance to purport to commit Parliament in that way. I do not purport to understand the legalities of the matter, but that is the explanation that was given to us.

I might say that we are fairly confident and believe that it will go through the House of Commons next week. Wearing our Transparency International hat, we have written to all members of opposition in Parliament seeking their support, as have the Canadian Council for International Business and the Canadian Chamber of Commerce. We hope to have fast-track passage through the House of Commons next week. If it does not, and if there were any way to convince the government that Canada could ratify nonetheless, we would be delighted to do that.

Mr. Cragg: We will take your advice. We certainly want to follow any path that would lead to ratification by the end of December, and we will certainly listen closely to recommendations that come from senators on that subject. However, while Transparency International has felt quite uncomfortable about the fact that we are pushing the deadline as we are, and that debate is limited — and clearly, that is the case — there is a positive side to this particular situation. If this bill passes, it will pass with the full support of the Canadian Parliament. It will be absolutely clear that that is the case. Because passage of the bill will have required the cooperation of all the parties in the House of Commons and all the members of this chamber, its impact will be very much greater than otherwise would be the case.

I urge Parliament to continue on this path now that we are on it. It was not our preferred path but, clearly, it has some significant benefits. The symbolism of the ratification of Canada under these circumstances — both for our own business community and for the international community — will be greatly enhanced, in my view.

Mr. Davies: I concur in the thoughts expressed by my friend.

Senator Joyal: I should like to commend our two witnesses this afternoon. Could you tell us how you recruit your membership in Canada? Can you tell us from which walks of life members of Transparency International are recruited? In other words, what is the kind of membership you hope for?

Mr. Cragg: Transparency International is a voluntary-sector organization or NGO. It has a number of different categories of membership. Our membership comprises individuals from all walks of life: academics, professionals, business people, people who have no particular profession, people who are retired. We have a substantial individual membership.

We have a category of membership for organizations, including voluntary organizations and government departments, if they wish to join — and some have. For example, the ethics counsellor's department is a member of Transparency International. We also have corporations which are members.

We have two categories of membership at the top end. One is for just simply organizational membership but there is also provision for charter membership. Charter members commit to \$10,000 over two years to ensure the financial stability of the organization. We have quite a number of charter members.

The board of Transparency International is comprised of members from the business community, academics, members from the voluntary sector, and professionals. We are attempting to create a balanced board which resembles a variety of perspectives and is also representative, both geographically and linguistically. We have francophone and anglophone members, as well as colleagues from across the country.

Senator Joyal: Could you give us a rough idea of your membership, in all classes?

Mr. Cragg: I should know but I have been distracted over the last few weeks by these matters. I believe we have between 50 and 100 individual members and between 10 and 20, perhaps more, organizational members of Transparency International at the present time.

Senator Joyal: I should like to move on with a question on the bill itself. You might have heard my questions to the Minister of Foreign Affairs earlier this afternoon concerning subclause 3(3)(a), which gives a blessing to activities that would be allowed, permitted or required under the laws of the foreign state. You said in your presentation that there are some countries around the world wherein you expect the legislation to be changed because some behaviour or acts that would be subject to reprimand under Canadian legislation would be allowed in those countries.

Are you satisfied that such an interpretation of the bill would be considered a loophole? Considering the objective of your group and your plea to us today to pass the bill as it stands, are you comfortable with that interpretation of that particular subclause?

Mr. Cragg: The basic response is that we would be comfortable with the legislation as a first step. We want the bill to pass.

• (1740)

Whether these various components of it are adequate is something we will have to examine as it goes along. We will be watching closely. If we think clauses such as this are not adequate, then we will recommend amendments to the Canadian government. We will do that as quickly as is necessary.

This is an area of interest to me. I am not aware of any country in the world that does not have anti-corruption legislation on the books. Corruption is not legal and bribery is not legal any place in the world of which I am aware. The real question is how efficiently the law is enforced. We want to encourage the Canadian business community not to take advantage of countries where enforcement is problematic. That will be one of our objectives. We will also be working with chapters around the

world. It is important to recognize that this is a worldwide effort to support them in strengthening legislation in their own jurisdictions. I can assure you that this is already going on.

As I say, we are part of a worldwide effort. We will be monitoring the Canadian compliance to it and the effectiveness of Canadian legislation. We are happy that this step is being taken, and we think it is such an enormous first step that we want to support it in all aspects.

Mr. Davies: The main problem internationally is not that the laws do not exist, but that they are not enforced in some countries. The OECD working group did a study of the laws that exist around the world and generally confirmed that bribery is an offence in every country. However, in some countries they do not pay any attention to it, or the judiciary is controlled by the state and it is not applied.

It is a specific provision in the convention, as agreed to by the various countries, that it would not be an offence if the advantage were permitted or required by the written law of the domestic country. The legislation is in conformity with the convention.

There will be ongoing monitoring and review of the effectiveness of the convention, and further recommendations will be coming forward from the OECD and from ourselves in the future.

Senator Joyal: Many parliamentary associations deal with various regions of the world, such as the Commonwealth, the Francophonie, the North American and South American groups, and so on. Personally, I feel in the forthcoming months in our international meetings that we should make a point on the agendas of all those parliamentary associations to raise the issue of this convention so that the objective of this convention is placed on almost the same footing as human rights. You made the association between the two. This is a means of establishing better respect for individuals.

You heard the question we put to the minister, namely, what kind of initiative we could take after the passage of this legislation by both Houses of Parliament to improve the implementation and fostering of that convention. Do you have other suggestions to make today in order that we can achieve those objectives?

