



# DEBATES OF THE SENATE

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OFFICIAL REPORT  
(HANSARD)

Tuesday, June 11, 2013

The Honourable NOËL A. KINSELLA  
Speaker

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## THE SENATE

Tuesday, June 11, 2013

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

Prayers.

### SENATORS' STATEMENTS

#### INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION COMMITTEE

**Hon. David Tkachuk:** Honourable senators, today I resigned as Chair of the Standing Committee on Internal Economy, Budgets and Administration effective at the end of the sitting day on Thursday, June 13. As many of you know, I will be undergoing preventive treatment for cancer beginning next week. Because that treatment will take me through the summer and there is no guarantee of success, it makes it impossible for me to fulfill my duties as chair in these very demanding times.

It is in the best interests of the committee and of the Senate that I step down as chair, although I will remain as a member of the committee. I believe the Senate cannot run the risk of a chair being unable to call a meeting because of illness when the Senate is not sitting.

This is not a decision I came to easily. I do not like to leave jobs unfinished, but at the same time I do not want to add to the committee's problems. Given the present preoccupation of the committee, its chair needs to be available to deal with situations as they unfold, whether that means meeting next week or meeting over the next few months when the Senate is not sitting. Given my present state of health, there is no guarantee that I would be available for these meetings.

When I became chair, I undertook to represent the whole Senate. All the initiatives the committee undertook had the support of all committee members: the continuing focus on audits throughout the Senate, the thorough examination by the Auditor General, the rewriting of the travel rules in 2012, the new location for the Senate when the Centre Block is refurbished and negotiations with the house over a single security force. All these matters and others we dealt with in a collaborative fashion with senators on both sides.

I want to thank the other members of the committee, in particular Senator George Furey and Senator Carolyn Stewart Olsen, my fellow members of steering. Carolyn in particular has been as steadfast a colleague as I could have hoped for, and I could not have asked for any better by my side. She has been there every step of the way.

I want to thank Senator Furey, who preceded me as chair. I believe that we undertook a very collaborative approach when he was chair and I was deputy chair, and we have continued that approach until now.

I want to thank the Clerk, Gary O'Brien, with whom I have worked for the last three years, as well as the staff and many others in administration.

I want to thank the leadership, Senator LeBreton, for appointing me, and I also want to thank especially my Conservative colleagues on the committee whose support has been unwavering. That is no easy task; I can tell you that.

I would also like to thank my Liberal colleagues on the committee who became friends over time. I thank them for all their wise advice and their continuing support through the roughest of times. It has been a rewarding experience and I would not trade it for anything.

Thank you, senators.

**Hon. Senators:** Hear, hear!

#### THE LATE MR. ERSKINE SMITH

**Hon. Catherine S. Callbeck:** Honourable senators, my home province of Prince Edward Island lost a great talent and an exceptional man this past weekend, Mr. Erskine Smith, who passed away Saturday night at the age of 67.

Erskine was a founder of the Victoria Playhouse, Prince Edward Island's longest-running little theatre, and had served as artistic director since the theatre opened in 1982. He was a director and a playwright, staging his own one-man shows, *The Most Amazing Things* and *Maritime Brew — Fibs, Fables and Outright Facts*, that have aired on CBC national radio, as well as in theatres and community halls in the Maritimes. He was also a performer, whose credits include *Till it Hurts* and *Honestly! The Songs and Stories of Nancy White & Erskine Smith*.

With a keen wit and knack for delivering a punch line, Erskine was well known for his gifted storytelling. He told stories about people that were funny and engaging, conveying history and experiences to Islanders and visitors alike. In an interview more than 10 years ago, Erskine described how he was inspired for his stories. He said, "You never know when a story's going to come to you, but mostly they walk up on two legs." Real people were the key to Erskine's storytelling, and, as an audience, we saw a bit of ourselves in the characters he brought to life on stage.

Beyond the theatre, Erskine was very involved in his community and province. He had been a municipal councillor, an instructor at Seniors College, and past president of the Playwrights Atlantic Resource Centre. He also served in various capacities with the Tourism Industry Association of Prince Edward Island, the East Coast Music Association, and the Rural Beautification Society. Just last year, he was honoured for his contributions to the arts and to his province with a Queen Elizabeth II Diamond Jubilee Medal.

