SENATE SÉNAT

CANADA

DEBATES OF THE SENATE

1st SESSION • 42nd PARLIAMENT • VOLUME 150 • NUMBER 121

OFFICIAL REPORT
(HANSARD)

Tuesday, May 16, 2017

The Honourable GEORGE J. FUREY
Speaker

CONTENTS

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

Debates Services: D'Arcy McPherson, National Press Building, Room 906, Tel. 613-995-5756
Publications Centre: Kim Laughren, National Press Building, Room 926, Tel. 613-947-0609

Published by the Senate
Available on the Internet: http://www.parl.gc.ca

THE SENATE

Tuesday, May 16, 2017

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

Prayers.

SENATORS' STATEMENTS

MURAD AL-KATIB

CONGRATULATIONS ON 2017 OSLO BUSINESS FOR PEACE AWARD

Hon. A. Raynell Andreychuk: Honourable senators, I rise to honour the first Canadian recipient of the Oslo Business for Peace Award, Mr. Murad Al-Katib. This award is presented annually to international business leaders who have demonstrated a commitment to ethical and responsible business practices.

Recipients are selected by a distinguished panel of Nobel laureates in peace and economics. Former recipients of this prestigious award include Sir Richard Branson, founder of the Virgin group, and Selima Ahmah, founder of the Bangladesh Women Chamber of Commerce and Industry.

This year the panel has honoured Canadian entrepreneur Murad Al-Katib, the first Canadian to be honoured from amongst hundreds of possible candidates.

Raised in Davidson, Saskatchewan, Mr. Al-Katib is the son of Turkish immigrants. Mr. Al-Katib credits his parents as his inspiration as they taught him first-hand the value of community service. His father served as the local doctor and his mother as the former mayor.

This passion for community service, coupled with his knowledge of the Saskatchewan agri-food industry and his experienced background in trade promotion led Mr. Al-Katib to found SaskCan Pulse Trading in 2001.

Today, known as AGT Food and Ingredients Inc., his company is a global leader in the export of Saskatchewan pulse crops. Pulse crops are a sustainable food source, high in protein and fibre, and low in fat content. AGT ships Saskatchewan chickpeas, peas, beans and lentils to over 120 countries.

Featured in this month's issue of *BusinessView Saskatoon*, Mr. Al-Katib described the philosophy that guides his business plan as follows:

> I want to be a champion of compassionate entrepreneurship, a world in which entrepreneurs harness their energies and help society solve some of its problems.

As President and CEO of AGT, Mr. Al-Katib is the embodiment of "compassionate entrepreneurship." AGT assembles and delivers food parcels in tamper-proof containers to refugees through a partnership with the United Nations World Food Programme and the International Committee of the Red Cross.

Initiated by AGT, this food parcel program has improved efficiency and significantly reduced the costs associated with food aid delivery for international partner organizations. AGT estimates that this program has helped to feed more than 4 million Syrian refugee families.

Mr. Al-Katib's laudable accomplishments and dedication to the global community serve as an inspiration to us all.

Today, I ask you to join me in giving congratulations to Mr. Al-Katib, another example of creative support for refugees in the Canadian business sector.

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Dr. Zulfiqar Bhutta. He is the guest of the Honourable Senator Ataullahjan.

On behalf of all honourable senators, I welcome you to the Senate of Canada.

Hon. Senators: Hear, hear!

DR. ZULFIQAR BHUTTA

Hon. Salma Ataullahjan: Honourable senators, I rise today to pay tribute to the work of Dr. Zulfiqar Bhutta, the Robert Harding Inaugural Chair in Global Child Health at the Hospital for Sick Children in Toronto, Co-Director of the SickKids Centre for Global Child Health and the Founding Director of the Centre of Excellence in Women and Child Health at the Aga Khan University.

Dr. Bhutta is the distinguished national professor of the Government of Pakistan, co-Chair of the Global Countdown for 2015 and 2030 Initiative, co-Chair of the Maternal and Child Health oversight committee of World Health Organization Eastern Mediterranean Region, and Chairman of the Coalition of Centres in Global Child Health.

He holds adjunct professorships at Johns Hopkins University, Tufts University, Boston University, and the London School of Hygiene & Tropical Medicine. Further, Dr. Bhutta is the current president of the International Pediatric Association, a leading voice for health professionals supporting integrated maternal, newborn and child health globally.

Dr. Bhutta leads research groups based in Toronto, Karachi and Nairobi, and his work with community health workers and outreach services has influenced integrated maternal and newborn outreach programs for marginalized populations all over the world. In addition to serving on boards and committees with the global Partnership for Maternal, Newborn and Child Health, the Global Alliance for Vaccines and Immunizations, the World Health Organization and the United Nations, Dr. Bhutta sits on several international editorial advisory boards. I don't have the time to list all of them.

I first met Dr. Bhutta in Geneva through my work on the Inter-Parliamentary Union's Resolution on Women's and Children's Health: An Initial Framework for Accountability Reporting in 2013. It was at that time I realized the reason why people often spoke his name in such a hushed tone. It was out of reverence for his highly esteemed work in his field across the globe throughout his career. I would personally like to thank Dr. Bhutta for his tireless work with and dedication to an issue that I am deeply passionate about, women and child health around the world.

Honourable senators, I ask that you please join me in welcoming Dr. Bhutta to the Senate of Canada.

NATIONAL FIDDLING DAY

Hon. Elizabeth Hubley (Deputy Leader of the Senate Liberals): Honourable senators, I am extremely pleased to speak today in recognition of National Fiddling Day, which falls on the third Saturday in May. It was incredibly gratifying for me when my bill to establish this special day received Royal Assent two years ago, and since then, the day has taken off. This Saturday right across the country, fiddlers and music lovers will come together to share their enthusiasm for fiddle music.

• (1410)

In my home province of Prince Edward Island, the Prince County Fiddlers will play an evening concert. In Ottawa, City Hall will host a giant fiddle jam session. There will be fiddling in the Yukon, on the East Coast and out West. I encourage you to find out what events might be occurring in your provinces and territories.

Here on Parliament Hill, the festivities occur throughout the week. If you have a free moment to step outside tomorrow at noon, the Dominion Carillonneur, Dr. Andrea McCrady, will be playing a collection of tunes, including the one called "Fiddle Bill," on the Peace Tower Carillon.

I also hope that you and your staff will stop by the National Fiddling Day reception tomorrow afternoon in the East Block Courtyard. We will be showcasing an excellent group of fiddlers and step-dancers, including Kelli Trottier, who will play her new "Canada 150" tune. You can enjoy some great entertainment, tap your toes and feel free to dance a few steps.

Fiddling has a rich history in our country, and there is no doubt that Canadians from coast to coast to coast share a love for fiddle music. You can find fiddles almost anywhere, from church basements to Legion halls, from nursing homes to local pubs, to right here on Parliament Hill.

When I started the journey to establish National Fiddling Day, I hoped that it would provide an opportunity for fiddlers to give back to their communities, to entertain and to share their talents. I think it has, and I hope the festivities will continue to grow in the years to come.

Hon. Senators: Hear, hear!

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Mr. Brian Stewart and Ms. Sandra Stewart, parents of the late filmmaker Rob Stewart. They are the guests of the Honourable Senator MacDonald.

On behalf of all honourable senators, I welcome you to the Senate of Canada.

Hon. Senators: Hear, hear!

[*Translation*]

LES IMPATIENTS

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I rise today to commend a Quebec organization for its exceptional work. Les Impatients is celebrating its 25th anniversary this very day. Its mission is to help people with mental health issues through artistic expression.

In 1992, there was a one-time, 10-day event at the Louis-H. Lafontaine Hospital, now known as the Institut universitaire en santé mentale de Montréal, during which patients were invited to participate in creative workshops. Imagine everyone's surprise, once the event was over, when they saw the patients waiting at the door because they wanted to keep creating. Thus was born the idea of making the service available to people with mental health issues on a more permanent basis.

You might be wondering why the program is called Les Impatients. The name reminds us of those flowers that grow in the shade and are so eager to bloom, much like all these patients who are so eager to create.

Creative workshops are now put on for free, and the organization fosters interaction with the community through exhibits featuring the participants' work. Over 600 people a week attend workshops in Montreal as well as in Drummondville, Saint-Lambert, Joliette, and Sorel-Tracy.

In addition to creating visual art, participants can express their creativity in many other ways, such as dance, music therapy, and comic strips. These initiatives help people feel less isolated and

give them the freedom to let their creative juices flow. They are not told what to create, and their work is not analyzed. They create in a judgment-free zone. Participants know that their work may be exhibited and shared, and they are very proud of that.

According to an Université de Montréal study, health outcomes improved for 87 per cent of workshop participants, and the hospitalization rate dropped by 66 per cent. The project is so successful that six hospitals and two art galleries are now partnering with the organization, which has 11 creative spaces in Montreal and the regions.

Another success story I want to tell you about is the organization's art bank. Les Impatients have kept all the artwork produced by the participants and now have a collection of more than 15,000 works. This colossal work led to the establishment of this, the first collection of its kind in Canada, and a precious addition to our national heritage, indeed.

I commend the exceptional work of this organization, the team, the board of directors, the volunteers, as well as the participants and all those who contribute to making this initiative so vibrant in our communities. I especially want to thank its founder, Lorraine Palardy, who understood the impatience of so many with mental health problems.

Thank you for your attention.

[*English*]

GLOBAL CENTRE FOR PLURALISM

Hon. Mobina S. B. Jaffer: Honourable senators, earlier today, His Highness the Aga Khan, joined by the Right Honourable David Johnston, officially opened the new international headquarters of the Global Centre for Pluralism, located at 330 Sussex Drive in Ottawa, an event I had the honour to attend.

For over four decades, the Aga Khan has invested in Canada's cultural and social fabric. The Aga Khan Museum in Toronto, the Aga Khan Garden in Edmonton, the Delegation of the Ismaili Imamat in Ottawa and the Ismaili Imamat Centres in Vancouver and Toronto have become iconic places for engagement and enlightenment.

The Global Centre for Pluralism, which represents a unique partnership between the Ismaili Imamat and Canada, was inspired by a shared commitment with Canada's leadership to the profound importance that pluralism must play in an interconnected world. This commitment was shared by Prime Ministers Chrétien, Martin, Harper and Trudeau, all of whom contributed to the creation of this institution.

Honourable senators, in a time where politics is becoming increasingly divisive, the Global Centre for Pluralism is a reminder that diversity is not a weakness but instead is a powerful force for good — that values of tolerance, justice, pluralism and mutual respect are very much a part of the Canadian identity.

To quote His Highness the Aga Khan:

> . . . pluralism, in essence, is a deliberate set of choices that a society must make if it is to avoid costly conflict and harness the power of its diversity in solving human problems.
>
> Our hope and expectation is that the Global Centre for Pluralism will become a vital force in our world for research, learning and dialogue, engaging Canadians from all walks of life, and joining hands with a widening array of partners.

Honourable senators, I encourage you not only to visit the Global Centre for Pluralism, which is a restoration masterpiece in its own right, but to understand how this institution can be a force in promoting global stability and harmony.

Finally, I would like to congratulate His Highness the Aga Khan, chair of the centre's board of directors, for his significant investments in different regions in Canada and for the betterment of the world.

MURAD AL-KATIB

CONGRATULATIONS ON 2017 OSLO BUSINESS FOR PEACE AWARD

Hon. Pamela Wallin: Honourable senators, I would like to add my voice to the chorus of those singing the praises of Mr. Murad Al-Katib, a successful Regina businessman, who today is in Norway to receive the prestigious Oslo Business for Peace Award 2017.

Mr. Al-Katib founded AGT Food and Ingredients, a pulse-crop-processing company that has become a billion-dollar business and is one of the largest suppliers of pulses, staple foods and food ingredients in the world. The company buys lentils, peas, beans and chickpeas from farmers in the Canada, the United States, Turkey, Australia, China and South Africa, and processes these crops in more than 40 facilities around the globe.

Even though Murad leads a global company, requiring global travel, Regina is still home for him, his family and his company. Many of us sit on the plane with him regularly and have the opportunity to catch up on his stories and just be infected by his optimism. He always has that kind of view of the world.

This latest honour is in recognition of his work to use sustainable agriculture to feed millions of refugee families during the Syrian crisis. He shares the Oslo Business for Peace Award with, among others, Elon Musk, the Tesla founder. I must say today that I think Mr. Musk is in good company.

Murad's family, Turkish immigrants, came to Saskatchewan. They taught him, through their actions in the community, the value of giving back and of participating. Those values, in turn, inspired him not only to be an entrepreneur but an entrepreneur in agriculture in rural Saskatchewan. After university, Murad

knew his home province was important to him — was in his heart — and he wanted to create opportunities for his fellow citizens. This has now become a mission.

Please join me in congratulating Mr. Al-Katib for this well-deserved honour. He has made Canada and Saskatchewan very proud indeed.

• (1420)

[*Translation*]

ROUTINE PROCEEDINGS

AUDITOR GENERAL

2017 SPRING REPORTS TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table, in both official languages, the 2017 Spring Reports of the Auditor General of Canada to the Parliament of Canada, pursuant to the Auditor General Act.

COMMISSIONER OF OFFICIAL LANGUAGES

CERTIFICATE OF NOMINATION AND BIOGRAPHICAL NOTES TABLED

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the certificate of nomination and biographical notes of Madeleine Meilleur, the nominee for the position of Commissioner of Official Languages.

[*English*]

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

THIRTEENTH REPORT OF COMMITTEE PRESENTED

Hon. Leo Housakos, Chair of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Tuesday, May 16, 2017

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

THIRTEENTH REPORT

Your committee, which is authorized by the *Rules of the Senate* to consider financial and administrative matters concerning the Senate's internal administration, requests that it be empowered to engage the services of a media relations consultant.

The budget approved by your committee is appended to this report.

Respectfully submitted,

LEO HOUSAKOS

Chair

(*For text of budget, see today's* Journals of the Senate, *Appendix, p. 2095.*)

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

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

[*Translation*]

THE ESTIMATES, 2017-18

NOTICE OF MOTION TO AUTHORIZE NATIONAL FINANCE COMMITTEE TO STUDY SUPPLEMENTARY ESTIMATES (A)

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in the Supplementary Estimates (A) for the fiscal year ending March 31, 2018; and

That, for the purpose of this study, the committee have the power to sit even though the Senate may then be sitting, with rule 12-18(1) be suspended in relation thereto.

JUDICIAL ACCOUNTABILITY THROUGH SEXUAL ASSAULT LAW TRAINING BILL

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-337, An Act to amend the Judges Act and the Criminal Code (sexual assault).

(Bill read first time.)