Mr. Cragg: Yes. Transparency International is active in those various associations or with respect to those governments. The next step is to urge the government to move on the OAS convention.

Canada has an opportunity with respect to the FTAA work that is currently going on. Canada has remarkable opportunities to advance the agenda because it finds itself in a chairmanship role.

One of our colleagues on the board, Arthur Kruger, who is in the gallery, has been assigned specific responsibility for tracking Canada's response to the OAS anti-corruption convention. We want Parliament to urge the government now to move on that front as well.

We are also working collectively with Transparency International colleagues in appropriate chapters on APEC. We have a committee working at that level. Here, again, we want to see Canadian leadership, and I think Canada is in a position to provide it.

We are working wherever there are associations of that sort. Transparency International forms groups designed to push their individual countries to advance the anti-corruption agenda.

The OAS and APEC fora are extremely important. We have also urged Canadian representatives in international financial institutions to pay particular attention to the anti-corruption agenda. We have executives on the board of the World Bank, the International Monetary Fund, the Asian Development Bank and similar institutions. That is another extremely important area. We would like to see those international organizations thinking creatively about how they can encourage the development of an anti-corruption agenda in their activities.

Mr. Davies: This is another area where Transparency International and the Canadian business community are operating in cooperation with each other in an attempt to achieve these ends in other parts of the world. The Canadian committee of the Pacific Basin Economic Council was instrumental about two years ago in establishing a transparency committee within PBEC. Its first chairman was a gentleman from Placer Dome in Vancouver who had to step down last May. I was asked if I would take on the chairmanship of the PBEC committee on transparency where we are attempting, in cooperation with Transparency International-Canada and Transparency International internationally, to bring transparency into the Asian community by signing on to the OECD convention.

We are also attempting to develop a tight form of regional agreement on transparency and government procurement either in APEC or the WTO. Again, it is another area where the business community in Canada and Transparency International-Canada are closely working together to spread this transparency initiative further around the world.

Senator Atkins: Does Transparency International believe the penalties are tough enough in this legislation?

Mr. Cragg: That is an interesting question. Determining what counts as a "tough penalty" is difficult.

Our view is that, yes, it is an indictable offence. It is sufficiently tough that it would make any executive that I know of stand up and take notice. If you are the CEO of a company, five years in prison is pretty significant punishment.

It is also the case that by virtue of the way in which this piece of legislation connects with the Criminal Code, as I understand it, corporations will be liable to fines of an indefinite size. There is no limit on the size of fine a court can impose on a corporation if it is in breach of this law. I think that is significant as well. Corporations will face significant financial risk if they do not respect this legislation. The short answer is, yes, I think this is an appropriate move with respect to penalties.

In addition, we would like to see the government thinking more about how it can provide positive incentives rather than after-the-fact punishment, and how they can encourage corporations to put in place compliance programs that will, in turn, lead to less inclination to engage in this behaviour. We will be talking to the government about that over the coming months.

Senator Stewart: As honourable senators will know, I am uneasy about some of these conventions because representatives of government have signed them in good faith, and then it turns out that they do not have the ability to deliver the fulfilment of the convention.

When the Minister of Foreign Affairs was here, I asked a question concerning the impact of this proposed legislation on Canadians trying to do business in other countries. I want to turn that coin over and ask you this: Will Canadian business be disadvantaged by Canadian conformity to the convention while enforcement remains problematic, to use your language, in some other countries?

• (1750)

Mr. Cragg: First, this will be carefully monitored. Countries that are lax in their enforcement of the convention will be criticized publicly and internationally by both Transparency International and the OECD monitoring committee. The enforcement will be monitored, but that is not the case with all or even most conventions. That is an important factor.

I want to put a different spin on it. I get very uncomfortable when people suggest that, somehow, dishonest people have an advantage over people who are honest in the business community. I do not want to be excessively idealistic but I suggest to you that if Canada creates an environment where corporations are encouraged to conduct honest business, that may very well turn into a positive business advantage for those corporations.

I do not know of anyone in any country of the world who prefers to do business with a dishonest person or a dishonest corporation. Corporations who are honest and who are known to be honest have a clear business advantage in many business transactions. Let us not just think about the advantage of blocking people from dishonest behaviour. Think about the advantages that come to a business community which is developing appropriate standards of business conduct.

Mr. Davies: Our current strong belief is that the Canadian business community is more disadvantaged today than it will be under the convention because more and more Canadian businesses are voluntarily complying with the convention. That is the way they do business internationally. With the transparency and the corporate governance aspects that we have in Canada, more and more companies have strict codes of conduct.

There were concerns that one or two countries would sign on to the convention and that the others would do nothing. Then those countries with the legislation would be disadvantaged. That is one reason for the requirement of a minimum of five of the top ten exporting countries to sign before the convention can take effect. Then the peer pressure will take effect.

The business community and Transparency International were both active in pushing for an effective ongoing monitoring program. We did not have to push too hard; it was supported all around. That program is to ensure that other countries are not only coming onboard but are passing the appropriate legislation and taking steps to enforce it. There will be opportunities for monitoring by one country of the activities of another country and that will be ongoing.

We are confident that, within the business community, we will be much better off under the convention and able to engage in business the way we desire, which is on a level playing field.

Senator Andreychuk: In light of the late hour, I will not request answers to all of the questions that I have.

I am aware of Transparency International and its creation. I am also familiar with the founder with whom I worked when he was at the World Bank.