This coming summer theatre season will not be the same. Erskine was already booked for a number of shows this summer, including *The Storytelling Series* for the PEI Mutual Festival of Small Halls, and *Two Alans and an Erskine*, with Alan Buchanan and Allan Rankin at the Victoria Playhouse. There is no doubt that his loss will be deeply felt by the theatre community and all who had the great pleasure of knowing him. I offer my deepest condolences to his wife Pat, to his family, and to his many loved ones and friends.

• (1410)

### THE LATE MR. PAUL CELLUCCI

**Hon. Donald H. Oliver:** Honourable senators, I rise today to pay tribute to an outstanding American politician and diplomat, and great friend to Canada, Paul Cellucci. Mr. Cellucci passed away on June 8 at his home in Massachusetts of complications from ALS, also known as Lou Gehrig's disease. He was only 65 years old.

In Canada, Paul Cellucci was best known as American Ambassador to Canada from 2001 to 2005. In the United States, he was best known as the sixty-ninth Governor of Massachusetts from 1997 to 2001. Prior to his governorship, he also served as Lieutenant-Governor of Massachusetts, member of the Massachusetts Senate, and member of the Massachusetts House of Representatives. In fact, Mr. Cellucci, a Republican, holds the distinction of never losing an election over his three decades of elected office — an impressive feat, considering that Massachusetts traditionally votes for the Democratic Party.

I had the opportunity to meet Mr. Cellucci on a number of occasions during his ambassadorship. He was a very bright and insightful man who showed great conviction and professionalism.

Honourable senators, there has been a massive outpouring of love and affection for Mr. Cellucci in both the United States and Canada. He was greatly respected and admired by many. Canadian Foreign Affairs Minister John Baird said this:

I had the chance to work with Ambassador Cellucci when I was a minister in the province of Ontario. I can attest to the fact he was a great friend to Canada, and we are grateful for his contributions to the bilateral relationship, both as ambassador and as governor of Massachusetts.

Indeed, Mr. Cellucci was Ambassador to Canada at the time of 9/11. He helped to strengthen the relationship between our two nations during a time of crisis. In a joint statement, former Presidents Bush — father and son — who were both close friends with Mr. Cellucci, said:

This son of Hudson, Massachusetts, was a close and loyal friend, a superb public servant, and a devoted family man — and our admiration for the way he served throughout his life, and fought a dreaded disease at the end, knows no bounds.

He was admired and well liked outside the political spectrum. A good friend of mine from Toronto, Sunir Chandaria, who knew him intimately, said:

Ambassador Cellucci has certainly touched the lives of many people of different backgrounds and across national boundaries.

[He] truly was an outstanding and dedicated politician who understood the importance of civic service from a young age. He was committed to his cause and prepared to do the right thing in instances where it meant deviating from the traditional ideology. It is for this reason that the formidable Governor eventually gained status as a Diplomat charged with the important relationship with Canada....

He will forever be remembered as one of the great Americans of his generation and an outstanding citizen of the world! A wise man, he was prepared to pursue justice and remain true to himself to the very end.

Honourable senators, please join me in paying tribute to Mr. Paul Cellucci and in offering deepest condolences to his wife Jan, his two daughters and their family.

**Hon. Wilfred P. Moore:** Honourable senators, I also rise to pay tribute to His Excellency A. Paul Cellucci, who departed this life in his hometown of Hudson, Massachusetts, on Saturday, June 8, 2013, after a five-year battle with amyotrophic lateral sclerosis, commonly called Lou Gehrig's disease. He was 65 years of age.

I knew Paul Cellucci. Like so many other people from the Boston States, he was a good friend. Born into a close-knit Italian-American family, he worked his way through school and earned his law degree from Boston College Law School while serving as a member of the Reserve Officers Training Corps, from which he received an honorable discharge in 1978, attaining a captain's rank.

Paul was undefeated in his long political career, which began at age 21 when he was elected to the Hudson charter reform commission and then to the Hudson board of selectmen. In 1976, he was elected a state representative and in 1984 a state senator. In 1990, Paul was elected Lieutenant Governor of the Commonwealth of Massachusetts, and in 1997 he became acting governor. In 1998, Paul was elected governor in his own right.