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

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

[*English*]

CANADA-UNITED KINGDOM INTER-PARLIAMENTARY ASSOCIATION CANADA-EUROPE PARLIAMENTARY ASSOCIATION

BILATERAL VISIT, MARCH 13-17, 2017—REPORT TABLED

Hon. Leo Housakos: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canada-United Kingdom Inter-Parliamentary Association and the Canada-Europe Parliamentary Association respecting its participation at the Bilateral Visit to London, England and Edinburgh, Scotland, United Kingdom, from March 13 to 17, 2017.

FISHERIES AND OCEANS

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Fabian Manning: Honourable senators, with leave of the Senate and notwithstanding rule 5-5(a), I move:

> That the Standing Senate Committee on Fisheries and Oceans have the power to meet on Tuesday, May 16, 2017, at 5 p.m., even though the Senate may then be sitting, and that rule 12-18(1) be suspended in relation thereto.

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

Hon. Senators: Agreed.

The Hon. the Speaker: On debate, Senator Manning.

Senator Manning: Honourable senators, we have witnesses from out of town this evening and we're trying to address Bill S-203.

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

Hon. Senators: Agreed.

(Motion agreed to.)

COMMONWEALTH PARLIAMENTARY ASSOCIATION

WESTMINSTER SEMINAR ON PARLIAMENTARY PRACTICE AND PROCEDURE, NOVEMBER 21-25, 2016—REPORT TABLED

Leave having been granted to revert to Tabling of Reports from Interparliamentary Delegations:

Hon. Elizabeth Hubley (Deputy Leader of the Senate Liberals): Honourable senators, I have the honour to table in both official languages, the report of the Canadian parliamentary delegation of the Commonwealth Parliamentary Association respecting its participation at the Sixty-fifth Westminster Seminar on Parliamentary Practice and Procedure, held in London, England, United Kingdom, from November 21 to 25, 2016.

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, pursuant to the motion adopted in this chamber on Thursday, May 11, 2017, Question Period will take place at 3:30 p.m.

ORDERS OF THE DAY

CONTROLLED DRUGS AND SUBSTANCES BILL

BILL TO AMEND—MESSAGE FROM COMMONS—AMENDMENTS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that a message has been received from the House of Commons which reads as follows:

> *ORDERED*,— That a Message be sent to the Senate to acquaint Their Honours that this House:
>
> agrees with amendment 1(a) made by the Senate to Bill C-37, An Act to amend the Controlled Drugs and Substances Act and to make related amendments to other Acts;
>
> proposes that amendment 1(b) be amended by deleting section 56.2; by renumbering subsection 56.3(1) as section 56.2; by replacing the words "shall offer", with the words "may offer" and by deleting subsection 56.3(2).
>
> *ATTEST*
>
> MARC BOSC
>
> *The Acting Clerk of the House of Commons*

Honourable senators, when shall this message be taken into consideration?

(On motion of Senator Harder, message placed on the Orders of the Day for consideration at the next sitting of the Senate.)

• (1430)

CANADIAN JEWISH HERITAGE MONTH BILL

THIRD READING—DEBATE ADJOURNED

Hon. Linda Frum moved third reading of Bill S-232, An Act respecting Canadian Jewish Heritage Month.

She said: Honourable senators, it is my pleasure to rise in this chamber and speak at third reading in support of Bill S-232, the "Canadian Jewish Heritage Month Act." This legislation enjoys support from all parties in both the House of Commons and the Senate. In that spirit, allow me to acknowledge the efforts of Michael Levitt, Member of Parliament for York Centre, who is responsible for initiating this bill. I would also like to thank Senators Wetston, Fraser, Gold and Jaffer for their speeches during second reading.

During the Human Rights Committee hearing, senators posed questions to leaders of the Jewish community about the impact that Jewish heritage month will have on Canada. For the benefit of those who were not able to attend that meeting, I will share some excerpts.

Shimon Fogel, Chief Executive Officer of the Centre for Israel and Jewish Affairs, had this to say about a Canadian Jewish heritage month:

> The concept of heritage months offer a proactive approach to peeling back the ignorance that really serves as the engine or driver of the kind of intolerance that all of us would wish to see diminish and eradicated. It is in this context that I think they play an important role in helping other Canadians appreciate the shared values of specific communities . . . . They bring down that sense of suspicion and hostility that is born from a sense of ignorance about other faith communities.

In her question to Michael Mostyn, the CEO of B'Nai Brith, Senator Bernard made the observation that, while cultural months, such as Black History Month, which was established in 1995, may seek to reduce prejudice and enhance mutual understanding, it's not clear that they always succeed in that mission.

Mr. Mostyn agreed that in order for Canadian Jewish heritage month to be successful, it cannot be an insular celebration, a Jewish community celebration only for the Jewish community. He said:

> . . . there's no point in any community holding a celebration for itself.

He went on to say:

> We are all part of Canada, and the essence of any heritage day has to be how we communicate the contributions of our particular community to other communities so they can understand that . . . .
>
> . . . if communities . . . start thinking more creatively and outside of the box . . . we will find those . . . ways.

Speaking for myself, it is my hope that with the establishment of Canadian Jewish heritage month, all Canadians will have the opportunity to learn about the culture and history of Jewish Canadians and appreciate the integral role that the Jewish community has played in shaping Canada, while also accepting that the challenge of mutual understanding and compassion is ongoing and everlasting.

The timing of this bill coming to third reading in the Senate during the month of May is apropos. The month of May has been proclaimed by the United States as a time to celebrate the contributions of the American Jewish community, and has been ever since 2006, when President George W. Bush and Congress passed a resolution deeming it such.

In Ontario, Jewish Heritage Month was established in 2012 and is also celebrated in the month of May. May is also the month that Israel celebrates one of its more joyful public holidays, Yom Ha'atzmaut, or Israeli independence day.

With luck, with the passage of Bill S-232, Canada will have a national Jewish heritage month of its own starting in May 2018.

I am proud that Canadian Jewish heritage month has received unanimous support thus far and look forward to your continued support during this final stage of debate in the Senate.

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, I am very pleased to rise today and express the government's support for Bill S-232, "An Act to establish Canadian Jewish Heritage Month."

I want to thank Senator Frum for introducing this legislation and others for speaking so eloquently in support of it. This will, as Senator Frum has just stated, make May a month of recognition and celebration of Canada's Jewish heritage.

Support for this bill runs deep and wide as honourable members of both houses have shown a willingness to stand together across political lines and religious lines to celebrate, recognize and respect Canada's Jewish community.

It is altogether fitting that we mark the contributions of Canada's Jewish community to our past, present and future because, without those contributions, Canada today would be unrecognizable.

Attempt to take away the contributions of Canada's Jewish community to the social, cultural and economic fabric of our country and the result would indeed be shabby and threadbare.

As parliamentarians, we are occasionally called upon to recognize a group on a specific day, week or month. In doing so, we ask Canadians to take a step back and acknowledge that the whole we call Canada is made up of many different but essential parts. When it comes to Canada, which has the fourth-largest Jewish population in the world, this part is very much integral to the whole.

[*Translation*]

From St. John's to Victoria, from the north to the south of this country, during Canadian Jewish heritage month, people can find events that foster unity, events ranging from art exhibits to music and film festivals, from book fairs to gastronomic events, that unite people everywhere.

[*English*]

Through such celebrations, we will create awareness and erode barriers of ignorance that prevent us from connecting with each other as we should.

Canadian Jewish heritage month will make it clear that to better understand the Jewish culture is to better understand the Canadian culture. By creating Canadian Jewish heritage month we can shine a light on the culture and faith through activities and celebrations as unique as the communities where they will occur. We will celebrate and learn from each other and, in doing so, affirm the pluralist nature of Canadian society.

When we celebrate Canadian Jewish heritage month, we will also recognize the bravery of a people who historically have faced hate and persecution but proudly and strongly prevailed.

As Canadians hear these stories, perhaps they will see parts of themselves reflected. Through my previous work with Ukrainian Jewish Encounter, I was able to recognize my parents' story, though they were neither Ukrainian nor Jewish. As Mennonites, they fled their home in southern Ukraine in the hopes of freedom and opportunity in Canada, just as their Jewish and Ukrainian neighbours did.

Canadian Jewish heritage month will also be an opportunity to find inspiration in a faith and culture that is intrinsically expressed through a commitment to social justice and human rights. Protecting minorities and people facing discrimination, taking responsibility for the "other," is an essential part of Jewish culture and faith.

We have only to look at how Canada's Jewish community has mobilized to help and sponsor Syrian refugees coming to Canada to see a recent example of this ethos of caring and inclusion in action.

Honourable senators, in Canada, we celebrate the diversity of our faith communities. With Canadian Jewish heritage month, we will chip away at the hostility, ignorance and intolerance to the benefit of all faith groups and those without practising faith. We will affirm the strength of pluralism as we showcase all that the Jewish people have given to Canada. By extension, we will tell all people, from all faith communities, those well- and less-well established, that Canada has a place for all of us, a place where we can celebrate, honour and respect diversity. I encourage us all to vote for this bill.

(On motion of Senator Hubley, for Senator Jaffer, debate adjourned.)

• (1440)

[*Translation*]

CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Pierrette Ringuette moved second reading of Bill S-237, An Act to amend the Criminal Code (criminal interest rate).

She said: Honourable senators, today we are beginning second reading of Bill S-237, which amends section 347 of the Criminal Code. I wish to remind my colleagues that this is in fact the third time that I have introduced this bill. In the recent past, the Conservative government leaders in this place used the Senate rules to avoid passing this bill.

Section 347 of the Criminal Code sets an annual criminal interest rate of 60 per cent for all transactions. My bill, Bill S-237, reduces that rate to 20 per cent above the Bank of Canada's rate, which is currently 0.5 per cent. The new criminal interest rate of 20 per cent plus the 0.5 per cent Bank of Canada rate will apply to credit advanced for certain purposes, such as personal, family and household purposes, as well as not-for-profit organizations.

[*English*]

In addition, the bill recognizes the need for flexibility for loans for businesses and commercial purposes. Let me elaborate on the business and commercial loans aspect of the bill.

In developing this bill and during our debate last Parliament, it seemed clear that for small business loans, those under $1 million, that the system is working pretty well and there is no need to change the rate of 60 per cent. This allows businesses some flexibility in negotiating short-term loans while maintaining reasonable protection for small businesses.

There was some discussion about lowering the ceiling for small business loans, and I am open to debating this issue during the committee process.

For loans of over $1 million, large business loans, our research and discussions with stakeholders led us to the conclusion that larger entities have the ability to fully negotiate appropriate financing for their needs and that eliminating the cap of 60 per cent would provide more freedom for loans requiring high interest rates, such as bridge loans.

Jennifer Babe of the Uniform Law Conference of Canada, who appeared before the Banking Committee on May 6, 2015, said that "Having the million-dollar cap in is beneficial to businesses."

I'll give a brief refresher for the chamber on the history of the interest rate caps in Canada leading up to the establishment of the "Criminal Interest Rate," section 347. It goes back to 1906. It was the Money-Lenders Act, with 12 per cent on loans of $500 or less.

Jump to 1939, 33 years later, and it was replaced with the Small Loans Act, with loans of $500 or more. Then it was increased to $1,500, where limited, with an interest rate of 1 per cent a month. If they wanted to charge more than that, they had to apply to the federal government for a licence for each loan.

Jump again to 1981, the year that section 347 was enshrined in the Criminal Code with a rate of 60 per cent, and this has stood as the law for 36 years. So it's long overdue to be reviewed.

Records related to discussions around the setting of that rate are unavailable, but we can assume that they had their reasons at that specific time. For instance, in the 1980s, the Bank of Canada rate was 21 per cent. The criminal rate was set at three times that percentage. Today the Bank of Canada rate — that is, the overnight rate — is half a per cent. That would mean that the criminal interest rate would be, in relation, 1.5 per cent, given the same relation as in 1981.

Now, I'm not advocating a rate of 1.5 per cent. Even my skeptical mind can believe that you can't give out loans at that rate. I'd love that, but it's kind of mission impossible.

I'm advocating for a reasonable rate of 20 per cent above the bank rate, so currently it would stand at 20.5 per cent. That would be the criminal interest rate in the Criminal Code of Canada.

By tying this rate to that of the bank rate, the criminal interest rate would be flexible to the changing economy and monetary policy.

One of the criticisms of this bill is that the Criminal Code is the wrong place to seek remedy on unreasonable interest rates. I would respond, firstly, by stating that this is where it is in the law. I do not wish to overhaul our system of law but just to make the limits more reasonable.

Secondly, on the matter of criminalization of loans, I shall refer to the comments again of Jennifer Babe of the Uniform Law Conference of Canada. She noted that the Crown uses section 346 to go after extortion and said, "The Criminal Code, in 347, triggers civil litigation where parties to contracts declare that portions of their contracts are illegal and, therefore, not enforceable."

Of the Supreme Court cases involving section 347, they all refer to contract law. In its three decisions in the last 10 years on section 347, none were about crime but about contract enforcement.

Bill S-237's changes to section 347 are not about criminalizing loans but to reign in outrageous interest rates.

I want to take a brief moment to address payday loans. In 2006, there was a carve-out for a specific financial instrument, that is to say, a loan of $1,500 or less for a term of 62 days or less. That was the only financial instrument or product, should I say, that was carved out of the Criminal Code if the provinces wanted to be licensed to regulate payday loans in their province. Therefore, any other loan outside of that specific financial product is subject to the 60 per cent interest rate within the Criminal Code.

This bill will not change those specific financial instruments or the related provincial regulations. I have issues with that, but that is another discussion for probably another day.

Why do we need to reign in interest rates? The first question is this: Do we, the federal government, have the authority and responsibility to regulate interest rates? Clearly that has been the position of previous governments for over 100 years, considering the history of the criminal interest rate within our statutes as mentioned earlier.

Including the payday loans issue in 2006, it is clearly the case that the federal government, Parliament, has authority over interest rates in general given that payday loans required and were given a very specific carve-out from the Criminal Code, but every other interest rate remains under the federal Criminal Code.

• (1450)

Now let us look at the Constitution under the heading of "Legislative Authority of Parliament of Canada." Section 91 of the Constitution Act lays out the legislative powers of the federal government, Parliament, and at No. 19 you will see the issue of "Interest." I would also point out that the list includes No. 15, "Banking," and No. 14, "Currency."

Visa — the credit card company — documents and representatives have referred to credit cards as digital currency. Tim Wilson, head of Visa Canada at the time, said in an op-ed for *The Globe and Mail* on March 1, 2010:

> These cards - or digital currency - have made our lives better - not just by making transactions smoother, but by prying open whole vistas of economic opportunity.