This is my concern. So much of the lending in the developed world goes through the World Bank and the IMF to regional lending institutions. What role do you foresee for these institutions which have access, information and control over much of the funding?

Mr. Cragg: Briefly, there should be a substantial role, a greater role than is the case presently. However, it is worth noting that we have come an enormous distance. Those institutions are in a position to provide real leadership and to create an environment where companies are encouraged to tackle these kinds of problems and to develop honest corporate cultures. I think they can do a good deal.

We began by having conversations with the Canadian representatives of the international financial institutions. Canada can provide leadership there as well. CIDA is doing that. We can only progress on that street.

I hope you carry that interest forward. We would be happy to work with you to encourage these institutions to move on this agenda.

Mr. Davies: Transparency International has two or three senior executives or officers who have come out of the World Bank. They are active in working with the World Bank and other international funding agencies, as we are with CIDA, to bring better transparency.

The president of the World Bank is committed to bringing more transparency into the World Bank. They now require contractors on World Bank contracts to disclose the amount of commissions that they pay sales representatives on any contract. That is one step forward. They are looking for other opportunities.

The International Monetary Fund is beginning to impose conditions and certain governance requirements related to lending in Third World countries. They are starting to move slowly, but we will continue with TI and elsewhere to promote that.

[Translation]

Senator Prud'homme: You mentioned a few minutes ago that the convention was signed on January 25.

Mr. Cragg: Yes, that is right.

Senator Prud'homme: Today is December 3, why the wait?

[English]

A word that I am hearing from everyone is "fast-track." This is December 3, a Thursday night, and many senators have made a sacrifice and cancelled their flights. It is not your fault but I want to know where it is written in the *Rules of the Senate* that we should take orders that include haste and precipitation?

We have two great witnesses who are backing up the minister. I am not saying that we could find a contrary witness who would be in favour of corruption, but these are our only witnesses. Usually we have witnesses who differ with each other.

My question is whether we could have done this earlier? Was there any impediment?

Mr. Cragg: I cannot answer that question. You know the political process better than I.

Senator Prud'homme: Yes, but this convention was not drawn up today. We will draw our own conclusions. I do not want to embarrass you. It has been known since January 25 that this was to take place; is that not correct?

Mr. Cragg: This is true.

Senator Prud'homme: When did Great Britain, Germany, Japan and the fourth one sign? That may encourage us to hurry up.

Mr. Cragg: This has all been very recent. To bring a convention into effect in the course of a year is, in some respects, unrealistic. People were critical. They worried that they had set the bar too high in that respect. Countries have had difficulty meeting the time constraint; there is no question about that. Canada has also had difficulty meeting the time constraint. Perhaps it is the case that the bar was set too high.

The Americans were certainly at the front, but you must remember that they had a foreign corrupt practices act already in place and it was just a matter of amending that. The others acted very recently.

Senator Prud'homme: You talk about the OAS, the OECD and so many organizations.

[Translation]

Is it not the responsibility of the United Nations to ensure the convention is applied, honoured and followed? The United Nations has all the means at its disposal. I am one of the old parliamentarians and I have some hesitancy with this burgeoning

of organizations and agencies. Senator Joyal spoke of parliamentary associations. Each association plays the role of the UN instead of being concerned strictly with the reason it was created. The associations also become responsible for human rights. Could I suggest, for further consideration, that it become the responsibility of a committee or the United Nations?

[*English*]

• (1800)

Mr. Cragg: The broad answer is “yes.” The United Nations has been trying to address the issue of corruption since the 1970s. Quite recently, the United Nations took up the issue again.

We must look to whoever will be most affected in the particular framework in which we are working. The importance of this particular action is that it is the industrialized countries getting together to make a decision which applies to them. It is difficult for the United Nations to point the finger at a single group of countries in the way in which the OECD can.

In this case, this is an appropriate initiative for the OECD. I encourage Parliament to support the efforts of the United Nations in this direction.

Senator Prud’homme: Earlier, a senator mentioned a report by the American Congress on abusers of human rights in the world. I am sceptical about that report. I remember when a lobby firm was hired to ensure that Turkey would not be singled out by a congressman in California who, in fact succeeded in having Turkey withdrawn from the list.

I take it that you will be strict with those who are guilty of abuse.

Mr. Cragg: We promise, senator.

The Chairman: Honourable senators, the Chair has a problem. It is now six o’clock and under rule 13 I have no choice but to rise and report progress unless there is agreement otherwise for the Chair not to see the clock.

Hon. Members: Agreed.

The Chairman: It is agreed that I will not see the clock.

I wish to thank Messrs Cragg and Davies for their openness — indeed, their transparency. We appreciate their contribution. We wish you well in your future endeavours.

Honourable senators, the committee will now proceed to the adoption of the clauses of the bill.

The title of the bill, as well as clause 1, have been postponed.

Shall clause 2 carry?

Hon. Senators: Agreed.

The Chairman: Carried.

Shall clause 3 carry?

Hon. Senators: Agreed.

The Chairman: Carried.

[*Translation*]

Shall clause 4 carry?

Hon. Senators: Agreed.

The Chairman: Carried.

Shall clause 5 carry?

Hon. Senators: Agreed.

The Chairman: Carried

[*English*]

Shall clause 6 carry?

Hon. Senators: Agreed.

The Chairman: Carried.

Shall clause 7 carry?

Hon. Senators: Agreed.

[*Translation*]

Shall clause 8 carry?

Hon. Senators: Agreed.

The Chairman: Carried.

Shall clause 9 carry?

Hon. Senators: Agreed.

The Chairman: Carried.