It has been said that he was the only governor in the past few decades to speak with a distinct Massachusetts accent. Those broad Rs were sometimes so thick you had to cut them with a knife.

On April 17, 2001, Paul was appointed U.S. Ambassador to Canada by President George W. Bush. He was a typically moderate New England Republican, fiscally conservative yet middle-of-the-road on many social issues. Those values carried him well in his career at home and during his service to his country while in Canada. He served as ambassador until 2005, and in 2006 he returned to the practice of law in Boston.

Paul Cellucci was U.S. Ambassador to Canada on 9/11, a critical time in Canada-U.S. relations. He used his keen political skills to build a bridge between the Liberal Canadian government and his president, who was not popular in Canada. Upon those September 11, 2001, attacks, Canadian airports agreed to take in more than 200 airplanes diverted from the United States, and Canadian citizens opened their doors to thousands of stranded passengers and crew. He helped to manage that phenomenal hospitality, and he travelled the breadth and width of Canada to thank people.

We shall all remember Paul co-hosting with then Prime Minister Jean Chrétien the rally on Parliament Hill when more than 100,000 people turned out to show their support for their American neighbours to the south.

He never forgot his roots or his homeland. At times, he was as firm as he needed to be in representing his country. Yet, in his memoir, *Unquiet Diplomacy*, a highlight of his career was that outpouring of support he experienced that day in Ottawa and for which he remained ever grateful.

We thank Paul Cellucci for his service and friendship. We express our respect and heartfelt sympathy to his spouse Janet, and their family at this time of premature great loss.

## SENATE ADMINISTRATION

### STAFF RECOGNITION AWARDS

**Hon. Mobina S. B. Jaffer:** Honourable senators, on Friday, June 7, I had the privilege of participating in the Senate's annual Staff Recognition Awards ceremony. I joined Senator Cowan, Senator Tkachuk and several other honourable senators in celebrating the hard work and accomplishments of the remarkable people who help us to serve Canadians. The ceremony, organized through the Senate Human Resources Directorate and led by Reina Bernier, recognizes the outstanding achievements and contributions made by Senate employees throughout the year.

Till Heyde, from the Chamber Operations and Procedure Office, won the Speaker's Award for Excellence.

Nadia Charania, who has led my team since 2009, and Karma MacGregor, from Senator Marshall's office, shared the Leadership Award.

The Senate awarded the Community Service and Humanitarian Award to the staff involved in the Friends of the Senate program: Claudine Carrière, from the Finance and Procurement Directorate; Ermina Stoianovici, from the Human Resources Directorate; Marie France Bonnet, from the Office of the Law Clerk; Helen Krzyzewski, from Senator Enverga's office; Gisèle Seikaly, from Senate Protective Services; and Nadia Charania, from my office.

[ Senator Moore ]

Monique Malette, from Senate Protective Services, won the Client Service Award; Maria Hernandez, from Building Services, won the Team Spirit Award; Sébastien Payet, from Senator Joyal's office, won the Diversity Award; Jim Cooke and Manelia Kaazan, from the Information Services Directorate, won the Innovation and Suggestion Award. The Client Services Centre won the bouquet award. Lynn Sowa, from the Human Resources Directorate, won the Clerk's Appreciation Award; and Roger Laframboise, from the Information Services Directorate, won the Clerk's Recognition Award.

Another very special and very important member of my team was also recognized at last week's ceremony. Biko Melville is a proud member of the Friends of the Senate program and for the past eight months has been a member of my team. If you ask the rest of my staff what their favourite day of the week is, they will most likely respond "Friday" because that is when Biko comes to the office to work with us.

Honourable senators, I would like to thank Reina Bernier and her team at the Senate Human Resources Directorate for organizing such a wonderful ceremony. I would also like to thank Gary O'Brien, Clerk of the Senate, for his ongoing support and leadership. I am proud of the great work we do in the Senate, and I am eternally grateful to all who help to make that work possible.

Honourable senators, please join me in congratulating the nominees and recipients of this year's Senate Staff Recognition Awards for their hard work and commitment.