One has to wonder who profits from this huge vista of economic opportunity.

Credit cards are being used more and more. As noted, they are becoming a digital currency. As our economy is more entangled with credit cards, we have increasing credit card debt. This is the trend that should concern us.

In 2016, 89 per cent of Canadian adults had at least one card, with an average of 2.2 cards per Canadian. The total number of cards has gone down, but spending and transaction volume has continuously gone up.

In 2015, according to the Canadian Bankers Association, net dollar volume for Visa and MasterCard reached $421 billion, and that is for one calendar year. It was a 5.5 per cent increase from the previous year, and over the last five years it was a 36 per cent increase.

Transactions processed have increased to 3.9 billion, a 6.5 per cent increase from the previous year and a 45 per cent increase over five years.

But we are not just talking about credit cards. Bill S-237 applies to all loans for individuals, households and non-profit organizations.

We have seen many stories over the years about extremely high interest rates, with the proliferation of instalment loans and line-of-credit-type products with very high rates. These financial products are not within the scope of provincial regulations. They are under the scope of the Parliament of Canada, and they are under the Criminal Code.

For example, a retired farmer in Manitoba took out a $100 loan for 13 days. He had to pay $133.18. That is a 925 per cent interest rate. The payday loan limit in Manitoba would have been $17. There was a class-action lawsuit against this particular company in Manitoba and in Ontario, where it operates, and it took four years to settle.

The *Toronto Star* reported last year a company offering caregiver loans that resulted in effective interest rates of over 200 per cent.

Another example that recently caught the eye of the Financial Consumer Agency of Canada is secured loans offered by credit repair companies. They call your house. They say, "If you have credit card debt, we can help you." I know. I got the call at my house. These are offered under the guise of rebuilding credit, but according to a Global news report, fees and interest reached 50 per cent. This case falls under the current limit of 60 per cent.

Even if we're outraged about that 50 per cent interest rate, we can't do anything because the Criminal Code says it's okay up to 60 per cent. But at 60 per cent, then it becomes criminal; so you can charge 59.999.

Should someone who has to rebuild their credit have to pay a 50 per cent interest rate?

By lowering the criminal interest rate, we can send a strong message that profiteering off the financially vulnerable of our society will not be tolerated.

Annualized interest rates charged by phone and cable companies are often in excess of 42 per cent. For example, I have seen Bell charge 3 per cent a month, which is 42.5 per cent annually, and Rogers charge 2 per cent a month, which is 26.8 per cent annually.

Now some may be worried about the bottom line of financial institutions, so let's look at bank profits in the last quarter.

RBC, per quarter, not on the year, $3 billion, up by 24 per cent from the previous year; Scotiabank, $2 billion, up 10 per cent; BMO, $1.5 billion, up 39 per cent; CIBC, $1.4 billion, up 43 per cent; National Bank, $500 million, up 90 per cent, but it includes an equity interest writeoff of the previous year.

I don't foresee a dismantling of our financial system if we limit interest rates to a reasonable amount.

As I stated before, the Bank of Canada rate has fallen drastically over the years, but the interest rates charged on credit cards, utility bills and other loans have remained largely stagnant and even increased.

While Canadian financial institutions substantially increase their profits year after year, Canadians' debt is at an all-time high. The household debt-to-income ratio is $169.4, a 23 per cent increase from 10 years ago.

Non-mortgage debt for Canadian households in 2016 was $21,912, an increase of 2.18 per cent over the previous year.

Credit card debt per borrower is $4,094, a 2.3 per cent increase from the previous year. There was also an increase in the delinquency rate, non-payment over 90 days, to 4.2 per cent, an increase of 3.2 per cent over the previous year.

Consumer debt levels in Canada are so high that, along with record housing prices, Moody's downgraded the credit rating of Canada's big six banks just last week.

Placing reasonable limits on interest rates is not a novel idea. Our capitalist neighbours to the south have limits in 18 states. Many include variable rates based on the Federal Reserve rate of the T-bill, with maximums generally in the mid-teens to the low twenties. But some go further. For instance, Minnesota has one of the tightest usury laws in the country, with a limit of 8 per cent. Over 15 states hit below the rate prescribed in my bill.

• (1500)

I am sure every one of you has heard stories from family and constituents about the struggles with debt that everyday Canadians face.

At issue here, I believe, is the problem of the debt cycle. The highest rates are reserved for those who can least pay them, and so they go further and further into debt and are further unable to pay. Sometimes people are hit with unexpected expenses or life situations and have to take out loans out of necessity.

These are not all cases of people living beyond their means, but people suffering hardship, and we let businesses charge excess interest on that hardship.

A very recent survey by accounting firm MNP showed that more than half of Canadians are $200 away from being unable to pay their bills and debts. For 10 per cent, it's less than $100. That's a very small margin of error. This is not being unable to buy a bigger TV, like some would say, but paying necessary

expenses. Something goes wrong with the transmission in your car, and you have to get a loan; a leaky roof, a loan; a sick child, a loan to buy prescription drugs. Things can happen to any of us. Then they are in more debt, and the debt spiral begins.

[*Translation*]

Unfortunately, too many companies only target clients in this type of financial situation. Some of you may be wondering why we should dwell on these people who are so far in debt. My response is that it is clear that debt has an adverse effect on our economy, an impact on our common financial stability. This was clear last week when Moody's downgraded the credit ratings of our Canadian banks.

Furthermore, when someone can't pay for basic necessities such as food, housing, and so forth, taxpayers end up footing the bill through various social programs.

[*English*]

Unfortunately, many companies are specifically in the business of targeting those in this situation. At the end of the day, we are all vulnerable to the effects of high interest rates.

It is time to limit the interest companies' charge to what should be reasonable. I look forward to a spirited debate and to this bill moving to committee stage.

(On motion of Senator Martin, debate adjourned.)

BUSINESS OF THE SENATE

Hon. Mobina S. B. Jaffer: Honourable senators, I'm asking for permission to revert back to Bill S-232. Unfortunately, I had stepped out, so I would like to revert to Bill S-232.

The Hon. the Speaker: Honourable senators, this is a rather unusual situation because, as you know, the matter was adjourned until the next sitting. However, if it is the wish of the chamber, we can nullify or void the adjournment motion and grant Senator Jaffer permission to speak to that motion now.

Is leave granted, honourable senators?

Hon. Senators: Agreed.

CANADIAN JEWISH HERITAGE MONTH BILL

THIRD READING

Leave having been given to revert to Other Business, Senate Public Bills, Third Reading, Order No. 3:

On the Order:

> Resuming debate on the motion of the Honourable Senator Frum, seconded by the Honourable Senator Seidman, for the third reading of Bill S-232, An Act respecting Canadian Jewish Heritage Month.

Hon. Mobina S. B. Jaffer: Honourable senators, I rise to speak on the Jewish heritage bill. I want to first thank Senator Frum for bringing this bill to the chamber and also Senator Wetston for giving me the opportunity to be the critic.

As I said in second reading, when we celebrated the Asian Heritage Month, we highlighted the different aspects of the various Asian countries that are represented in our country. The same kind of thing needs to happen with other communities. I believe that when we come to know each other and when we come to know each other's values and cultures, it only makes our country stronger. That's why I'm in favour of this bill.

Honourable senators, I just came back from the opening of the Global Centre for Pluralism. It really excited me. It was an amazing vision of His Highness the Aga Khan, where he talks about difference being our strength.

I will quote what he said today:

> Diversity is not a reason to put up walls but, rather, to open windows. It is not a burden; it is a blessing.

That is how I feel about this Jewish heritage bill. I believe that if we come to know each other, we will become stronger.

Honourable senators, one of the nicest things about the bringing of Syrian refugees to our country is how various groups have come together and supported Syrian refugees. In my city of Vancouver, the Christian, Muslim and Jewish communities have come together with sponsored families. I want to specifically recognize Rabbi Dan Moskovitz of Temple Shalom who has led the way in bringing many Syrian families to our city. The work that they have done in bringing these Syrian families truly makes me believe that there is a lot of work that we can do as politicians, and as Canadians, to bring our communities together.

Honourable senators, I believe that this bill will empower and create further respect for the Jewish community, and I believe that this is a very important bill.

When I was a young child, my father often spoke nostalgically about how Jewish and Muslim communities used to get together and he would say to me: "We used to be brothers and sisters, and now look what's happening."

In 2002, Mr. Chrétien appointed me the Envoy for Women, Peace and Security. As Canada's Envoy for Women, Peace and Security, I had the opportunity to go many times to Palestine and to Israel. The Canadian government held round tables with Palestinian and Israeli women, bringing women together to create a dialogue. Mr. Chrétien often used to tell me that he truly believes it will be the Jewish and Muslim women in this country that will help to bring peace with Jewish and Muslim and Israeli women in the Middle East. I believe that too.

After the Liberal Party lost power, I was often invited as a guest of the Israeli and Palestinian governments to go back. We held many round tables in Haifa at the Golda Meir Center, and what I

learned from that experience is that it doesn't matter what our differences are, but how we respect each other and how we work with each other. The first thing we have to do is start the dialogue. I spoke last time about the great cultural history of Jewish people in the past. Now I am speaking about how Senator Frum and myself will work together as Canadians to improve the lives of people around the world, and that's why I believe in this bill.

Senators, I ask you to support this bill. I ask you to support this bill because I believe the time has come when all Canadians should understand the rich culture of the Jewish community in Canada.

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

Hon. Senators: Question.

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

Hon. Senators: Agreed.

(Motion agreed to and bill read third time and passed.)

• (1510)

BAN ON SHARK FIN IMPORTATION BILL

BILL TO AMEND—SECOND READING—DEBATE SUSPENDED

Hon. Michael L. MacDonald moved second reading of Bill S-238, An Act to amend the Fisheries Act and the Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act (importation of shark fins).

He said: Honourable senators, I want to begin with a troubling number: 73 million. An estimated 73 million sharks are killed each year to satisfy the rising global command for shark fin soup. It is an ecological disaster in full progress. That's 200,000 sharks each day, over 8,000 every hour and nearly 140 every minute.

Most of these sharks will have their fins cut off at sea by a hot serrated blade, usually while they are alive. Then they are thrown overboard to drown, bleed to death or are eaten by scavengers. This is the cruel and wasteful practice known as "shark-finning." Ninety eight per cent of the animal is discarded and wasted in the process, but more importantly, we are witnessing the worldwide destruction of sharks, arguably one of the most important species in the world.

The reason such methods are widely utilized by fishing vessels is simply a matter of economics. With high demand and the retail cost of shark fin soup, the fins are far more valuable than the remainder of the animal. By discarding the carcass, fishing vessels can save valuable space onboard to stockpile an infinite amount of fins.

Although packing an entire fishing vessel with shark fins may boil down to economics for those who support the practice — simply, supply and demand — for shark populations and for mankind, this practice amounts to a recipe for extinction.

Colleagues, I rise today to speak at second reading on Bill S-238, the ban on shark fin importation act, which I introduced in this chamber in April. This is the first public bill that I have tabled since my appointment to the Senate.

Bill S-238 proposes to stop these products from entering our borders. I should note that exceptions would be provided for, by ministerial permit, if the importation of fins was for the purpose of scientific research and benefited the survival of the species.

Although shark-finning has been banned in Canada under licensing conditions of the Department of Fisheries and Oceans since 1994, the importation of shark fins continues to be permitted. In 2015 alone, Canada imported over 144,000 kilograms of shark fin, a number that represents a 36 per cent increase since 2012. Bill S-238 would put an end to this unfortunate circumstance by prohibiting the importation of shark fins into Canada that are not attached to the carcass. Canadians want and expect this to be done.

Bill S-238 will also define and enshrine into law the prohibition on the practice of shark-finning. As I mentioned, it is currently only prohibited under licensing conditions.

Before I go any further, I must acknowledge the support of three individuals in particular: Sandra, Brian and Alexandra Stewart, the family of the late Canadian filmmaker Rob Stewart, whose award-winning and groundbreaking documentary, *Sharkwater*, is largely responsible for shedding light on the detrimental effect that shark-finning is having on all shark species. His passion and dedication to the conservation of sharks was inspirational and critically important in raising public awareness.

Rob tragically passed away earlier this year filming the sequel to *Sharkwater*. Rob committed his life to educating the public, not only of the ecological damage being done by this practice but about the true nature of and importance of sharks in our ocean ecosystem. I want his family to know that his work has created enormous public awareness about this unnecessary and unacceptable slaughter and that I am determined that his life work will not be in vain.

In a letter written to all senators, the Stewart family stated:

> We are so very proud of what Rob accomplished during his lifetime, and our family is committed to continue his efforts to protect sharks, our oceans and keep his legacy alive.

The letter continues:

> Frustrated by the misconceptions about sharks as dangerous creatures, and that there was so little action being taken to protect sharks, Rob spent four years shooting over 400 hours of footage in 15 different countries, often at great peril, to create *Sharkwater* and bring the truth of the shark fin industry to the surface.

The Stewarts conclude:

> Ending the importation of shark fins is the only way to ensure Canada does not support shark finning. For this reason, we humbly ask for your support of Senator MacDonald's Bill S-238. Canada can, and must, do more to protect these beautiful and critically important creatures.

On their behalf, I provided a digital copy of this letter to each of you earlier today.

To his mother, Sandra, and his father, Brian, who are in attendance today, and to his sister, Alexandra, I thank you for everything Rob and your family have done to protect sharks worldwide. It is truly an honour to have your support, and I think I can speak for all of us here in this chamber in saying how very sorry we are — indeed, how sad all thoughtful, well-informed people are — for your loss. All Canadians who believe in the preservation of wildlife salute the dedication, patience, intelligence and professionalism of Rob Stewart.

For colleagues who have not yet seen the film, I encourage you to contact my office. We have several copies of the film and would be more than happy to lend you a copy.

This is not the first time a bill on this subject has been before Parliament. The Member of Parliament for Port Moody—Coquitlam and the NDP's critic for Fisheries and Oceans, Fin Donnelly, had a bill in the other place several years that was narrowly defeated by five votes. I was personally very disappointed that bill did not pass. I believe our Conservative government should have passed it. If it had come to the Senate, I certainly would have voted for it.

Bill S-238 essentially replicates that bill.

Mr. Donnelly joined me at the press conference when I initially announced my intention to introduce Bill S-238. It has been a pleasure to work with him on the subject and I thank him for his support and guidance.

Honourable senators, this is not a political issue. It is not a partisan matter. Having a Conservative senator from Cape Breton working with the support of an NDP member of Parliament from British Columbia is a testament to that. The issue is simply that the global trade of shark fins is unsustainable, irresponsible, unbelievably cruel and ecologically reckless. It is absolutely destroying a critical species of the marine ecosystem. It is not an overstatement to raise fears of eventual extinction, because that is the only possible outcome unless we do something collectively to stop this carnage.