Shall clause 10 carry?

Hon. Senators: Agreed.

The Chairman: Carried.

[*English*]

Shall clause 11 carry?

Hon. Senators: Agreed.

The Chairman: Carried.

Shall clause 12 carry?

“ANNUAL REPORT

Hon. Senators: Agreed.

The Chairman: Carried.

Shall clause 1, the short title, carry?

Hon. Senators: Agreed.

The Chairman: Carried.

Shall the title carry?

Hon. Senators: Agreed.

The Chairman: Carried.

Shall I report the bill without amendment?

Hon. Senators: Agreed.

[*Translation*]

Hon. Shirley Maheu (The Hon. the Acting Speaker): Honourable senators, the sitting of the Senate is resumed.

REPORT OF COMMITTEE OF THE WHOLE

Hon. Eymard G. Corbin: Honourable senators, the Committee of the Whole, to which was referred Bill S-21, respecting the corruption of foreign public officials and the implementation of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and to make related amendments to other Acts, has examined the said bill and has directed me to report the same to the Senate without amendment.

The Hon. the Acting Speaker: When shall this bill be read the third time?

[*English*]

Hon. Lucie Pépin: With leave, now, honourable senators.

The Hon. the Acting Speaker: It is moved by the Honourable Senator Pépin, seconded by the Honourable Senator Joyal that, with leave of the Senate and notwithstanding rule 58(1)(b), the bill be read the third time now.

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

MOTION IN AMENDMENT

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I move:

That Bill S-21 be amended on page 6

(a) by adding the following after line 35;

12. Within four months of the end of each fiscal year, the Minister of Foreign Affairs, the Minister for International Trade and the Minister of Justice and Attorney General of Canada shall jointly prepare a report on the implementation of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and on the enforcement of this Act, and the Minister of Foreign Affairs shall cause a copy of the report to be laid before each House of Parliament on any of the first fifteen days on which that House is sitting after the report is completed.”; and

(b) by renumbering clause 12 as clause 13 and any cross-references thereto accordingly.

The Hon. the Acting Speaker: Honourable senators, is it your pleasure to adopt the motion in amendment?

Hon. Senators: Agreed.

THIRD READING

The Hon. the Acting Speaker: When shall this bill, as amended, be read the third time?

Hon. Lucie Pépin: Honourable senators, I move that the bill be read the third time now.

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

Hon. Marcel Prud'homme: Honourable senators, I wish to thank you for your patience. I will not vote against the bill. However, I will certainly say “on division” when the vote is called.

After 35 years I have been through too many bad experiences with fast-tracked bills in the other chamber. I strongly object that a bill of such importance should be dealt with in this way. I am not blaming the leadership in this regard. It is a fact of life. However, some senator should stand up to say that this is not the way to conduct the affairs of the Senate. This is an important bill which has come to us at the last minute. It has been fast-tracked.

There were times when, in the other chamber, I should have said “no” to such requests. However, we did fast-track some bills, and we have had to live with those pieces of legislation for a long time. I know that other bills will be fast-tracked.

I agree that it is important for our reputation that the world know that Canada stands in the forefront of honesty, as if it will change the human race and human habits. If someone has decided to be corrupt, they already know how to bypass this bill.

• (1810)

Some people may think that I wish to defend the indefensible, but my objection, and I want to be on record, is to this fast-track process. I am not blaming the leadership of the Senate, that is

how it was put to them. It has come to the Senate and I do not know how it will go to the House of Commons. Some senators have acknowledged that it is quite fast. It only takes one senator to say no third reading today and then it will go to Tuesday of next week. There is no other way if you know that the House, most likely, will adjourn Thursday night of next week.

This is not the way to do this. The government of the day should know better than to play around with important bills and ask who is against motherhood, therefore, the senators will say yes. Who will dare object? There is no risk of being unpopular, is there?

I will not call for a vote because I have someone who has agreed to push for a vote. I do not need a seconder. I will not ask for a registered vote but, when you ask if it is agreed, my answer will be yes, but I will say "on division." I want that division to be well registered as coming from me, unless there are others who will join me.

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

Some Hon. Senators: Agreed.

Some Hon. Senators: On division.

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

The Senate adjourned during pleasure.

[*Translation*]

ROYAL ASSENT

The Honourable Charles Gonthier, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Acting Speaker, the Right Honourable the Deputy Governor General was pleased to give the Royal Assent to the following bills:

An Act to establish the Canadian Parks Agency and to amend other Acts as a consequence (*Bill C-29, Chapter 31, 1998*)

An Act to implement the Comprehensive Nuclear Test-Ban Treaty (*Bill C-52, Chapter 32, 1998*)

An Act to implement an agreement between Canada and the Socialist Republic of Vietnam, an agreement between Canada and the Republic of Croatia and a convention between Canada and the Republic of Chile, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (*Bill S-16, Chapter 33, 1998*)

The House of Commons withdrew.

The Right Honourable the Deputy Governor General was pleased to retire.

[*English*]

• (1820)

The sitting of the Senate was resumed.

AGRICULTURE AND FORESTRY

COMMITTEE AUTHORIZED TO MEET
DURING SITTING OF THE SENATE

Leave having been given to proceed to Motions:

Hon. J. Michael Forrestall: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(a), I move:

That the Standing Senate Committee on Agriculture and Forestry have power to continue sitting at four o'clock in the afternoon on Monday next, December 7, 1998, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

Hon. Eymard G. Corbin (The Hon. the Acting Speaker): Is leave granted, honourable senators?