**Hon. Senators:** Hear, hear!

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## ROUTINE PROCEEDINGS

### AUDITOR GENERAL

#### COMPREHENSIVE AUDIT OF SENATE EXPENSES INCLUDING SENATORS' EXPENSES— LETTERS TABLED

**The Hon. the Speaker:** Honourable senators, with leave of the Senate, I have the honour to table correspondence with the Auditor General of Canada, including his letter advising that he accepts the invitation of the Senate to conduct a comprehensive audit of Senate expenses including senators' expenses.

Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

[Translation]

### INFORMATION COMMISSIONER

#### ACCESS TO INFORMATION ACT AND PRIVACY ACT— 2012-13 ANNUAL REPORTS TABLED

**The Hon. the Speaker:** Honourable senators, I have the honour to table, in both official languages, the 2012-13 annual reports, pursuant to section 72 of the Access to Information Act and section 72 of the Privacy Act.

[English]

• (1420)

### BREAST DENSITY AWARENESS BILL

#### TWENTY-FIFTH REPORT OF SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY COMMITTEE ON SUBJECT MATTER TABLED

**Hon. Kelvin Kenneth Ogilvie:** Honourable senators, I have the honour to table, in both official languages, the twenty-fifth report of the Standing Senate Committee on Social Affairs, Science and Technology, which deals with the subject matter of Bill C-314, An Act respecting the awareness of screening among women with dense breast tissue.

**The Hon. the Speaker:** Honourable senators, before calling the next item, I remind you of the order adopted by the Senate on February 28 in relation to this bill, Bill C-314. The last paragraph reads as follows:

That the Order to resume debate on the motion for the second reading of the bill not appear on the *Order Paper and Notice Paper* until the committee has tabled its report on the subject matter of the bill.

Accordingly, the order for resuming debate on the motion for second reading of Bill C-314 will be restored to the Orders of the Day for the next sitting.

[Translation]

### CANADIAN HUMAN RIGHTS ACT CRIMINAL CODE

#### BILL TO AMEND—TWELFTH REPORT OF HUMAN RIGHTS COMMITTEE PRESENTED

**Hon. Mobina S. B. Jaffer,** Chair of the Standing Senate Committee on Human Rights, presented the following report:

Tuesday, June 11, 2013

The Standing Senate Committee on Human Rights has the honour to present its

#### TWELFTH REPORT

Your committee, to which was referred Bill C-279, An Act to amend the Canadian Human Rights Act and the Criminal Code (gender identity), has, in obedience to its

order of reference of Wednesday, May 29, 2013, examined the said bill and now reports the same without amendment.

Respectfully submitted,

MOBINA S. B. JAFFER  
*Chair*

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

(On motion of Senator Carignan, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.)

### THE ESTIMATES, 2013-14

#### SUPPLEMENTARY ESTIMATES (A)—TWENTY-FIRST REPORT OF NATIONAL FINANCE COMMITTEE TABLED

**Hon. Joseph A. Day:** Honourable senators, I have the honour to table, in both official languages, the twenty-first report of the Standing Senate Committee on National Finance on the expenditures set out in the Supplementary Estimates (A) for the fiscal year ending March 31, 2014.

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

[English]

### ECONOMIC ACTION PLAN 2013 BILL, NO. 1

#### TWENTY-SECOND REPORT OF NATIONAL FINANCE COMMITTEE ON SUBJECT MATTER TABLED

**Hon. Joseph A. Day:** Honourable senators, I have the honour to table, in both official languages, the twenty-second report of the Standing Senate Committee on National Finance, which deals with the subject matter of Bill C-60, An Act to implement certain provisions of the budget tabled in Parliament on March 21, 2013 and other measures.

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

[Translation]

### YALE FIRST NATION FINAL AGREEMENT BILL

#### FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-62, An Act to give effect to the Yale First Nation Final Agreement and to make consequential amendments to other Acts.

(Bill read the first time.)

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

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, with leave of the Senate, I move that the bill be placed on the Orders of the Day for second reading at the next sitting of the Senate.

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

**Hon. Senators:** Agreed.

(On motion of Senator Carignan, bill placed on the Orders of the Day for second reading at the next sitting of the Senate.)