As a society, we tend to think of fish as a commodity, which is quite understandable, because in many ways, they were always a commodity in the world I inherited. I grew up in one of the oldest established fishing communities of the new world, Louisbourg on Cape Breton Island. I saw fish caught, landed and processed my entire life. As a teenager, I went to the Grand Banks on a fishing trawler, as did my brothers and so many of my relatives and ancestors. Fish were numerous, mostly used for food but sometimes bait, depending on the species. Cod, haddock, halibut, flounder, grey sole, red fish, yellowtail, herring, mackerel, pollock and many other species have provided employment and food for over four centuries from the waters around my hometown.

Sharks were numerous off Cape Breton as well. Blue sharks, porbeagles, smooth hammerheads, threshers, makos and even the occasional basking shark or great white were a common but often unwanted bycatch in the regular fishery. But these species are all increasingly rare now. Is there any wonder why harp and grey seal numbers have exploded on the East Coast of Canada when their natural predators are disappearing from the North Atlantic?

When we think of fish, we primarily think of the species that spawns annually to reproduce. Millions of eggs are laid by all of these common species, resulting in fragile offspring, 95 per cent of which never reach maturity. But as long as we properly regulate the size of these catches, we can manage and sustain these fisheries.

But this is not the circumstance of the shark's existence. Yes, it lives and swims in the ocean, it is cold-blooded and it breathes through gills like a fish, but that's where the similarities start to end. Sharks have been swimming in our oceans for at least 420 million years, back when there were only two continents. They predate the dinosaurs by 150 million years and are amongst the oldest continuous existing vertebrates on earth. And as apex predators they play a most critical role in maintaining the health of our oceans, the home of 80 per cent of all of the life on earth.

• (1520)

Most sharks do not spawn but give live birth, and usually with small litters. They have very slow sexual maturity, anywhere from 10 to 25 years, so their reproductive rates are extremely low. They are a species which would have great difficulty recovering if their numbers dropped too low. Yet, this was never a concern because with the exception of killer whales, large sharks have no natural enemies. But now man is wiping them out.

We are also now aware that many sharks, particularly the large predators, have a very large brain weight ratio to their overall mass, comparable to many mammals. We now understand that these magnificent, important and misunderstood animals have levels of intelligence much closer to a cetacean than a spawning fish — they are complex, highly evolved, and sophisticated. They are so evolved and complex they have no bones, their skeletons being completely made of cartilage. They are an ocean species unique unto themselves.

They are an incredible animal that, unfortunately, has been demonized within our society, seen as dangerous man-eaters and as constant threats to human safety. In reality, colleagues, if unprovoked, sharks pose little to no threat to our safety at all. According to the International Shark Attack File, we are 75 times more likely to be killed by a lightning strike than by a shark attack.

It's important, then, to understand the true nature of sharks and the critical role they play in our oceans. We must not allow the legacy of films such as *Jaws*, though entertaining, to stigmatize society's perception of these beautiful and important creatures.

I think that we can all agree that the poaching of elephants, simply for the prestige some misguided individuals associate with the ivory of their tusks, is deplorable; or, likewise, the killing of a rhinoceros for its horn. Canadians rightfully view the slaughter of these animals with outrage. The carnage left by shark finning, however, is left on the bottom on the ocean, out of sight and, in large part, away from social consciousness, with tens of millions of sharks left to die every year for nothing but the prestige associated with a bowl of shark fin soup.

Historically, at a time when landing sharks was far more difficult, the soup was a rarity only available to the wealthy upper class of some Asian cultures. But it was a small industry, with the fins usually salvaged from sharks wholly consumed for food — something which is not common in many parts of the world, as sharks are certainly not a common food fishery in Canada.

Today, however, as a sign of social status, shark fin soup is now regularly served at weddings and banquets of a wealthier and rapidly expanding middle class. With a single dish of shark fin soup costing over US$100, sharks are now hunted en masse solely for the value of their fins.

What is ironic, colleagues, is that shark fins provide virtually no flavour to the dish. The fins provide only minor texture and a misguided sense of prestige and privilege.

Furthermore, the misconception that the animal's products contain nutritional and even medicinal properties has been disproved by modern science. In fact, sharks have been found to contain high levels of methylmercury, a neurotoxin that is dangerous to humans when consumed. Yet, consumption of shark fin soup has skyrocketed worldwide.

While some countries like Canada have regulations in place to protect against shark finning in their waters, the industry remains under-regulated and, where regulations do exist, they are inconsistent or unreliable.

A report by WildAid and Oceana, entitled *End of the Line: Global Threats to Sharks*, states:

> A major problem with the management of shark fishing is that comprehensive shark management plans are mainly being created in developed countries, even though more than two thirds of reported . . . landings occur in developing countries where management is often weakened by a lack of funding for research and enforcement of regulations. In addition to unrestricted fishing by domestic fleets, poor enforcement means that industrial fleets from other nations are often found fishing illegally in the waters of developing countries, catching sharks and further decimating fish stocks.

As I mentioned earlier, Canada imported over 144,000 kilograms of shark fins in 2015 alone, the vast majority of which came from Hong Kong and mainland China — by far the largest players in the global market and the primary hub for imports and exports, and where fins are very likely to have been sourced from shark finning.

Although Canada is a relatively small player in the shark fin market in comparison to the likes of Hong Kong and mainland China, according to the Food and Agriculture Organization of the United Nations' 2015 report, entitled *State of the Global Market for Shark Products*, Canada is the largest importer of shark fins outside East Asia. The report used statistics from 2000-11.

I must again note that despite their longevity in our oceans, sharks are highly vulnerable to human exploitation. As stated in *The End of the Line*:

> Sharks are likely to be in the first round of marine extinctions caused by human activity. As top predators they are naturally scarce, but also highly vulnerable. Some have gestation periods longer than an elephant, produce only a handful of young and take up to 25 years to mature. When they have faced direct fishing pressure, some populations have crashed, taking decades for a stock to recover, if ever.

The statistics on the plummeting populations of shark species are staggering. Shark finning has absolutely destroyed populations worldwide, with some having declined by more than 80 per cent in the last 50 years. For example, 89 per cent of hammerheads, 80 per cent of thresher sharks, 79 per cent of great whites and 65 per cent of tiger sharks in the Northwest Atlantic are estimated to have disappeared. This, in addition to 87 per cent of blue sharks in the tropical Pacific, as well as 90 per cent of silky sharks and 99 per cent of white tip sharks in the Gulf of Mexico.

Is it any wonder that 74 shark species are now listed as threatened by the International Union for Conservation of Nature, with another 67 listed as near-threatened, or that all 14 of the most targeted shark species for the fin trade can be found on that threatened list?

Yet, only eight species of shark are currently protected internationally under the Convention on International Trade in Endangered Species, CITES.

According to the Canadian branch of Humane Society International:

> Even for those [eight] species, there is little to no actual enforcement of the relevant import restrictions in Canada. Shark fins are not labelled by species or country of origin, and many [vulnerable] sharks continue to be killed for their fins. . . . Without a ban on the importation of shark fins into Canada, there is simply no way to ensure the fins of threatened shark species do not enter the country.

I truly believe that Canada is capable of doing better, and that Canadians expect those who govern us to do better in protecting and preserving our wildlife.

It behooves us now as Canadians to honestly assess and reflect on our management of wildlife over the centuries. It leaves a lot to be desired. Extinction is actually natural, with more than 99 per cent of the more than 5 billion species that have ever

existed on earth now extinct. But man-made extinction is an unnatural and modern phenomenon. But man-made extinction is an unnatural and modern phenomenon.

We have all heard of the saying, "as dead as a dodo." The dodo is one of the earlier man-made extinctions. A flightless bird with no fear of humans, and only found on the island of Mauritius, east of Madagascar, it disappeared in a little over half a century. Wide-spread slaughter, the introduction of predators and the destruction of habitat led to its rapid demise by the middle of the 17th century. We were supposed to have learned from it. We are supposed to be the intelligent species. But how much have we really learned?

If the ecological history of North America is any guide, we haven't learned very much. The North Atlantic used to be home to the original penguin and the most notable flightless bird in the northern hemisphere, the great auk. Until the species' final extinction in the middle of the 19th century, great auks ranged across the Atlantic from Northern Europe to Iceland, Canada and the eastern United States. Equivalent in size to a medium penguin, they lived mainly in the open ocean, except for when they waddled onshore to breed. Prior to the 16th century, the species was so abundant that colonies consisting of hundreds of thousands packed the shores of their regular nesting islands during the month-long breeding season.

But out of the water, the striking black-and-white bird's flightlessness made it vulnerable to humans eager to exploit its meat, feathers and eggs. As early as the 16th century, fruitless attempts were made to restrict hunting the great auk, but as their numbers steadily dwindled the animals became even more coveted by collectors, which further hastened their decline. In 1844, the last birds in the final known colony on an island off Iceland were killed and the remaining eggs were crushed. A magnificent species that once numbered in the millions was completely destroyed in a couple of centuries. We sat by with indifference, and allowed and enabled it to happen.

But this crime against wildlife pales in comparison to what we did in North America to the wild pigeon, better known as the passenger pigeon. When the last great auk was being killed in the 1840s, the passenger pigeon was still considered to be the most numerous vertebrate species in the entire world, thought to be approximately 5 billion in number. One flock in 1866 in southern Ontario was described as being over a mile wide and 300 miles long. It took over 14.5 hours to pass and held in excess of 3.5 billion birds. It blocked out the sun for the entire day. Can you imagine witnessing a magnificent sight like that in North America? But they were wantonly slaughtered, the last one dying in the Cincinnati zoo in 1914.

• (1530)

As with the great auk, the looming disappearance of the species suddenly became evident, and many decades of sincere efforts were made to preserve them. But it was always too little, too late because they were reduced to levels from which there could be no recovery.

Unfortunately, the destruction did not stop there. The Eskimo curlew was one of eight species of curlew and was by far the most numerous shore bird in the North Pacific region. Known for their prolific numbers, amazing migration route and presence in every province except British Columbia, this incredibly hardy species nested and raised their young in the northern extremities of Alaska and the Northwest Territories, along the Arctic Ocean. They then endured one of the most lengthy migration routes of any bird in history: east through the Northwest Passage to Ungava, all the way out to Newfoundland, then down the coastline of the Americas to Uruguay, Paraguay, Southern Argentina and Southern Chile. They would head back in the late winter and return right over the Great Plains, through the heart of North America, to their nesting grounds in the Far North.

Millions were slaughtered every year in the last decades of the 1800s so that by the turn of the century they had almost disappeared. Immediate conservation efforts had no impact. The last verifiable sightings were probably in the 1960s. The Eskimo curlew is probably extinct now.

I highlight the fate of the great auk, the passenger pigeon and the Eskimo curlew for a number of reasons. They were all North American species, with the auk being transatlantic. They were extremely prolific and existed in such huge numbers that their survival seemed inevitable, and informed and educated concern about their plight was widespread decades before their eventual demise. But they were all tragically wiped out. This is the same situation that faces sharks worldwide today, and we must deal with it now before it is too late.

Support for this bill, colleagues, continues to grow. Since introducing Bill S-238 in this chamber, I have had an overwhelming number of individuals and organizations express their support for this legislation. Organizations such as Oceana Canada, Humane Society —

The Hon. the Speaker: Excuse me, Senator MacDonald, it's now 3:30 and time for Question Period. Following Question Period, we will come back to you for the balance of your time.

(Debate suspended.)

QUESTION PERIOD

Pursuant to the order adopted by the Senate on December 10, 2015, to receive a Minister of the Crown, the Honourable François-Philippe Champagne, the Minister of International Trade appeared before honourable senators during Question Period.

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, I wish to welcome our minister for the day, the Honourable François-Philippe Champagne. On behalf of all senators, minister, welcome.

[*Translation*]

MINISTRY OF INTERNATIONAL TRADE

NORTH AMERICAN FREE TRADE AGREEMENT

Hon. Larry W. Smith (Leader of the Opposition): Good afternoon, minister. It is a pleasure to welcome you here today.

[*English*]

I have two questions, actually. I have been lucky that I can ask them.

Thank you very much, Your Honour, for your indulgence.

My question for you concerns the renegotiation of NAFTA, the North American Free Trade Agreement.

A few months ago, when the Prime Minister went to Washington to meet with President Trump, the President said that NAFTA would be tweaked. Last weekend, however, the President stated, in an interview with *The Economist* magazine, that NAFTA renegotiation would be "massive."

Your mandate letter from the Prime Minister charges you to support efforts led by the Minister of Foreign Affairs to deepen trade and commerce between Canada and the United States.

Minister, could you please describe for us your involvement in the NAFTA discussions, and, to date, how would you characterize the anticipated changes to NAFTA — a tweak, a massive change or somewhere in between?

Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade: Your Honour, first, let me say that it's a real honour to come to this chamber. I came here as a kid, and now, answering as a minister of the Crown, it's a real honour to be here. Honourable senators, thank you for welcoming me.

I think that with respect to our relationship to the United States we have to be firm, smart and proactive.

When I say "firm," I think that the Minister of Foreign Affairs has stated our position very clearly when it comes to softwood lumber issues, for example, or dairy.

When I say "proactive," it means that this is a whole-of-government effort. Not only has the Prime Minister been active but the ministers of the Crown, as well as the premiers and even senators, have been engaged in making sure that we make our case for Canada, that we demonstrate that we don't just sell to each other, but that we are actually making things together.

What I mean by "smart" is that the relationship that the Prime Minister has developed with President Trump has already paid dividends, as we can see when he made a phone call.

I would say that my involvement with NAFTA is in support, obviously, of our Minister of Foreign Affairs. This is a whole-of-government issue, and I am pleased to report that I will be meeting the USTR most likely. We just heard that he's going to be in Vietnam, so we're going to have the chance to meet each other at the APEC summit this Friday. I think he is landing on Friday and has advised my office — as well, my office advised his office — that we're likely to meet together there for the first time.

COMPETITIVENESS OF EXPORT BUSINESSES

Hon. Larry W. Smith (Leader of the Opposition): I'll change the question to taxes and impact on competitiveness, but if you want to tell me after if it's a tweak or a massive change, I'll take that answer also.

My question for you today concerns the competitiveness of our export businesses in relation to their counterparts in the United States, which is not only our closest neighbour but our biggest competitor. Your government is erasing the tax advantage of our companies. Employment Insurance premiums will rise next year. Increased CPP premium hikes will come into effect beginning in 2019, and the Prime Minister's carbon tax will raise energy costs for Canadian businesses.