Hon. Senators: Agreed.

Motion agreed to.

• (1830)

FAMILY VIOLENCE

INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Carstairs calling the attention of the Senate to the magnitude of family violence in our society and, in particular, the need for collaborative efforts to seek solutions to the various aspects of this form of violence. —(*Honourable Senator Robertson*).

Hon. A. Raynell Andreychuk: Honourable senators, I should like to commend Senator Carstairs for initiating this inquiry and speaking so eloquently to the definition of violence, its pervasiveness in our society, and for pointing out avenues that could lead to solutions.

Noting the anniversary on December 6 of the École polytechnique massacre in Montreal, and alluding to her own tragedy, she demonstrated that this is an issue for all Canadians and the key to its solution lies with all of us. I wish to underscore a few points that Senator Carstairs mentioned.

In all the years that I served in family court or, for that matter, in criminal court, family violence was the least understood and the most horrific occurrence in our society.

After 10 years in family court, nightmare cases still haunt me with little explanation of how such unspeakable cruelty can be allowed to occur. Time and time again, I witnessed pictures and actual children in my courtroom who had been deformed by cigarette butts, had arms twisted or bodies beaten, or who were emaciated from lack of food.

I can still hear the pathologist in a case describing the scalp of an 18-month-old child who had been repeatedly hit against a wall and when the pathologist came to do his examination, he touched the scalp and it collapsed like a balloon losing air.

I remember a child being sent out to play, losing his mitts, and being punished by being sent out again in sub-zero temperatures without gloves to teach the child a lesson. When the child returned, with frost-bitten hands, the mother in a panic, finally realizing that social services would be making a visit shortly, put salve on the hands and woolen mittens and again sent the child out so that she would not have to put up with him, as she said, in the house. Again, when this child returned and the mother attempted to remove the woolen mittens against frost-bitten hands, that had been laced with the salve, the skin was literally torn off the hands of the child, permanently mutilating and disabling the child.

I used to go home wishing, hoping and praying, that these were isolated incidents. However, every day and every week there was another case, another fact situation and another child destroyed.

I witnessed women in common-law, marital and in casual associations degraded, beaten and violated and, as Senator Carstairs pointed out, I saw men demeaned, and in a few isolated cases, beaten by so-called loved ones.

Unless we think that this is a Canadian or North American phenomena, my years abroad in Africa and Europe proved to me that we are not alone in violence. In many countries, these issues become silent, unspeakable and unacknowledged by governments and community leaders.

I am pleased that in Canada efforts are being taken to identify these issues because the roots of violence are many and often rooted in history, culture and the attitudes of the people. There is no single cause of violence and even when the cause of violence can be identified, proposing solutions becomes a complex, costly and difficult matter.

Therefore, an interdisciplinary approach is necessary. I am pleased to support the Prairie Action Foundation in its campaign to support the Prairie Research Network which is operating in Saskatchewan, Manitoba and Alberta and focuses on collaborative, practical and broad-based research into the prevention of violence and abuse, in the evaluation of traditional solutions and the development of new ones, and in public

education to break the conspiracy of silence in our homes, schools and workplaces.

I commend Senator Carstairs for her dedication and persistence and others who have persisted despite odds to forge a new prairie alliance on this initiative.

There are two issues that must be addressed if we are able to make any inroads into the prevention of violence in families. It is important to break the cycle of violence. Repeatedly, violence was known to be used as a weapon because it was a weapon used previously against the perpetrator. In so many cases that I dealt with where excess of discipline was used, investigation into the parental background disclosed that violence was part of their upbringing. Intervention is necessary to stop this repeated acceptance of violence as a mode of behaviour. While this is easier said than done, strategies for intervention, assistance and behaviour modification are necessary. Victims must also be given the support, protection and assistance to gain the strength to avoid, leave or overcome violent action perpetrated on them.

A combination of enforcement through the laws, education and community is needed. Violent behaviour must not be tolerated, hidden or excused.

What is perplexing to me is that while we through our political leaders and educators reject violence, we nonetheless contribute and encourage a culture of violence.

While we see through organizations such as International Alert, that organization which studies children in conflict situations, namely wars and civil insurrection, and through the eloquent report of Mrs. Machel for the United Nations, speaking to children as soldiers was highlighted and brought to the attention of the world, we easily condemn these actions on behalf of young children and the devastation it causes them, robbing them of any hope of real and valued efforts for peaceful coexistence in their societies.

Nonetheless, in our own society, one need only look around to see what is the prevailing current culture that supports and encourages violence. We need only to go to a hockey rink to see the behaviour of parents or watch physical altercations rather than sporting prowess take over our national sport.

One only needs to look at the Internet, videos, rap music or current movies to see that violence has its cachet in our society. Too often brute strength is equated to power in our society.

My concern is the growing number of extremely young children using violence in inappropriate ways such as aggressiveness in schoolyards and intimidation.

While studies in the past pointed out that violent movies, video, rap music, et cetera, could not account for increased negative behaviour except in isolated incidents, new studies are pointing out that perhaps exposure to this kind of violent portrayal to a teenager or an adult does not affect behaviour, but there is now at least one major study that has pointed out that children exposed at an early age turn to violence more easily as they grow.

Perhaps, as society lives with these new technologies, we will see the long-term side effects. If we as a Canadian society say that we do not tolerate family violence, it is incumbent upon us to do more than mere words.

As we note the anniversary of the massacre at the École polytechnique, in Montreal, we should all stop and take stock of our own behaviour and dedication to this cause.