[English]

## ECONOMIC ACTION PLAN 2013 BILL, NO. 1

### FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-60, An Act to implement certain provisions of the budget tabled in Parliament on March 21, 2013 and other measures.

(Bill read first time.)

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

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

[Translation]

## CANADA-FRANCE INTERPARLIAMENTARY ASSOCIATION

### ANNUAL MEETING, APRIL 7-11, 2013—REPORT TABLED

**Hon. Claudette Tardif (Deputy Leader of the Opposition):** Honourable senators, I have the honour to table, in both official languages, the report of the Canadian Delegation of the Canada-France Interparliamentary Association respecting its participation at the 39th Annual Meeting of the Canada-France Interparliamentary Association, held in Bordeaux and Paris, France, from April 7 to 11, 2013.

## L'ASSEMBLÉE PARLEMENTAIRE DE LA FRANCOPHONIE

### MEETING OF THE POLITICAL COMMITTEE, APRIL 10-11, 2013—REPORT TABLED

**Hon. Pierrette Ringuette:** Honourable senators, I have the honour to table, in both official languages, the report of the Canadian Delegation of the Assemblée parlementaire de la Francophonie (APF) respecting its participation at the Meeting of the Political Committee of the APF, held in Rabat, Morocco, on April 10 and 11, 2013.

## MEETING OF THE EXECUTIVE COMMITTEE AND FIRST INTERSESSIONAL MEETING OF THE NETWORK OF WOMEN PARLIAMENTARIANS, APRIL 25-26, 2013—REPORT TABLED

**Hon. Pierrette Ringuette:** Honourable senators, I have the honour to table, in both official languages, the report of the Canadian Delegation of the Assemblée parlementaire de la Francophonie (APF) respecting its participation at the Meeting of the Executive Committee and at the First Interseasonal Meeting of the Network of Women Parliamentarians of the APF, held in Dakar, Senegal, on April 25 and 26, 2013.

[English]

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

### COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

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

That the Standing Committee on Internal Economy, Budgets and Administration have the power to sit at 6 p.m. today, even though the Senate may then be sitting, and that rule 12-18(1) be suspended in relation thereto.

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

**Hon. Senators:** Agreed.

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

**Some Hon. Senators:** Agreed.

**The Hon. the Speaker:** Honourable senators, there was a request for an explanation.

**Senator Tkachuk:** The Auditor General will be appearing tonight at the Internal Economy Committee. He is not available on Wednesday or Thursday; therefore, we have to deal with him today.

**The Hon. the Speaker:** Is it agreed?

**Hon. Senators:** Agreed.

(Motion agreed to.)

## THE SENATE

### NOTICE OF MOTION TO STRIKE SPECIAL COMMITTEE ON RESIDENCY REQUIREMENTS FOR SENATORS

**Hon. James S. Cowan (Leader of the Opposition):** Honourable senators, I give notice that, two days hence, I will move:

That a Special Committee on the Residency Requirements for Senators be appointed to consider the constitutional requirement of Senators to reside in their province or territory of appointment, and in particular the meaning of the term "Residence" for the purposes of section



31(5) and the term “resident in the Province” for the purposes of section 23(5) of the *Constitution Act*, 1867;

That the committee be composed of nine members, to be nominated by the Committee of Selection and that four members constitute a quorum;

That, the committee have power to send for persons, papers and records; to examine witnesses; and to print such papers and evidence from day to day as may be ordered by the committee;

That, notwithstanding rule 12-18(2)(b)(i), the committee have power to sit from Monday to Friday, even though the Senate may then be adjourned for a period exceeding one week;

That the committee have power to retain the services of professional, clerical, stenographic and such other staff as deemed advisable by the committee; and

That the committee be empowered to report from time to time and to submit its final report no later than October 31, 2013.

**Senator Callbeck:** Honourable senators, with all due respect, the leader really has not answered the question as to why we are spending millions of taxpayers’ dollars advertising a program that does not even exist. If the program goes ahead, it will not be fully implemented until 2017. It is not addressing the real labour market challenges that we are facing today. The worst part of it is that we are spending taxpayers’ dollars on a program that does not exist.