The United States is moving in the opposite direction. As I'm sure you're aware, last month the Trump administration brought forward a tax plan to propose tax cuts to corporate rates from 35 per cent to 15 per cent.

Minister, are you at all concerned that your government's imposition of these taxes will make it more difficult for our businesses to compete in the global marketplace, especially up against American companies as they move to a low-tax environment?

Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade: Thank you, honourable senator, for the question.

I would start by saying that there has never been a better time to diversify. Maybe the senator has seen me saying that in public and in the press. I think that not only are we looking south, but I'm pleased to report to this house that we're also becoming a bridge between the Pacific and the Atlantic. I will be going, obviously, to the APEC summit, but as honourable senators know, we have a number of initiatives, namely with India. As the honourable senator would know, we're in discussions with India with respect to FIPA, the foreign investment protection agreement. We also have exploratory talks with China.

I'm pleased to report that, thanks to this chamber, the CETA free trade agreement between Canada and Europe is going to come into effect very shortly. This is the most progressive trade agreement ever negotiated by either Canada or Europe. This is going to be a market of 510 million people, opening up about 3.3 trillion of public procurement.

In fact, when I'm travelling around the world, what I say is that Canada in 2017 is a country which has preferential market access to about 1.1 billion consumers now in some of the biggest

markets, namely in the Atlantic, obviously, with our friends in Europe, but also with NAFTA — with Mexico and the United States.

To answer the previous question of the honourable senator, I'm very pleased to say that when you are talking about tweaks, when I look back at the history of our relationship, we have to be reminded that NAFTA was an agreement that was negotiated about two decades ago. It has been amended about 11 times. And every time I have a chance, I remind our U.S. friends that we have about 2.4 billion of trade every day, that about 400,000 people cross our border every single day, and that we are the largest energy supplier to the United States, whether it's oil, gas or electricity. I remind my friends in New York that most of the electricity they consume comes from my own province of Quebec. I remind them that not only are we trading partners, but we are bound by history and people.

I think this is the message that you will see our government consistently reminding our U.S. friends of, that our relationship is so unique that we need to work together, that there will always be issues from time to time, but if you look at the breadth and depth of it, you'll realize that this has provided millions of well-paying, middle-class jobs on both sides of the border.

TRADE AGREEMENTS—STRATEGIC PLAN

Hon. A. Raynell Andreychuk: Minister, welcome. I apologize for my voice. I hope you can hear me.

I want to pick up on your comments about CETA. We did pass it, and I think we did a good job in identifying the issues and, particularly, after the house had completed their work, the issues that have come to the fore not only because of the Trump administration but other issues. I hope that you will look at our observations and comment that implementation is as important and buy-in by the public, by parliamentarians, is important. So you can answer that.

• (1540)

Perhaps because of Trump, all of a sudden there is this new re-emphasis on the Asia-Pacific. I heard you talk yesterday about the fact that you are going to approach Asia-Pacific incrementally. What troubles me is that we are moving into Asia-Pacific. We are now looking at China differently. I'd like you to comment on that. Are we going to look at TPP minus U.S. when, in fact, TPP was started by the U.S.? Should we be looking at that as an alternate, minus the U.S.? Would that productive for us? Should we be looking to ASEAN in a different way? Should we be looking to the south, to Mercosur, to Pacific alliance? In other words, do we diversify our attention, and do you have a strategy? I agree it's incremental, but if you don't have a strategic plan of where you want to get to, the incremental steps disintegrate very quickly. I would want some strategic plan, as we put out in our trade reports, so that there's a buy-in and we can help you do the job for Canada.

Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade: Mr. Speaker, remind me how much time I have to answer, because we do have a plan. It's fairly comprehensive, but I will try to address it.

First, Madam Chair, I want to thank you, on behalf of all Canadians, for making sure that Bill C-30 was reviewed and approved by the Senate expeditiously. I think the fishermen on the east coast will thank you, exporters across our nation will thank you and some of our agri-food sector people will thank you as well. I think this is great.

As senators well know, honourable senator, 9,000 tariff lines are going to come down to zero in provisional application. This is good news for consumers in Canada, who should have better choices and better prices. It's good news for exporters with our SMEs, but it's also good news for middle class jobs. Obviously, opening up a market that big for Canadians is a great thing. I want to thank you, Madam Chair, the members of the committee and the witnesses, who have enriched the discussion.

When it comes to Asia-Pacific, we have an ambitious agenda. I think the comment you referred to was perhaps in response to a particular question, but let me give you a picture of what's going on.

As I assumed the post of Minister of International Trade, the first international meeting was held in Chile, where we met with officials. There were three things that defined the meeting of the Asia-Pacific nations then: purpose, action and ambition. The first thing we achieved with ministerial colleagues there was recommitting to free, open and fair trade in the Asia-Pacific region.

Regarding actions, you saw that we tasked our officials to come with a set of options. I was proud to offer, as a sign of leadership, Canada as the host for the officials, which we did a few weeks ago, in Toronto.

As for ambition, we all agreed that whatever agreement we reach in the Asia-Pacific region needs to have the proper level of ambition, whether it's about progressive nature or about being comprehensive. I think this was an achievement. We are now going to Vietnam and will be looking at the set of options in front of us.

If I look now at China, we have started exploratory talks with our Chinese counterparts to see whether or not it would be in the best interest of Canadians. We have been launching public consultation, and I welcome comments from honourable senators and Canadian stakeholders, who have shared with us the opportunities and the challenges that they see. We're also learning from other nations that have free trade agreements with China.

With respect to India, as you well know, I have been engaged with leadership in India to make the case for a foreign investment protection agreement. I have told the leadership in India that this would obviously increase the breadth and depth of the investment in their country. I think this message is resonating. I welcome the help of honourable senators in making the case. I think I said to the leadership that bilateral trade between Canada and India is around $8 billion a year. There is scope to be a bit more ambitious, considering that we have about 1.5 million Canadians of Indian origin. If you think about making trade real for people, there is a lot that we can do there.

You mentioned — and, Your Honour, I'll sit down in a few seconds — south. As you know, we have launched a public consultation on Mercosur to look at whether we can proceed with a free trade agreement with Argentina, Brazil, Paraguay and Uruguay. This is a very interesting market for us, with a large middle class that is coming. We're going to continue, Madam Chair, if I may say, to look at every opportunity. Canada represents about 0.5 per cent of the world's population and about 2.5 per cent of global trade. I keep saying that trade is in the DNA of Canadians.

[*Translation*]

MARKET DIVERSIFICATION

Hon. Paul J. Massicotte: Thank you, minister, for joining us today. We appreciate it very much.

Last week, the Senate passed Bill C-30 concerning the comprehensive economic and trade agreement between Canada and the European Union, and this is good news, as you noted. It is especially welcome in this climate of uncertainty with respect to free trade. As we know, the United States' new protectionist policy is calling into question the North American Free Trade Agreement and the U.S. trade relationship with our country. Furthermore, the withdrawal of the United States from the trans-Pacific partnership also seriously undermines this agreement's future. We know, of course, the extent to which our economy is dependent upon that of the United States; indeed, Canadian exports to the U.S., our most important trading partner, represent 32 per cent of our GDP. That is huge.

In this context, it is obvious that Canada must diversify its trading partners. We are now in a position to capitalize on the success of the free trade agreement with the European Union. We must take advantage of the momentum. For all these reasons, we cannot afford to miss the opportunities presented by a market of 460 million consumers in the ten other countries party to the trans-Pacific partnership, not including the United States.

Minister, to be more specific, in a few days you will be leaving for Vietnam where you will meet with the international trade ministers of this agreement's member countries. I am wondering what specific goals Canada has set in order to face the challenges arising from the trans-Pacific partnership's uncertain future. Are you going to try to save the agreement by initiating multilateral discussions with the other member countries, or are you instead considering negotiating bilateral agreements with them, Japan in particular, which, as you undoubtedly know, is among the countries that offer the most opportunities for Canada?

Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade: Thank you, senator. As you said yourself, the key word for Canadians is market diversification. We see this, for example, with the softwood lumber file. I recently led a trade mission to China to discuss market diversification for certain products. The softwood lumber issue is particularly relevant to Canadians across the country today. I will also have the opportunity to raise the issue of softwood lumber because, after Vietnam, I will be going to Japan, Korea and Singapore, after which I will be joining the Prime Minister in Italy. I am going to Japan in order to discuss market diversification, because, after the United States and China, Japan is our third largest market for softwood lumber exports.

I completely agree with the honourable senator regarding CETA. I believe that the Canada-Europe free trade agreement has the potential to be a game changer. That is why we developed a plan to include people who have been under-represented in trade. Women entrepreneurs and young people come to mind, for instance. We also organized round tables with First Nations representatives. These activities all stem from a simple request from the Prime Minister. He asked me to make trade real for people.

To that end, we plan to lead a national campaign to explain the advantages of the Canada-Europe free trade agreement. I am confident that that agreement will be an excellent tool for our small- and medium-sized businesses, whether they are located in Eastern Canada, the province of Quebec, Ontario or British Columbia.

Our goal is to have a strong Atlantic agreement. In a previous answer, I explained that we also want to have a mission and a free trade agreement focused on South American markets. As the honourable senator said, we are definitely hard at work in the Asia-Pacific region.

I mentioned China and also India earlier. However, we are also in talks with Japan to potentially reopen discussions on a bilateral agreement. I am pleased to remind this chamber that our relationship with Japan is very important. It just so happens that I met with the Japanese ambassador Friday evening; we discussed issues of common interest to Canada and Japan. What I would like to say to Canadians in this chamber is that we have a comprehensive, progressive plan for trade that includes the Asia-Pacific region, Europe, South America, and North America.

• (1550)

INNOVATION AND MODERNIZATION

Hon. Raymonde Saint-Germain: I join my colleagues in thanking you for being at the disposal of the Senate and senators. This was especially apparent on the Standing Senate Committee on Foreign Affairs and International Trade. The input that you gave the committee was very useful.

I would like to talk about the current international trade issues that lead us to examine approaches and consider risks that are different from those involved in the traditional export of products and services that we are familiar with.

Among other things, in your mandate letter the Prime Minister asks you to ensure alignment between Canada's export and innovation strategies. The Standing Senate Committee on Transport and Communications has heard from many witnesses. It is examining all of the issues related to artificial intelligence and autonomous vehicles. Specifically, there are issues regarding the work that needs to be done ahead of time. Markets

are no longer seen the same way. In Canada, whether it be in Quebec, Ontario or Alberta, a lot of work is being done to develop software, expertise, and new ways of doing things. My question is this: can you give us an update on how the department is working with the Minister of Innovation? What are the issues related to protection of intellectual and commercial property? Will your innovation and export programs be updated and modernized accordingly?

Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade: Thank you, senator, for that important question. Indeed, one of the important parts of my mandate is to promote foreign direct investment. That is one of the main responsibilities that was given to me in my mandate letter from the Prime Minister. I am often referred to as Canada's head of marketing. I am very passionate about that work, and I think that there is an opportunity here. Canada is unique in the world, and the senator alluded to something very interesting, because, traditionally, we thought of products and services, whereas now we are headed toward solutions.

Allow me share an anecdote that is in line with the senator's question. When I went to China on the Canadian softwood lumber file, my Chinese counterparts basically said, "In the construction industry, we have switched gears from softwood lumber to environmental solutions for the construction industry." I left with the softwood lumber file in my briefcase, but when I arrived the conversation was expanded to finding solutions. Our Chinese counterparts said that they were relying on an environmental solution because they can no longer build the way they used to and they have to promote greener construction practices. This illustrates the need to adjust our traditional way of doing things. In this example with China, we started talking about softwood lumber and ended up with an environmental solution that served the interests of Chinese consumers and allowed us to join our efforts in finding a comprehensive, global solution.

I am quite familiar with this phenomenon because increasingly talks go from products to services to solutions. There are all sorts of related issues that need to be protected. That is why some trade agreements, including those regarding online commerce, will have to be updated. The World Trade Organization is working on modernizing some of our agreements to have them reflect today's reality. Trade is done differently and we must modernize some of our agreements.

I am pleased to see that Canada is playing a key role in this debate. As far as progressive trade is concerned, we will always ensure that Canada is at the centre of discussions on progressive approaches to advancing these agreements that take into account the realities of trade today.

[*English*]

CHINA'S NEW SILK ROAD—TRANS-PACIFIC PARTNERSHIP

Hon. Pamela Wallin: Thank you, minister, for being here. We will stay on this topic, but maybe go a little larger in terms of where you think we are situated.

Last week in Beijing, the President of China hosted the "One Belt, One Road" infrastructure forum. This is a multi-trillion-dollar proposal that would, I think, shift global trading patterns by creating this network of ports, roads and railways, linking all of Asia to Europe, perhaps going through countries like Pakistan. This is, as they say, a game changer.

In terms of that, what are the implications of this new Silk Road for us? Does that change your focus in terms of the discussions with China?

I want to come back to the point raised earlier about what you think this might mean for TPP. With the Americans out, do you think there's any way, perhaps with the Chinese leading, to kick start that again? Do you think that's counterproductive or a way to go?

Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade: Thank you, honourable senator. Obviously, when it comes to Asia-Pacific, there are many initiatives in the Asia-Pacific region, as you would expect, Your Honour.

I was pleased that my parliamentary secretary, honourable senator, was present for the meeting in China that just occurred. Obviously, we want to see what is going on in these discussions. There are a number of initiatives in the Asia-Pacific region. We are following each of them, because I think that we owe it to Canadian workers and families to position ourselves for these very important and growing markets.

Sometimes I'm reminded, honourable senator, that those who thought about CETA a decade ago had a lot of vision. Because imagine more than a decade ago, I have often said that CETA is the right deal at the right time. No one could have predicted that we would be in the space we are today and that diversification was so key.

Yes, we are following up on the initiatives in the Asia-Pacific. There's RSIP as well. I'm happy to report on the ASEAN, as the honourable senator would know, that we have also asked for a feasibility study to be conducted. So I have been pushing my counterparts to make progress on that and we will continue to look at every opportunity when it comes to the Asia-Pacific region.

To answer the honourable senator's question about the meeting coming up in Vietnam more specifically, I think the last step we took was to task our officials in Toronto to look at a set of options. As honourable senators would appreciate, not every nation is on the same page, necessarily, as to what the various alternatives are in terms of the spectrum. What we have asked of our officials is to look at the set of options and present these options at the upcoming meeting. Then it will be for every delegation to look at the options on the table and consider them.