I hope in some small measure this inquiry, spurred by Senator Carstairs, will spur us to take action to curb the cycles of silence and reject the culture of violence.

On motion of Senator Kinsella, for Senator Robertson, debate adjourned.

• (1840)

LEGAL AND CONSTITUTIONAL AFFAIRS

COMMITTEE AUTHORIZED TO MEET
DURING SITTING OF THE SENATE

Hon. Lorna Milne, pursuant to notice of December 2, 1998, moved:

That the Standing Senate Committee on Legal and Constitutional Affairs have power to sit on Monday, December 7, 1998, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, I should like to have an explanation of the motion.

Senator Milne: Honourable senators, the Legal and Constitutional Affairs Committee has planned for quite some time to meet all day next Monday. When it was announced that the Senate would be sitting that day, I was not concerned because when we sit on Mondays, we normally sit at eight o'clock in the evening. However, when the sitting was scheduled for four o'clock in the afternoon in order to accommodate the Christmas plans of the Conservative Party, which I totally support, we had a problem with the previously agreed upon appearance before the committee of the new Solicitor General.

I generally do not approve of committees sitting while the Senate is sitting but, because of this previously planned appearance and because there is no other time at which the minister can make himself available, I am asking for permission for the committee to sit even though the Senate may then be sitting.

Senator Kinsella: I thank the Honourable Senator Milne for that explanation. I agree that the committee should be allowed to sit even though the Senate will be sitting at that time. However, I will agree to it only for the purpose of the committee hearing the minister and not for the conduct of any other business.

If necessary, honourable senators, I will move an amendment to that motion. That will not be necessary if there is agreement.

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

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until Monday, December 7, 1998, at 4 p.m.

THE SENATE OF CANADA
PROGRESS OF LEGISLATION
(1st Session, 36th Parliament)
Thursday, December 3, 1998

GOVERNMENT BILLS
(SENATE)

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
S-2	An Act to amend the Canadian Transportation Accident Investigation and Safety Board Act and to make a consequential amendment to another Act (Sen. Graham)	97/09/30	97/10/21	Transport and Communications	98/04/02	four	98/05/27	98/06/18	20/98
S-3	An Act to amend the Pension Benefits Standards Act, 1985 and the Office of the Superintendent of Financial Institutions Act (Sen. Graham)	97/09/30	97/10/21	Banking, Trade and Commerce	97/11/05	seven	97/11/20	98/06/11	12/98
S-4	An Act to amend the Canada Shipping Act (maritime liability) (Sen. Graham)	97/10/08	97/10/22	Transport and Communications	97/12/12	three	97/12/16	98/05/12	06/98
S-5	An Act to amend the Canada Evidence Act and the Criminal Code in respect of persons with disabilities, to amend the Canadian Human Rights Act in respect of persons with disabilities and other matters and to make consequential amendments to other Acts (Sen. Graham)	97/10/09	97/10/29	Legal and Constitutional Affairs	97/12/04	one	97/12/11	98/05/12	09/98
S-9	An Act respecting depository bills and depository notes and to amend the Financial Administration Act (Sen. Graham)	97/12/03	97/12/12	Banking, Trade and Commerce	98/02/24	one	98/03/19	98/06/11	13/98
S-16	An Act to implement an agreement between Canada and the Socialist Republic of Vietnam, an agreement between Canada and the Republic of Croatia and a convention between Canada and the Republic of Chile, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income	98/05/05	98/05/12	Foreign Affairs	98/05/28	none	98/06/02	98/12/03	33/98
S-21	An Act respecting the corruption of foreign public officials and the implementation of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and to make related amendments to other Acts	98/12/01	98/12/03	Whole	98/12/03	one at 3rd	98/12/03		
S-22	An Act authorizing the United States to pre-clear travellers and goods in Canada for entry into the United States for the purposes of customs, immigration, public health, food inspection and plant and animal health	98/12/01							

**GOVERNMENT BILLS
(HOUSE OF COMMONS)**

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
C-2	An Act to establish the Canada Pension Plan Investment Board and to amend the Canada Pension Plan and the Old Age Security Act and to make consequential amendments to other Acts	97/12/04	97/12/16	Committee of the whole 97/12/17	97/12/17	none	97/12/18	97/12/18	40/97
C-3	An Act respecting DNA identification and to make consequential amendments to the Criminal Code and other Acts	98/09/30	98/10/22	Legal and Constitutional Affairs					
C-4	An Act to amend the Canadian Wheat Board Act and to make consequential amendments to other Acts	98/02/18	98/02/26	Agriculture and Forestry	98/05/14	five	98/05/14	98/06/11	17/98
C-5	An Act respecting cooperatives	97/12/09	97/12/16	Banking, Trade and Commerce	98/02/24	none	98/02/25	98/03/31	01/98
C-6	An Act to provide for an integrated system of land and water management in the Mackenzie Valley, to establish certain boards for that purpose and to make consequential amendments to other Acts	98/03/18	98/03/26	Aboriginal Peoples	98/06/09	none	98/06/18	98/06/18	25/98
C-7	An Act to establish the Saguenay-St. Lawrence Marine Park and to make a consequential amendment to another Act	97/11/25	97/12/02	Energy, Environment and Natural Resources	97/12/09	none	97/12/10	97/12/10	37/97
C-8	An Act respecting an accord between the Governments of Canada and the Yukon Territory relating to the administration and control of and legislative jurisdiction in respect of oil and gas	98/03/17	98/03/25	Aboriginal Peoples	98/03/31	none	98/04/01	98/05/12	05/98
C-9	An Act for making the system of Canadian ports competitive, efficient and commercially oriented, providing for the establishing of port authorities and the divesting of certain harbours and ports, for the commercialization of the St. Lawrence Seaway and ferry services and other matters related to maritime trade and transport and amending the Pilotage Act and amending and repealing other Acts as a consequence	97/12/09	98/03/26	Transport and Communications	98/05/13	none	98/05/28	98/06/11	10/98
C-10	An Act to implement a convention between Canada and Sweden, a convention between Canada and the Republic of Lithuania, a convention between Canada and the Republic of Kazakhstan, a convention between Canada and the Republic of Iceland and a convention between Canada and the Kingdom of Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and to amend the Canada-Netherlands Income Tax Convention Act, 1986 and the Canada-United States Tax Convention Act, 1984	97/12/02	97/12/08	Banking, Trade and Commerce	97/12/09	none	97/12/10	97/12/10	38/97