We already know that each of those ads that was aired on television, during the hockey series, cost about \$100,000 a spot. To put that into perspective, each one of those ads could have funded 32 student jobs under the Canada Summer Jobs Program. Therefore, there are better uses for taxpayers’ money than advertising a program that does not exist.

When will the government stop wasting money on these ads and use those dollars to create jobs and help real people?

**Senator LeBreton:** First, honourable senators, it is not a waste of money to try to get provinces, business and, of course, the government involved in providing a program that will provide the proper skills, put people on the right track, and also inform them of good, durable jobs because, as we know, there are many places in the country where there is a severe shortage of job skills.

This program was very well received and there has been a lot of interest. Of course, when the minister announced this, he said at the time that he was working with the provinces to implement this program. Thus far, the majority of provinces have indicated a lot of support for the program.

• (1430)

## QUESTION PERIOD

### HUMAN RESOURCES AND SKILLS DEVELOPMENT

#### EMPLOYMENT PROGRAMS—ADVERTISING

**Hon. Catherine S. Callbeck:** Honourable senators, my question is for the Leader of the Government in the Senate. I am sure that most of us have seen the government’s ads on television touting a program — the Canada Jobs Grant — that does not even exist.

The proposal is not even included in any legislation in either house of Parliament. It still needs to be negotiated with the provinces. Many of the provinces are expressing concern. In fact, Quebec has said it will not participate at all.

My question is this: Why is the government wasting millions of dollars on television programming to advertise a program that does not even exist?

**Hon. Marjory LeBreton:** Actually, honourable senators, that is not accurate. This was a program announced by the Minister of Finance and, of course, we sought to include the private sector and provincial and other levels of government. At the time of the announcement, it was extremely well received by most provinces and, certainly, by the business community.

### NATIONAL DEFENCE

#### INVESTIGATION OF JOURNALIST

**Hon. Terry M. Mercer:** Honourable senators, I can understand, in a government cloaked in secrecy and plagued by scandal, how some over there might get paranoid. However, it was revealed last week that Minister MacKay ordered a national security investigation into a journalist for publishing publicly available information. This was a ridiculous waste of resources, even more ridiculous than the minister’s Cormorant flight. It is no wonder DND cannot meet the Prime Minister’s spending targets.

How long is the Prime Minister going to keep standing by this incompetent and wasteful minister?

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, there is a simple answer to that question. Minister MacKay did no such thing.

**Senator Mercer:** Honourable senators, the National Investigation Service has an important job to do, as do CSIS and the RCMP. So soon after Canada has been embarrassed by a real security scandal, we now learn that Minister MacKay is using our limited resources to hunt down imaginary leaks of unclassified, publicly available information.

How many hours and how much money has been wasted on this? Did it pull people away from doing their real security jobs?

**Senator LeBreton:** I already answered that, honourable senators. Minister MacKay ordered no such thing.

**Senator Mercer:** Well, that is what you say.

**An Honourable Senator:** Try again.

#### PRIME MINISTER'S AIRCRAFT

**Hon. Terry M. Mercer:** Honourable senators, speaking of money wasted, the Prime Minister's plane underwent a cost-neutral paint job, or so we thought when it was revealed that it actually cost \$50,000. However, is that the real cost? No, the real cost would be upwards of \$100 million, because that paint job rendered a once useful military plane useless for our military operations around the globe. Why? To make the Prime Minister look more attractive when he travels around the globe.

How can the government justify transforming a military plane into a luxury coach for the Prime Minister?

**Hon. Marjory LeBreton (Leader of the Government):** Again, your facts are wrong, Senator Mercer. That particular aircraft is used almost exclusively for the transport of the Prime Minister, the Governor General, the Royal Family and other officials on their various important activities on behalf of the Government of Canada and the people of Canada. The aircraft has, of course, been painted as part of its general regular maintenance program. Of course, as I am very proud to say, it has been painted in the proud colours of the Royal Canadian Air Force.

#### PUBLIC SAFETY

##### CROSS-CULTURAL ROUNDTABLE ON SECURITY

**Hon Mobina S. B. Jaffer:** Honourable senators, my question is also for the Leader of the Government in the Senate. On April 23, I had asked her a question about the Cross-Cultural Roundtable on Security, and I will repeat what she said:

I understand that the round tables are continuing, but I will take the question as notice to assure the honourable senator and me that that is the case.