What is important is that the goal we set when we were in Chile was to ensure that we kept the discussion ongoing with respect to open, principled and progressive trade in that part of the world. This is such an important trading bloc that we need to make sure

that Canada is present whenever there is a discussion. As I said, that's why my parliamentary secretary was in China and why I will be in Vietnam, Japan, Korea and Singapore in the coming days, to ensure that we consider all options.

[*Translation*]

INVEST IN CANADA

Hon. Claude Carignan: My question is for the minister. I'm delighted to see people from the riding of Champlain here. Congratulations on your ministerial appointment.

In April, your government introduced Bill C-44, an omnibus bill to implement certain provisions of the budget tabled in Parliament on March 22. I just want to remind everyone that the Liberal Party made an election promise not to introduce any omnibus bills.

My question is about division 20 of part 4 of the bill, which would create an entity called Invest in Canada. How much money will the government allocate to this entity? Why is that budget not subject to Treasury Board rules, particularly with respect to travel, hospitality, and event expenditures? This strikes me as a recipe for the mismanagement of public funds. I would like to hear your thoughts on that, Mr. Minister.

• (1600)

Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade: Thank you, senator. I, too, am delighted to see you. I know that you have family in my riding of Saint-Maurice—Champlain. I am certain that you remember someone else from Shawinigan who had an important political career on the Hill. It is a great pleasure to be in the same chamber as you today.

To answer your question about the organization Invest in Canada, its objective is to attract foreign investment in Canada and to provide a concierge service. Competition for foreign investment is fierce. We want to ensure that we properly coordinate the efforts of all stakeholders, whether at the provincial, municipal or federal level, and that we provide an after-sales service so that our investors get the services they need. This tool will be very useful in coordinating our efforts.

We have more than 1,000 trade delegates throughout the world who are working on attracting these investments to Canada. At present, we are recruiting the CEO for this organization. We want to ensure the flexibility required by such an organization in order to attract the best candidates to this position. This is a vital, and I would say critical position for the economic future of our country.

We want to ensure that this agency works well and that it is among the best in the world. We are making every effort to recruit the best talent to ensure that we have an organization that attracts investment. We will work with this organization to attract the largest number of investors to Canada.

[*English*]

DOMESTIC IMPACT OF INTERNATIONAL INVESTMENT

Hon. Daniel Lang: Mr. Minister, welcome. I'd like to bring my question a little closer to home and maybe we could have a short discussion with respect to how the federal government determines its priorities, how we spend Canadian taxpayers' money.

In the last budget, the government identified $8.4 billion that they deferred to the military to spend 20 years from now. It was clearly outlined. This included the light armoured vehicles, the LAV III fleet, which you are probably aware of, as well as other equipment that is sorely needed by the military.

That decision caused David Perry of the Canadian Defence Association to say, "I'm stunned this budget is actually taking money away from the military and pretending to give it back several decades in the future."

Also during our hearings with the Standing Senate Committee on National Security and Defence, we've learned that the Canadian military is short approximately $2 billion per year. When I say "$2 billion per year," this is money that's needed on a daily basis to support just current operations, training and equipment.

Colleagues, the reason I'm raising this is that I read in a press release that the Government of Canada has earmarked $256 million to buy shares in a bank in China. My question is this: How can your government justify spending $256 million for shares in a Chinese bank as opposed to the real priority, which should be investing in the military so that we can meet our day-to-day operations? How can you tell the Canadian public you're spending that kind of money outside the country versus the commitments that we should be meeting with our day-to-day obligations with the military?

Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade: I'd like to thank the honourable senator for giving me the opportunity to talk about our fine men and women of the armed forces. As the honourable senator may know, he wants to bring it home. I have flooding in my home riding and in my own region, so I had a chance to spend three days with our fine men and women when they deployed. The men and women who are deploying, and those I had a chance to spend time with, did not allude to the same comments that he made.

I would say to the honourable senator that I was the one who announced the LAV III in Valcartier when they were put in service. I was with our men and women the day they got their first vehicle in Valcartier in Quebec when I made the announcement on behalf of the Minister of Defence. I'm well aware of the needs and issues around our defence procurement and our national defence review that the Minister of Defence is doing.

With respect to our participation in multilateral organizations, this is about having Canada present where it matters. Canada is back on the world stage and this is paying dividends for

Canadians. And we will be engaged wherever in the world it makes sense to bring a net benefit to Canadians.

TRADE AGREEMENTS—IMPLEMENTATION

Hon. Art Eggleton: Minister, congratulations on your appointment. It's a position I had the pleasure of occupying back in 1996-97, although subjects like softwood lumber were not always pleasurable at that point in time.

One of the things I learned was that trade agreements are great instruments, and you now have a big and beautiful one in terms of the CETA agreement to work on, but they don't implement themselves. They are only going to get implemented and create the jobs and create the expansion of the economy if business operations become engaged with their goods or services. Sometimes it takes a lot of coaxing to get Canadian companies to go abroad. It's a lot easier to go to south, and of course all of the years, all of the ministers, including myself, have always had that challenge of diversification of trade.

With the people over there, on the other hand, a lot of them can be aggressive about it, so we can end up getting a lot more trade coming this way than going the other way. It changes the trade balance situation.

You need some instruments for getting people involved in implementing the trade agreement, to create those jobs, to create that expansion. You need to provide the support services to be able to do that. What are you going to do differently to create that diversification that you've talked about earlier?

Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade: I have enormous respect for those who had the job I had before. I would obviously listen to the honourable senator if he has any advice. He would probably agree with me this is one of the greatest jobs one can have in government.

The honourable senator talked about diversification, and we all know this is a challenge that we have faced not only now but over decades in Canada. I think the challenge I have is what I said at the beginning: to make trade real for people.

As a lawyer, I know these trade agreements are good because they reduce barriers and tariffs. For example, we said that CETA will bring down 9,000 tariff lines and should provide opportunities. I'll use the example of lobster today. Lobster that is sold from Canada to the EU now is faced with a 25 per cent tariff when it comes on the other side of the Atlantic. On day one of provisional application, tariffs will go down to zero. That's an example where we need to make sure we work with our people from coast to coast to coast to have an implementation program, a promotion program, and I think the lowest-hanging fruit to our former colleague, I may say, is our SMEs. And this is not just the job of a minister. It is a whole-of-Canada endeavour to make sure, because we have an SME in each of our regions, in each of our ridings, which could benefit from the trade agreement we have negotiated with Europe.

Obviously, it's about making sure that we give women who are entrepreneurs particular attention and opportunities. It is the same thing with indigenous people and our youth. I had round tables in a number of cities to make sure people see the benefit, but even more important, seize the benefit. Seeing the benefit is something, but seizing it is probably something about which we are going to be relentless.

• (1610)

Like I said, this is not one particular minister, but I'll try to engage as many Canadians as possible. I would hope that through the trade committee, the Senate would engage as well to make sure. After all, there is one SME, one woman entrepreneur, one young person in your riding or region, and probably one indigenous person who could benefit from this trade agreement. I would put it there are thousands and thousands in Canada. We just need to make sure they can seize that.

Let me give me an example to be concrete. Having been in China recently, I had the privilege of meeting Jack Ma. We talked about these electronic platforms, the e-commerce platforms. It was a fascinating discussion, because these platforms remove a lot of barriers. If you're a small honey producer in Shawinigan and want to remain local but want to sell in China in that case, these e-commerce platforms are providing a platform to access some of the market.

I met recently with the CEO of eBay, and we're looking at a number of platforms like that to make trade as easy as possible. Like the honourable senator said, there is enormous opportunity. Canada, as I said before, will have preferential market access to 1.1 billion consumers. This is something that gets noticed around the world. Our progressive trade agenda, one that cares for the environment, and protects labour rights and cultural diversity, is one that is applauded around the world.

CETA has become the gold standard. This is the agreement that is sitting the stage around the world.

INVEST IN CANADA

Hon. Pierrette Ringuette: I'll make my question short and to the point. First, we have a great electronic platform project for all of Atlantic Canada, and I would be happy to sit down with you, because I had sat with your predecessor.

[*Translation*]

Atlantic Canada is in a very precarious situation because of our aging population and the exodus of our young people to larger urban centres to find work. You understand, then, how pleased I am by the prospect of the Invest in Canada corporate project. It is an excellent idea.

Minister Champagne, I am not asking for any special favours for Atlantic Canada, since it is a key agency that will attract investments and create jobs in the Atlantic region, too. What I would like to know is whether the board of directors of that agency will think about fairness in terms of regional representation. Will there be at least two representatives from Atlantic Canada on the board of directors?

Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade: Mr. Speaker, I will try to be as brief as the honourable senator was. This is about the Invest in Canada agency. As the senator knows, as a government, we make a point of emphasizing diversity.

The Invest in Canada agency will help attract huge amounts of investments in Canada. We held consultations with people from various municipalities and provinces. I believe that this kind of collaboration is what will help us attract the most investment. The benefits of those investments will have a ripple effect from one province or city to the next.

What I can tell this honourable chamber is that, obviously, as far as our government is concerned, diversity is one of Canada's greatest strengths, much like inclusion.

[*English*]

At a time when there's a lot of instability and unpredictability in the world, Canada stands out as a beacon of stability, predictability and rule-based systems. The fact that we have an inclusive society and one that cherishes diversity is not only making headway in Canada, but everywhere I travel in the world — I leave you with these thoughts — this is what distinguishes Canada today. Canada of the 21st century is a country that is respected for the values we stand for, not only in foreign policy but in our trade policy. There's a moment for us to seize, and we will be ambitious in what we do and put forward progressive trade and bring benefits for Canadian workers from coast to coast to coast.

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, the time for Question Period is expired. I'm sure all senators will join me in thanking Minister Champagne for being with us today.

Thank you, minister.

ORDERS OF THE DAY

BAN ON SHARK FIN IMPORTATION BILL

BILL TO AMEND—SECOND READING—
DEBATE ADJOURNED

On the Order:

> The Senate resumed debate on the motion of the Honourable Senator MacDonald, seconded by the Honourable Senator Tkachuk, for the second reading of Bill S-238, An Act to amend the Fisheries Act and the Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act (importation of shark fins).

Hon. Michael L. MacDonald: Honourable senators, support for Bill S-238 continues to grow. Since introducing it in this chamber, I have had an overwhelming number of individuals and organizations express their support for the legislation. Organizations such as Oceana Canada, Humane Society International and WildAid, to name a few, have all indicated their support. I have yet to hear from a single individual or organization that is opposed to Bill S-238.

Also, in late April, Toronto City Council adopted a motion by Councillors Kristyn Wong-Tam and Glenn De Baeremaeker to support Bill S-238. I am very pleased to have the support of Canada's largest municipality, and I encourage other municipalities to join us.

That's not all, colleagues. A petition was created online at Change.org. The petition calls on Parliament to support Bill S-238 and end the importation of shark fins into Canada. It has quickly garnered nearly 15,000 signatures and is growing rapidly.

For the record, the petition reads:

> We, the undersigned residents of Canada, draw the attention of the House to the following:
>
> THAT, each year up to 73 million sharks are killed primarily for their fins, threatening open ocean sharks with extinction. And that the fins are used primarily for the production of shark fin soup, which has now been banned from state banquets in China out of recognition of the ecological disaster that accompanies this destructive trade. And that shark finning is a wasteful, inhumane practice that involves cutting off a shark's fins and then throwing the still-live shark back overboard to drown or bleed to death. And that jurisdictions such as the State of California and the State of Washington, have proposed bans on the trade and consumption of shark fins.
>
> THEREFORE we call upon Parliament to support Senate Bill S-238 "The Ban on Shark Fin Importation Act" so that Canada can take its place in the front rank of nations determined to save the world's sharks and safeguard our oceans' ecosystems for generations to come.

The petition also recognizes the critical work of Rob Stewart in bringing attention to the devastation caused by the shark fin industry. "Please help us keep his legacy alive," it concludes. Indeed. Again, it is an honour to have the support of the Stewart family.

Honourable senators, we must now carry the torch. It is now our responsibility to act, and I believe that Canadians expect us to act. A 2013 poll conducted by Environics Research Group found that 81 per cent of Canadians support a ban on importing shark fins into Canada. That was four years ago. I suspect the numbers

would even be higher today. Clearly, Canadians are in broad agreement that shark-finning is a cruel, wasteful and unacceptable practice.

By prohibiting the importation of shark fins, this bill would ensure that Canada is taking a leading role internationally by not supporting this destructive practice.

There has, however, been a promising trend among many jurisdictions in recent years to end the sale and trade of fins. The states of California, Hawaii, Oregon and Washington have already enacted legislation to this effect, while several other states have legislation pending. There is also a bill currently before U.S. Congress that proposes to ban the sale and trade of fins at the federal level.

Although Canada would not be the first jurisdiction to ban fin imports, it would be among the first countries to do so.

I want to note as well, colleagues, that although East Asia is certainly the hub for the shark fin trade, there has been significant progress in recent years in promoting awareness of the ecological effect of shark fin soup. In fact, many Asian organizations and communities have been among the most outspoken against the practice in recent years. For instance, the Chinese government has banned shark fin soup from official banquets and, earlier this year, Air China announced that it is banning shark fin cargo, becoming the first airline in mainland China to do so. They join at least 35 other airlines and 17 global container shipping lines worldwide to ban shark fin cargo.

Yet despite these promising commitments from several jurisdictions and organizations around the world, shark-finning continues to wipe out tens of millions of sharks every year.

As Canadians we must do our part. As the largest importer of shark fins outside East Asia, Bill S-238 provides Canada with the opportunity to send a strong message to the global community that the current state of the shark fin trade is unacceptable.

• (1620)

A total ban on imports is necessary because, without consistent regulation and monitoring worldwide, it is nearly impossible to monitor and determine effectively whether the shark fins being imported into Canada are from sharks that were landed whole and not finned and discarded at sea. Simply put, it is impossible to know whether or not fins entering Canada are a product of finning.

Additionally, there are no reliable means to identify the species of origin of imported fins and ensure they are not of a vulnerable or even a protected species.

Our border services cannot be expected to monitor and ensure imports are not sourced from finned sharks. That is just not a realistic proposition, and for these reasons, that is why I am proposing a ban on all shark fin imports. This bill is the only way to ensure Canada does not support shark finning.

I believe it is irresponsible and unacceptable for Canada to prohibit the practice of shark finning, while allowing the importation of shark fins that, in all likelihood, are sourced from shark finning.

I also believe that the Senate is well-suited to initiate the legislative process for this bill and I have full confidence that you, honourable colleagues, will thoroughly consider the importance of this issue and the ethical stand Canada would be taking in enacting this legislation.

For the record, according to scientific estimations, more than 2,500 sharks were likely killed for shark fin soup since I began this speech.