C-11	An Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof.	97/11/19	97/11/27	Banking, Trade and Commerce	97/12/04	none	97/12/08	97/12/08	36/97
C-12	An Act to amend the Royal Canadian Mounted Police Superannuation Act	98/04/28	98/04/30	Social Affairs, Science & Technology	98/06/04	none	98/06/08	98/06/11	11/98
C-13	An Act to amend the Parliament of Canada Act	97/10/30	97/11/05	Legal and Constitutional Affairs	97/11/06	none	97/11/18	97/11/27	32/97
C-15	An Act to amend the Canada Shipping Act and to make consequential amendments to other Acts	98/05/05	98/06/03	Transport and Communications	98/06/10	none	98/06/11	98/06/11	16/98
C-16	An Act to amend the Criminal Code and the Interpretation Act (powers to arrest and enter dwellings)	97/11/18	97/12/11	Legal and Constitutional Affairs	97/12/16	none	97/12/17	97/12/18	39/97
C-17	An Act to amend the Telecommunications Act and the Teleglobe Canada Reorganization and Divestiture Act	97/12/09	98/02/24	Transport and Communications	98/03/25	none	98/04/29	98/05/12	08/98
C-18	An Act to amend the Customs Act and the Criminal Code	98/02/10	98/02/18	Legal and Constitutional Affairs	98/04/02	none	98/04/28	98/05/12	07/98
C-19	An Act to amend the Canada Labour Code (Part I) and the Corporations and Labour Unions Returns Act and to make consequential amendments to other Acts	98/05/26	98/06/08	Social Affairs, Science & Technology	98/06/18	none	98/06/18	98/06/18	26/98
C-20	An Act to amend the Competition Act and to make consequential and related amendments to other Acts	98/09/24	98/11/17	Banking, Trade and Commerce	98/12/03	none			
C-21	An Act to amend the Small Business Loans Act	98/03/19	98/03/25	Banking, Trade and Commerce	98/03/26	none	98/03/31	98/03/31	04/98
C-22	An Act to Implement the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction	97/11/25	97/11/26	Foreign Affairs	97/11/27	none	97/11/27	97/11/27	33/97
C-23	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1998	97/11/26	97/12/04		—	—	97/12/08	97/12/08	35/97
C-24	An Act to provide for the resumption and continuation of postal services	97/12/02	97/12/03	Committee of the whole	97/12/03	none	97/12/03	97/12/03	34/97
C-25	An Act to amend the National Defence Act and to make consequential amendments to other Acts	98/06/11	98/06/18	Legal and Constitutional Affairs	98/11/24	one	98/12/01		
C-26	An Act to amend the Canada Grain Act and the Agriculture and Agri-Food Administrative Monetary Penalties Act and to repeal the Grain Futures Act	98/06/08	98/06/16	Agriculture and Forestry	98/06/18	none	98/06/18	98/06/18	22/98

C-28	An Act to amend the Income Tax Act, the Income Tax Application Rules, the Bankruptcy and Insolvency Act, the Canada Pension Plan, the Children's Special Allowances Act, the Companies' Creditors Arrangement Act, the Cultural Property Export and Import Act, the Customs Act, the Customs Tariff, the Employment Insurance Act, the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Conventions Interpretation Act, the Old Age Security Act, the Tax Court of Canada Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act, the Western Grain Transition Payments Act and certain Acts related to the Income Tax Act	98/04/28	98/05/12	Banking, Trade and Commerce	98/06/04	none	98/06/16	98/06/18	19/98
C-29	An Act to establish the Parks Canada Agency and to amend other Acts as a consequence	98/06/03	98/06/15	Energy, the Environment and Natural Resources	98/10/20	none	98/11/19	98/12/03	31/98
C-30	An Act respecting the powers of the Mi'kmaq of Nova Scotia in relation to education	98/06/11	98/06/16	Aboriginal Peoples	98/06/18	none	98/06/18	98/06/18	24/98
C-31	An Act respecting Canada Lands Surveyors	98/05/07	98/05/26	Energy, the Environment and Natural Resources	98/06/09	none	98/06/10	98/06/11	14/98
C-33	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1998	98/03/18	98/03/25	—	—	—	98/03/26	98/03/31	02/98
C-34	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1999	98/03/18	98/03/26	—	—	—	98/03/31	98/03/31	03/98
C-36	An Act to implement certain provisions of the budget tabled in Parliament on February 24, 1998	98/05/28	98/06/08	National Finance	98/06/15	none	98/06/17	98/06/18	21/98
C-37	An Act to amend the Judges Act and to make consequential amendments to other Acts	98/06/11	98/09/22	Legal and Constitutional Affairs	98/10/22	eight	98/11/04	98/11/18	30/98
C-38	An Act to amend the National Parks Act (creation of Tuktot Nogait National Park)	98/06/15	98/06/17	Energy, the Environment and Natural Resources	98/12/01	none	—	—	—
C-39	An Act to amend the Nunavut Act and the Constitution Act, 1867	98/06/03	98/06/08	Aboriginal Peoples	98/06/09	none	98/06/10	98/06/11	15/98
C-40	An Act respecting extradition, to amend the Canada Evidence Act, the Criminal Code, the Immigration Act and the Mutual Legal Assistance in Criminal Matters Act and to amend and repeal other Acts in consequence	98/12/02	—	—	—	—	—	—	—