May I please ask the leader when I may expect an answer on that?

**Hon. Marjory LeBreton (Leader of the Government):** Thank you, Senator Jaffer. As a result of your further inquiry today, I will certainly check to see when an answer could be forthcoming.

**Senator Jaffer:** Thank you very much, leader. I really appreciate it.

#### INTERNATIONAL COOPERATION

##### PROGRAMS TO END OBSTETRIC FISTULA

**Hon. Mobina S. B. Jaffer:** Honourable senators, my real question today is about fistula. I have a very detailed question. With the Senate's and the leader's permission, I will send it to her office instead of reading it all in detail here.

There is no way I would expect her to have an answer to that. That would not be reasonable, so may I please ask that, as soon as she is able, would she kindly tell me what Canada is doing to prevent fistula in Africa?

**Hon. Marjory LeBreton (Leader of the Government):** I look forward to your long, detailed question, Senator Jaffer, and I will certainly make every effort to provide an answer before we break for the summer.

#### ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

##### SUPPORT FOR ABORIGINAL COMMUNITIES

**Hon. Jim Munson:** Honourable senators, my question is for the government leader in the Senate. Today is five years after the historic day when the Prime Minister made his residential schools apology. Chief Atleo, head of the Assembly of First Nations, and all Aboriginal Canadians are not very happy at all.

Chief Atleo says there is a continuing colonial notion that the governments know best for First Nations. What Chief Atleo was saying is that we must break the pattern once and for all. Actions must match words. I have a number of questions.

When Chief Atleo says that actions must match words, the government does not seem to have satisfied Chief Atleo at all since the apology five years ago.

• (1440)

**Hon. Marjory LeBreton (Leader of the Government):** First of all, honourable senators it was a historic day. Many governments over many decades, including governments that you were associated with, absolutely did not apologize. I thought it was a very moving day and one that our government is very proud of.

Honourable Senator Munson would know this: The various issues facing our Aboriginal communities are complex and have been so for many years, but we have been working in partnership with First Nations for seven consecutive years. We are proud of the concrete steps we have taken to improve living conditions and economic opportunities for Aboriginal communities.

I will just put on the record some of the things the government has done. We have built and renovated hundreds of schools; increased funding for child and family services; settled over 80 outstanding land claims; built over 10,000 homes and renovated thousands more; invested in safe drinking water; and invested in over 700 projects that are linking Aboriginals across Canada with job training, counselling services and mentorship programs.

Economic Action Plan 2013, which we have before us, demonstrates our commitment to shared priorities and how we will continue to invest in measures that will contribute to stronger First Nations communities such as linking communities to power grids; improving broad band connectivity in remote communities; building roads and bridges; building new homes in Nunavut; and providing scholarships and bursaries to First Nations and Inuit students.

While we made significant progress, Senator Munson, we do recognize there is an incredible amount of work to be done. We will continue to work with our Aboriginal leaders, starting with Shawn Atleo, who has indicated his willingness to work with the government to create jobs and economic opportunities and create conditions for much stronger and more viable First Nations communities across the country because, as we have said many times, we want the opportunities available to all Canadians to be available to our First Nations people.

**Senator Munson:** That is your list. Here is mine. For Chief Atleo, as I mentioned to you — you did not really answer the question — the apology was just one step. You went back in history and said they were moving times. Everyone respects that your government apologized, but First Nations, Inuit and Metis groups have all advocated for increased funding for education to address the gap between Aboriginal students attending schools on reserve with those in provincial school systems. It is pretty simple: match that.

The government is fighting the Assembly of First Nations. This is Shawn Atleo, the chief you are talking about. You are fighting them and other groups in a child welfare case before the Canadian Human Rights Tribunal. All of these calls for a national inquiry into missing and murdered indigenous women from many individuals, including Senator Lovelace Nicholas and Senator Dyck, have gone unanswered. Answer that.

Last fall the government announced that core funding for national Aboriginal groups would be cut by 10 per cent next year — answer that — while regional organizations will face either a 10 per cent cut or a ceiling of \$500,000. Forty-three affected groups were notified in writing last week, and some, including the Assembly of First Nations, talking about Chief Atleo again — and you are talking about collaboration; I do not see it — are now facing cuts of 30 per cent to their budgets. Answer that.