Let us honour the legacy of Rob Stewart and do what is right: Let us end the importation of shark fins into this country.

I ask honourable senators to support Bill S-238. Thank you for your time and attention.

Some Hon. Senators: Hear, hear.

(On motion of Senator Martin, debate adjourned.)

STUDY ON ISSUES RELATED TO THE GOVERNMENT'S CURRENT DEFENCE POLICY REVIEW

TENTH REPORT OF NATIONAL SECURITY AND DEFENCE COMMITTEE—DEBATE CONTINUED

On the Order:

> Resuming debate on the motion of the Honourable Senator Lang, seconded by the Honourable Senator Smith, for the adoption of the tenth report (interim) of the Standing Senate Committee on National Security and Defence, entitled *Military underfunded: The walk must match the talk*, deposited with the Clerk of the Senate on April 13, 2017.

Hon. Mobina S. B. Jaffer: Honourable senators, I am under the impression that Senator Eggleton has taken the adjournment on this matter, and so once I've finished, I would ask that the adjournment revert to Senator Eggleton.

The Hon. the Speaker: Is leave granted, honourable senators, that this matter be adjourned in the name of Senator Eggleton, following Senator Jaffer's speech?

Hon. Senators: Agreed.

Senator Jaffer: Honourable senators, I rise today to speak on the tenth report of the Standing Senate Committee on National Security and Defence, entitled *Military Underfunded: The Walk Must Match the Talk*.

Before beginning, I would like to thank the chair, Senator Lang, for his work in directing this study. I would also like to thank the other members of the committee who have provided us with their expertise and input as we drafted this report.

I would also like to acknowledge Marcus Pistor, Holly Porteous and Katherine Simonds from the Library of Parliament, who supported us with briefings and the research we needed as we drafted this report.

Finally, I would like to thank Adam Thompson, the clerk of the committee, for assisting us and working really hard to get this report out on time.

Military Underfunded: The Walk Must Match the Talk is the first part of a two-part report done as part of the committee's study on the Defence Policy Review. It deals with the greater context for the Canadian Armed Forces, focusing on its main priorities and challenges.

To address these challenges, among others, our report presents 16 recommendations, which were adopted by the committee after a long process of debate and discussion.

As you know, senators, this is the nature of our committees. The recommendations that come out of each report are the product of compromise between the committee members.

I believe that Senator Lang spoke comprehensively on the report's recommendations last week, so I will not repeat them today. Instead, I will speak on the challenges for the Canadian Armed Forces discussed by the report.

Of these challenges, the biggest they face is that the Canadian Armed Forces are seriously underfunded. Almost every witness agreed that Canada has fallen behind on its spending to support our troops over several decades.

As the underfunding continues, our military is crumbling. Our air force lacks the pilots and technicians it needs to operate effectively. Our search and rescue teams lack the proper equipment to operate in the Arctic, where temperatures can reach minus 55 degrees Celsius. Further, they are still waiting for new aircraft after being promised them in a procurement program 14 years ago.

Our navy is quickly shrinking, losing capacities as we fail to act. As a result, Canada cannot even replenish its ships at sea and has to depend on other countries, even when in its own waters.

Finally, our army reserves are struggling in almost all areas, including recruitment, equipment and training. In fact, our reservists cannot even get proper health assessments.

Our committee goes into greater detail on this subject in part B of our report, entitled *Reinvesting in the Canadian Armed Forces: A Plan for the Future*, so I will not go into much further detail. However, I will stress that as long as underfunding continues, we will continue to see more gaps like those I mentioned. It is worth noting that this decline is not one government's fault. It is a process that has taken place over successive governments. Since 1990, there has been a steady decline in defence spending.

In 1990, we spent exactly 2 per cent of our GDP on defence. This has steadily declined over several governments to reach as little as 0.88 per cent. To repeat my earlier statement, this is not the fault of one government, nor does it fall on the shoulders of one party. This has been a problem that has continued unaddressed for decades.

Regardless of who or which government is to blame, honourable senators, we cannot let this underfunding for the Canadian Armed Forces continue. If current funding levels are allowed to continue, our military's situation will become much worse. According to a report by the Parliamentary Budget Officer, the Department of Defence's force structure will become unsustainable within the next 10 years if nothing changes.

Honourable senators, I would like to share my personal experiences to stress why we must not let this happen.

When I was the envoy of Canada to the Sudan, I worked with the Royal Canadian Air Force that was deployed in Darfur and I watched them provide help and equipment to protect the people there. I have personally seen the impact of their work. Every day, I could see our military's dedication and bravery as they protected civilians from civil war and the threat of genocide. The refugees I met in Darfur knew they were safer because the Canadian Air Force and Canadians were there to protect them.

Honourable senators, I believe we must provide our Canadian Armed Forces with the funding and tools it needs to continue its work, first, to keep us safe, and then to do their work around the world. People like those I met in Darfur are counting on us around the world.

With that said, we cannot take on these tasks alone. Almost every witness who appeared before us stated that the Canadian Armed Forces must be able to work with its allies to be at its most effective.

Every witness who spoke on this subject stated that the Canadian Armed Forces must be interoperable if we wish to see our forces used to their fullest potential. When we cooperate with our allies, the operation as a whole becomes greater than its part, and I saw this reflected during my time in Darfur. We were not alone. We were working as part of the greater African Union and United Nations mission in Darfur. Working with our allies allowed the Canadian Armed Forces to focus on its strengths — mainly, its air force.

• (1630)

By working together with our allies, we were able to work effectively and save many more lives than we would have been able to on our own. Further, since every country and its troops were able to play to their strengths, everyone involved was far safer.

Unfortunately, we are not accomplishing this now. Over the course of our study, many witnesses stated that we are not meeting our commitments with our allies, most notably NATO and NORAD.

So, to catch up with our commitments, Canada will have to make considerable changes to even become interoperable with our allies. That kind of interoperability will not be easy to obtain. Interoperability means having the kind of equipment needed for us to play our part in the greater operations. This will be demanding and resource-intensive for Canada. However, it is also vital. Our allies in NATO, the UN or NORAD are counting on us to be able to play our part in the greater operations. Failing our allies means that we will be far less effective at helping others and will actively put our own soldiers in danger.

With that said, the Canadian Armed Forces' new challenges are not limited to our commitments abroad. Over the course of our study, we learned that the job of protecting Canada has changed almost entirely. There are many new areas for us to cover. The Arctic, ballistic missile defence and cyberspace are just a few covered by our report. However, out of these areas, our satellites and cyber-defence will be some of our greatest vulnerabilities in the days to come.

We no longer live in a world where we have to only protect Canada from armed attacks. Some of the most damaging attacks will not even need weapons. For example, almost all elements of our lives depend on satellites. Telecommunications, the Internet, GPS, weather forecasting, banking and aerial monitoring all need the satellites that Canada has sent into space to work properly.

Our cyber-structures are just as vulnerable since they are found in almost every aspect of our lives. They are responsible for our energy grids and telecommunications and our defence intelligence and systems. Should they ever be attacked, the potential damage to Canada would be incalculable.

Last week the entire world was impacted by cyberattack. Hospitals were paralyzed. Factories were shut down, and over 200,000 people in 150 countries were affected. Even in Saskatchewan, we had problems.

Losing our satellites can cause similar chaos. For example, in 2011, a single Anik F2 satellite went down over Nunavut due to a software failure. Because of that one satellite, all of Nunavut lost telecommunications, affecting thousands. Flights were grounded, communications were cut off, and many people were left stranded over the day that it took to restore everything that had been lost. We cannot let these events happen again.

Given how much damage can be done when cyber and space systems fail, our committee was shocked to learn that we still do not designate our satellites as critical infrastructure. Designating cyber and space systems as critical infrastructure would place them in the National Strategy for Critical Infrastructure and the Action Plan for Critical Infrastructure.

As critical infrastructure, our cyber and space systems would be protected by risk-based approaches that are frequently updated. Given that our security, safety and economic well-being all depend on these systems, they are simply too important to leave unprotected.

With all of these changes, both domestically and abroad, it is clear that our decision making must become flexible to deal with these new challenges as they come. With so much changing in Canada's defence landscape, we cannot simply allow for our defence policy to exist in a vacuum. To make this kind of decision making possible, our committee agreed that we must accompany our current defence policy review with a foreign policy review. This would place all strategies and spending into context, aligning them with our interests and ensuring that our Canadian Armed Forces are given the tools they need to succeed.

With that said, it will not be enough to only conduct this study once. What is true for our military now may not be true in five years, especially with advances in technology. For this reason, the committee agreed that we must conduct more of these reviews in the future to keep our policies up to date.

Honourable senators, *Military Underfunded: The Walk Must Match the Talk* covers several areas to demonstrate how national security and defence for Canada has changed. Our military is severely underfunded. We have to keep our commitments with our allies, and the defence of Canada involves protecting more domains than ever before.

If we are not able to adjust to these new realities, our military will not be able to accomplish everything Canadians expect of it. For this reason, I ask for your support in adopting this report. We must take action now. We owe it to our Canadian Armed Forces to give them the resources to succeed. We owe it to Canadians to make sure, with the faith they put in the Canadian Armed Forces, that the Canadian Armed Forces will protect them and will not let them down because they do not have enough funding.

The Hon. the Speaker: Honourable senators, is it agreed that this matter stands adjourned in the name of Senator Eggleton?

Hon. Senators: Agreed.

(On motion of Senator Eggleton, debate adjourned.)

LEGISLATIVE WORK OF THE SENATE

INQUIRY—DEBATE CONTINUED

On the Order:

> Resuming debate on the inquiry of the Honourable Senator Bellemare, calling the attention of the Senate to the Senate's legislative work from the 24th to the 41st Parliament and on elements of evaluation.

Hon. Yonah Martin (Deputy Leader of the Opposition): Honourable senators, this item is at day 14, and Senator Andreychuk has asked me if, with leave, she would be able to adjourn for the balance of her time.

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

Hon. Senators: Agreed.

(On motion of Senator Martin, for Senator Andreychuk, debate adjourned.)

[*Translation*]

BUSINESS OF THE SENATE

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate): Honourable senators, pursuant to rule 16-1(8), I wish to advise the Senate that a message from the Crown concerning Royal Assent is expected later today.

[*English*]

The Hon. the Speaker: Honourable senators, rule 16-1(8) provides that after the Leader or Deputy Leader of the Government has made just such an announcement, no motion to adjourn the Senate shall be received, and the rules regarding the ordinary time of adjournment or suspension or any prior order regarding adjournment shall be suspended until the message has been received or either the Leader or Deputy Leader of the Government indicates that the message is no longer expected. If the Senate completes the business for today before the message is received, the sitting shall be suspended at the call of the Speaker, with bells to ring for five minutes before resumption of the sitting.

These provisions shall, therefore, govern proceedings today.

"SOBER SECOND THINKING" PROPOSAL

INQUIRY—DEBATE ADJOURNED

Hon. Pamela Wallin rose pursuant to notice of May 3, 2017:

> That she will call the attention of the Senate to the proposal put forward by Senator Harder, titled "Sober Second Thinking", which reviews the Senate's performance since the appointment of independent senators, and recommends the creation of a Senate business committee.

She said: Honourable senators, "Progress is impossible without change," said George Bernard Shaw, "and those who cannot change their minds cannot change anything." Or, as our former colleagues, Senators Hugh Segal and Michael Kirby, wrote recently, "A new play is unfolding in the upper chamber and it is not unnatural that many actors are struggling to learn their new roles." It is to risk understatement.

• (1640)

The Senate is changing, and with more changes in store, as the independent senators will soon form the largest group. We need to find new ways to manage the Senate's business that allow for full deliberation and debate and, finally, decision. Yet two things will remain the same — our role as a chamber of sober second thought and our responsibility to examine, debate, amend, pass or even reject the elected government's legislative agenda.

So I am proposing an inquiry debate on the Government Representative's reform proposal because we need to deliberate, debate and finally decide on these matters, and we need to do it sooner rather than later.

In his paper "Sober Second Thinking," Senator Harder has raised concerns about the slow progress of major government legislation, and about the meaning of "sober second thought" in the new Senate. Does it have the same meaning as it did 150 years ago, when the Senate was created?

I would argue, essentially yes, it does. I don't want to delve too deeply into the history, but the Fathers of Confederation — and, sadly, we know there were no mothers — gave thorough consideration to the role of the upper house. As it has been noted by the historians, six days of the 14-day Quebec Conference were devoted to a discussion of the role of the upper house in Confederation. Over the previous decades, the colonial political leadership had fought hard to secure "responsible government" and the rights and powers of an elected House of Commons. But they also recognized the value of a "second look," a chance to reconsider and revise laws passed by the house. Hence, the Senate was created as a counterbalance to the elected house. As George Brown said during the Confederation debates:

> The desire was to render the Upper House a thoroughly independent body — one that would be in the best position to canvass dispassionately the measures of this House, and stand up for the public interests in opposition to hasty or partisan legislation.

I just wanted to add, I was reading just this morning an article by Senator Segal again. He noted — and this kind of struck me — that more than 92 per cent of Canadians have never held a party membership and the Senate should be here to speak for them, too.

A thoroughly independent body — doesn't that sound familiar these days? From the beginning, the fathers favoured an appointed Senate, so that it would not have the democratic legitimacy to block the program of the elected government. This was also recognized by our Westminster antecedent, the House of Lords, which has, by convention, agreed to pass government legislation in a timely manner.

Today we have inherited these rights and responsibilities. But with no government caucus to sponsor and manage the legislative agenda in the Senate, we need to develop a new approach, a formula to ensure adequate "sober second thought" debate and timely consideration of legislation.

We have an important and useful precedent to consider: Bill C-14, the government's right to die bill passed last year. Planning, debating and amending that legislation, albeit under pressure from a Supreme Court deadline, demonstrated the value of focused debate in this chamber. The Senate approved seven

amendments to the government's bill, some of which the elected house accepted. As Senators Segal and Kirby wrote about Bill C-14:

> Again, that is the Senate striking an historical balance: seeking improvements to a hurried and controversial bill and ultimately accepting its place as a complementary chamber of sober second thought and not a rival to the House of Commons.

Senator Harder has proposed several alternatives for managing the Senate's timetable — including "time allocation," the blunt and somewhat tainted instrument currently used to limit debate and force votes.

In some foreign jurisdictions, the upper chamber faces "time limits" under which a government bill is "deemed" to have been passed, if it has not been voted on by a specific date.

While Canada's Senate, unlike the House of Lords, still has a notional "absolute veto" over legislation, in our deliberations about new rules for an independent Senate, we may want to consider legislating a "suspensive veto" that could delay but not kill government bills. With proper safeguards, this could ensure sufficient "sober second thought" debate, while forcing the Senate to deal with legislation in a reasonable time frame.