C-41	An Act to amend the Royal Canadian Mint Act and the Currency Act	98/12/02								
C-42	An Act to amend the Tobacco Act	98/12/02								
C-45	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1999	98/06/10	98/06/16	—	—	—	98/06/17	98/06/18	28/98	
C-46	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1999	98/06/10	98/06/16	—	—	—	98/06/17	98/06/18	29/98	
C-47	An Act to amend the Parliament of Canada Act, the Members of Parliament Retiring Allowances Act and the Salaries Act	98/06/11	98/06/16	Banking, Trade and Commerce	98/06/17	none	98/06/18	98/06/18	23/98	
C-51	An Act to amend the Criminal Code, the Controlled Drugs and Substances Act and the Corrections and Conditional Release Act	98/11/18	98/12/03	Legal and Constitutional Affairs						
C-52	An Act to implement the Comprehensive Nuclear Test-Ban Treaty	98/10/20	98/10/28	Foreign Affairs	98/11/18	one	98/11/24	98/12/03	32/98	
C-53	An Act to increase the availability of financing for the establishment, expansion, modernization and improvement of small businesses	98/11/25	98/12/02	Banking, Trade and Commerce						
C-60	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1999	98/12/02								

COMMONS PUBLIC BILLS

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
C-208	An Act to amend the Access to Information Act	98/11/17							
C-220	An Act to amend the Criminal Code and the Copyright Act. (profit from authorship respecting a crime) (Sen. Lewis)	97/10/02	97/10/22	Legal and Constitutional Affairs	98/06/10 adopted	recommend Bill not proceed			
C-410	An Act to change the name of certain electoral districts	98/05/28	98/06/04	Legal and Constitutional Affairs	98/06/08	two	98/06/09	98/06/18	27/98
C-411	An Act to amend the Canada Elections Act	98/05/28	98/06/04	Legal and Constitutional Affairs	98/06/08	none	98/06/09	98/06/11	18/98

SENATE PUBLIC BILLS

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
S-6	An Act to establish a National Historic Park to commemorate the "Persons Case" (Sen. Kenny)	97/11/05	97/11/25	Energy, the Environment and Natural Resources					
S-7	An Act to amend the Criminal Code to prohibit coercion in medical procedures that offend a person's religion or belief that human life is inviolable (Sen. Haidasz, P.C.)	97/11/19	97/12/02	Legal and Constitutional Affairs					
S-8	An Act to amend the Tobacco Act (content regulation) (Sen. Haidasz, P.C.)	97/11/26	97/12/17	Social Affairs, Science & Technology	98/04/30	two	Dropped from Order Paper pursuant to Rule 27(3) 98/10/01		
S-10	An Act to amend the Excise Tax Act (Sen. Di Nino)	97/12/03	98/03/19	Social Affairs, Science & Technology	98/06/03	none	referred back to Committee 98/09/24		
S-11	An Act to amend the Canadian Human Rights Act in order to add social condition as a prohibited ground of discrimination (Sen. Cohen)	97/12/10	98/03/17	Legal and Constitutional Affairs	98/06/04	one	98/06/09		
S-12	An Act to amend the Criminal Code (abuse of process) (Sen. Cools)	98/02/10	98/05/06	Legal and Constitutional Affairs					
S-13	An Act to incorporate and to establish an industry levy to provide for the Canadian Anti-Smoking Youth Foundation (Sen. Kenny)	98/02/26	98/04/02	Social Affairs, Science & Technology	98/05/14	seven + two at 3rd	98/06/10	<i>Bill withdrawn pursuant to Commons Speaker's Ruling 98/12/02</i>	
S-14	An Act providing for self-government by the first nations of Canada (Sen. Tkachuk)	98/03/25	98/03/31	Aboriginal Peoples					
S-15	An Act respecting the declaration of royal assent by the Governor General in the Queen's name to bills passed by the Houses of Parliament (Sen. Lynch-Staunton)	98/04/02	98/06/09	Legal and Constitutional Affairs	98/06/18	four			
S-17	An Act to amend the Criminal Code respecting criminal harassment and other related matters (Sen. Oliver)	98/05/12	98/06/02	Legal and Constitutional Affairs					
S-19	An Act to give further recognition to the war-time service of Canadian merchant navy veterans and to provide for their fair and equitable treatment (Sen. Forrestal)	98/06/18							

PRIVATE BILLS

S-18	An Act respecting the Alliance of Manufacturers & Exporters Canada (Sen. Kelleher, P.C.)	98/06/17	Dropped from Order Paper pursuant to Rule 27(3) 98/11/17
S-20	An Act to amend the Act of Incorporation of the Roman Catholic Episcopal Corporation of Mackenzie (Sen. Taylor)	98/09/23	98/10/29 98/12/03 three Social Affairs, Science & Technology

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