Then there's "time management," which is what the Government Representative is suggesting with his Senate "business committee" proposal. This suggestion has merit, though we need to proceed carefully to ensure the rights and prerogatives of individual senators to be heard, and the rights of new Senate groupings to have proportional representation on all committees. We don't want to create a committee that becomes a new version of the "usual channels."

I believe better planning and scheduling, and grouping debates on bills over several consecutive days, as we did actually with Bill C-14, can provide a more effective "sober second thought" and more timely consideration of legislation. Instead of a desultory debate, with one-off speeches over a period of months, which has become the norm here recently, we can have a more focused, relevant debate and exchange of ideas. Let's take important bills and wrestle with them here in the chamber at second and again at third reading — the prior debate to raise the issues for committee consideration; the latter to ensure that we have not missed anything, even in committee.

It's not just the management of the legislative timetable that needs urgent review and reform. At the same time, we will need to move quickly to change the organizational and procedural rules that have long favoured partisanship, making the Senate an "echo chamber" of the house.

As the Supreme Court reminded us in the 2014 Senate reference, this is a perversion of the original intent, in which

> The framers sought to endow the Senate with independence from the electoral process . . ., in order to remove Senators from a partisan political arena that required unremitting consideration of short-term political objectives.

This includes resolving the issues of proportionality on committees, which are still controlled by partisans of previous governments.

While the Senate is going through a difficult transition, it is also an exciting time, and we have the opportunity to reform this institution and return it to its original role, providing the sober second thought — debating, deliberating and deciding on legislation — as a complement to our colleagues in the house.

While the Senate modernization group may want to take up the Government Representative's proposal, we may also want to debate this in Committee of the Whole, here in the chamber. We may also want to consider a separate planning committee to manage our agenda and the important business of the chamber.

This is precisely why I have proposed this inquiry as we chart the procedural way ahead. We should look at having some new committee, some new form in place for the next session of Parliament. I look forward to our colleagues engaging in this discussion as we re-shape and recast our procedures and processes and along the way restore the Senate to its original purpose.

I'll leave you, again, with a couple of quotes as we ponder all this. As Andy Warhol once said, "They always say that time changes things, but you actually have to change them yourself." I think that's where we find ourselves. I'll remind you of the words of former U.S. President Barack Obama: "We are the ones we have been waiting for. We are the change we seek."

(On motion of Senator Bellemare, debate adjourned.)

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

TWELFTH REPORT OF COMMITTEE— DEBATE ADJOURNED

Leave having been given to revert to Other Business, Reports of Committees, Other, Order No. 35:

The Senate proceeded to consideration of the twelfth report of the Standing Committee on Internal Economy, Budgets and Administration, entitled *Revised Senate Administrative Rules*, presented in the Senate on May 9, 2017.

Hon. Leo Housakos moved the adoption of the report.

He said: Honourable senators, this report deals with the Senators' Office Management Policy, which is a consolidated and streamlined edition of our administrative provisions under one umbrella policy. If you recall, colleagues, this project started a little over two years ago under the leadership of former Speaker and at that time chair of Internal Economy, the late Honourable Pierre Claude Nolin. It will consolidate nine existing policies and guidelines, as well as policy clauses from an additional 22 policies. At approximately 40 pages each in English and French, the new consolidated policy reflects a significant reduction in volume of our current administrative documents.

• (1650)

The comprehensive policy brings together all of those rules into one centralized policy. This is part of the Senate's effort to maximize efficiency, transparency and accountability.

A number of proposed changes were also made to the *Senate Administrative Rules* to align with changes made to the senators' office management policy and also to modernize and simplify the language. By harmonizing the administrative rules and policies governing the management of senators' offices, the goal of the committee was to improve clarity and address any existing gaps in our policies.

The committee also recommends that the full consolidated policy be published on the Senate website. This is in keeping with our ongoing commitment to accountability and transparency to Canadians.

Colleagues, many hours of work were dedicated to conduct this comprehensive review. In addition to the extensive preparation and review of the documents by senators and staff, the Advisory Working Group on Policies and Rules met several times and for many hours over the summer and fall of 2016. Members of the Internal Economy Committee also devoted time to review the proposed changes and provided input.

I want to thank all senators for their contribution, particularly Senators Plett and Jaffer for chairing and leading the advisory working group through this comprehensive review, and all members who represented all caucuses and worked very hard and for countless hours on the project.

I would also like to thank the staff who supported the work of senators in this initiative, especially Gérald Lafrenière, Steve Blake and Jules Pleau for their guidance throughout this process.

Honourable senators, the new senators' office management policy would take effect on November 1, 2017. This will ensure that the required changes to the systems processes, as well as preparation and delivery of comprehensive training for senators, their staff and the Senate administration, can take place. This is the completion of phase one of a two-part process.

The first phase involved the review of our administrative policies that govern how senators' offices are run, as well as review of the *Senate Administrative Rules*. Phase two will focus on reviewing the policies that apply specific to the Senate administration.

Hon. Pierrette Ringuette: Would the honourable senator take a few questions?

Senator Housakos: Absolutely.

Senator Ringuette: I had heard in the halls that there was this process going on. In regard to the policies and the rules, I can understand that you are talking about consolidation into a more adequate form of management. Can you give us a few examples of these rules and how they are now rolled into policies, as you indicated?

Second, you will recall that over a year ago in this chamber we had a major issue in regard to independent senators maybe being evacuated from their offices, and the assignment of senators' offices was under the purview of the whip of the opposition. Has that been changed?

Those are two major questions. I might have a few more.

Senator Housakos: An umpteen number of rule changes have been rolled into the policies, and we can sit here and review them for days. We had an exhaustive review of these by the working group that met many hours over the summer and fall to make these proposals. A great deal of time was spent reviewing by members of Internal Economy to review every single line item.

A specific example of a policy would be our attendance record. As many colleagues know, for the longest time we have had a policy here in the Senate where attendance records were kept in hard copy only. They were provided by the media or public going to our Communications Director in the Chambers Building and making the request days in advance, just to give you an archaic example.

We've made that public now. As we have disclosed, it will be on our public disclosure mechanism. Our attendance records will also be made public in that way, efficiently, effectively and transparently.

That will apply to many other rules. Also for the first time —, it's historic — our SARs and policies will be on a website for everyone in the public, every senator and every staff member to peruse, and if they have questions, to ask the administration.

Another change in approach is in the recommendations that came forward. There will be a regular instance where training will be provided to our staff. That has been incorporated as well. We intend to be more intense about that.

There was another question in regard to —

Senator Ringuette: Office assignments.

Senator Housakos: My recollection is that there were no changes in terms of the office assignments. It's still in the purview of the whips, in my understanding. I believe it's based on seniority. I'm going on my recollection, but I don't think there have been any changes on the office assignment process.

Senator Ringuette: I'm coming back to that particular issue because it has been raised in this chamber quite a number of times. With regard to the independent group and independent senators not within a group, wouldn't the honourable senator think it's kind of bizarre management-wise that senators would have to rely on the whip of the official opposition to have assigned offices?

I understand Senator Plett and Senator Jaffer have done an extensive review, but that particular issue, at least from my perspective, is a sensitive one, and no partisan or non-partisan caucus should have that responsibility. It should be either under

the guise of the Speaker of the Senate or the Clerk of the Senate — an independent entity — so that the situation that occurred a year ago should not reoccur again.

It's in the guise of modernizing our policies and our rules. I am seeking clarification as to what happened with regard to the allocation of senators' offices. It has not been dealt with, modernized, in accordance with what was brought forth in this Senate Chamber over a year ago. The person responsible for that should be an arm's-length, independent person so that there is equity and we don't face any situation where one senator is expelled from his or her office because that responsibility and authority lies within the whip of one caucus.

Senator Housakos: Honourable senators, as everyone can appreciate, as Chair of Internal Economy, I try to be a barometer for consensus and not try to lead particular issues towards one direction or another.

I have full confidence that the working group that Internal Economy struck to deal with this has spent countless hours of looking line item by line item into every element of the office policy rules. I'm sure they must have tackled that issue as well.

Furthermore, I also want to highlight that that committee was representative of all caucuses, all individuals. I know for a fact that Senator McCoy had a key role in and made great contributions to that committee. I'm sure she probably addressed that issue, along with many others.

Again, let's just be clear here. This was an attempt to streamline the rules, streamline the documentation, and try to be more accountable and transparent. We were very broad and wide in consulting senators from various regions of the country, from both sides of the chamber and from all caucuses.

The objective here was to try to make the rules flexible enough for senators to do their job and be accommodating, transparent enough for the public to be able to see what we do and how we do it, and accountable enough to make sure that those rules are tight enough and are working within the interests of senators.

• (1700)

Now, I also want to highlight that nothing is cast in stone. This place is evolving, and the office administrative rules are evolving. If any of my colleagues are offended with any changes or anything that this final document has to put forward, by all means come before Internal Economy, and we'll be more than happy to address that issue in an open way.

(On motion of Senator Pratte, debate adjourned.)

[*Translation*]

ROYAL ASSENT

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

RIDEAU HALL

May 16th, 2017

Mr. Speaker:

I have the honour to inform you that the Right Honourable David Johnston, Governor General of Canada, signified royal assent by written declaration to the bills listed in the Schedule to this letter on the 16th day of May, 2017, at 4:02 p.m.

Yours sincerely,

Stephen Wallace

Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

Bills Assented to Tuesday, May 16, 2017.

An Act respecting National Seal Products Day (*Bill S-208, Chapter 5, 2017*)

An Act to implement the Comprehensive Economic and Trade Agreement between Canada and the European Union and its Member States and to provide for certain other measures (*Bill C-30, Chapter 6, 2017*)

(The Senate adjourned until tomorrow at 2 p.m.)

CONTENTS

Tuesday, May 16, 2017

PAGE

SENATORS' STATEMENTS

Murad Al-Katib
Congratulations on 2017 Oslo Business for Peace Award.
Hon. A. Raynell Andreychuk 3061

Visitor in the Gallery
The Hon. the Speaker. 3061

Dr. Zulfiqar Bhutta
Hon. Salma Ataullahjan 3061

National Fiddling Day
Hon. Elizabeth Hubley 3062

Visitors in the Gallery
The Hon. the Speaker. 3062

Les Impatients
Hon. Diane Bellemare. 3062

Global Centre for Pluralism
Hon. Mobina S. B. Jaffer 3063

Murad Al-Katib
Congratulations on 2017 Oslo Business for Peace Award.
Hon. Pamela Wallin 3063

ROUTINE PROCEEDINGS

Auditor General
2017 Spring Reports Tabled 3064

Commissioner of Official Languages
Certificate of Nomination and Biographical Notes Tabled.
Hon. Peter Harder 3064

Internal Economy, Budgets and Administration
Thirteenth Report of Committee Presented.
Hon. Leo Housakos 3064

The Estimates, 2017-18
Notice of Motion to Authorize National Finance Committee to Study Supplementary Estimates (A).
Hon. Diane Bellemare. 3064

Judicial Accountability through Sexual Assault Law Training Bill (Bill C-337)
Bill to Amend—First Reading 3064

Canada-United Kingdom Inter-Parliamentary Association
Canada-Europe Parliamentary Association
Bilateral Visit, March 13-17, 2017—Report Tabled.
Hon. Leo Housakos 3065

Fisheries and Oceans
Committee Authorized to Meet During Sitting of the Senate.
Hon. Fabian Manning 3065

Commonwealth Parliamentary Association
Westminster Seminar on Parliamentary Practice and Procedure, November 21-25, 2016—Report Tabled.
Hon. Elizabeth Hubley 3065

PAGE

Business of the Senate 3065

ORDERS OF THE DAY

Controlled Drugs and Substances Bill (Bill C-37)
Bill to Amend—Message from Commons—Amendments 3065

Canadian Jewish Heritage Month Bill (Bill S-232)
Third Reading—Debate Adjourned.
Hon. Linda Frum. 3066
Hon. Peter Harder 3066

Criminal Code (Bill S-237)
Bill to Amend—Second Reading—Debate Adjourned.
Hon. Pierrette Ringuette 3067

Business of the Senate
Hon. Mobina S. B. Jaffer 3070

Canadian Jewish Heritage Month Bill (Bill S-232)
Third Reading.
Hon. Mobina S. B. Jaffer 3070

Ban on Shark Fin Importation Bill (Bill S-238)
Bill to Amend—Second Reading—Debate Suspended.
Hon. Michael L. MacDonald 3071

QUESTION PERIOD

Business of the Senate 3074

Ministry of International Trade
North American Free Trade Agreement.
Hon. Larry W. Smith 3075
Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade. 3075
Competitiveness of Export Businesses.
Hon. Larry W. Smith 3075
Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade. 3075
Trade Agreements—Strategic Plan.
Hon. A. Raynell Andreychuk 3076
Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade. 3076
Market Diversification.
Hon. Paul J. Massicotte 3077
Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade. 3077
Innovation and Modernization.
Hon. Raymonde Saint-Germain. 3077
Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade. 3078
China's New Silk Road—Trans-Pacific Partnership.
Hon. Pamela Wallin 3078
Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade. 3078
Invest in Canada.
Hon. Claude Carignan 3079
Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade. 3079
Domestic Impact of International Investment.
Hon. Daniel Lang 3079

PAGE

Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade . . . 3079
Trade Agreements—Implementation.
Hon. Art Eggleton . . . 3080
Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade . . . 3080
Invest in Canada.
Hon. Pierrette Ringuette . . . 3080
Hon. François-Philippe Champagne, P.C., M.P., Minister of International Trade . . . 3081

Business of the Senate . . . 3081

ORDERS OF THE DAY

Ban on Shark Fin Importation Bill (Bill S-238)
Bill to Amend—Second Reading—Debate Adjourned.
Hon. Michael L. MacDonald . . . 3081

PAGE

Study on Issues Related to the Government's Current Defence Policy Review
Tenth Report of National Security and Defence Committee—Debate Continued.
Hon. Mobina S. B. Jaffer . . . 3082

Legislative Work of the Senate
Inquiry—Debate Continued.
Hon. Yonah Martin . . . 3084

Business of the Senate
Hon. Diane Bellemare . . . 3085

"Sober Second Thinking" Proposal
Inquiry—Debate Adjourned.
Hon. Pamela Wallin . . . 3085

Internal Economy, Budgets and Administration
Twelfth Report of Committee—Debate Adjourned.
Hon. Leo Housakos . . . 3086
Hon. Pierrette Ringuette . . . 3087

Royal Assent . . . 3088

Published by the Senate

Available on the Internet: http://www.parl.gc.ca