Madam Leader, when will the cuts end and real efforts to help Aboriginal Canadians begin?

**Senator LeBreton:** I do believe, and the record will show, — that there have been unprecedented expenditures to improve the situation for our Aboriginal citizens.

You mentioned the missing and murdered women. I have said many times in this place that this is a horrific situation, one that deserves the shock and horror of the whole nation. However, I have listed many actions we have taken to address these serious issues with regard to missing and murdered women, including working alongside Aboriginal communities to develop community safety plans, supporting the development of culturally appropriate victim services, and supporting the development of public awareness materials to help end the cycles of violence against Aboriginal women.

As you also know, there is a special committee in the other place studying this issue. Over the past seven years, our government has also passed over 30 specific measures to keep our streets and communities safe, without a lot of support from the opposition for our comprehensive justice agenda.

With regard to Aboriginal education — I addressed this issue a couple weeks ago in the Senate — Minister Valcourt met in April, along with the Province of Ontario and the Nishnawbe Aski First

Nation and signed an historic education agreement to benefit thousands of Ontario First Nations students. National Chief Atleo said this is a practical example of how Aboriginal peoples can improve their living conditions and work with governments. I think you are misrepresenting Chief Atleo to say that he is completely unhappy.

Obviously, as I mentioned a moment ago, we still have a great amount of work to do. We are responding to calls from the Auditor General and from a panel co-sponsored by the Assembly of First Nations for action on the development of a First Nations education act, and we provided new resources for new schools and programming for Aboriginal students. Of course, as I mentioned a moment ago, Budget 2013 designated new resources for scholarships, bursaries and personalized job skills training so that Aboriginal youth can take advantage of all the economic opportunities Canada has to offer.

Again, Senator Munson, we have achieved a great deal. Mr. Valcourt, Minister for Aboriginal Affairs and Northern Development, is very engaged with the various Aboriginal leaders and has a very good understanding of the issues and these files since he had responsibility for these files back in the Mulroney government. While we have a lot to do, it is fair to say that a great deal has been accomplished since June 11, five years ago.

#### TRUTH AND RECONCILIATION COMMISSION— GOVERNMENT COOPERATION

**Hon. Jim Munson:** Honourable senators, I have a third supplementary question.

Madam Leader, I think we are living in two different Canadas here. If 600 white women were murdered or had disappeared in this country, I have no doubt there would be more than just a public inquiry. You seem to be avoiding that question.

Here is what Chief Atleo said today in dealing with the Truth and Reconciliation Commission of this country. He said:

Our people are calling for a true and collective commitment to reconciliation that respects First Nations peoples and rights as the way to a stronger Canada.

Madam Leader, let us take the example of the Truth and Reconciliation Commission of this country. It was created using \$60 million from the compensation fund of the Indian Residential Schools Settlement Agreement, which settled that largest class-action lawsuit in Canadian history.

The Honourable Justice Murray Sinclair, Chair of the Truth and Reconciliation Commission, appeared before the Senate Standing Committee on Aboriginal Peoples last week to discuss the commission's progress. There is just over a year remaining. The commission's five-year mandate is set to expire July 2014. This is what Mr. Justice Sinclair explained:

The fact that the TRC has not yet received the majority of the documents in Canada's possession has the potential to compromise the ability of the commission to comply with its mandate, as well as the quality and extent of the commission's research and final report.

In the committee, Mr. Justice Sinclair went on to say:

With 13 months left in our mandate it is hard to imagine that the documents can be produced to us in time for them to contribute to this latter aspect of our mandate.

Madam Leader, the work of the Truth and Reconciliation Commission is central to strengthening the relationship between Aboriginal Canadians and the Government of Canada.

Can you explain, without going back into all of your selective history, why the government fought the commission's legitimate and reasonable request for documentation pertaining to its work?

**Hon. Marjory LeBreton (Leader of the Government):** Well, again, you were misinformed, Senator Munson. We are and have been —

**Senator Munson:** I am not misinformed.

**Senator LeBreton:** Well, you are. We are committed to a fair and lasting resolution to the legacy of the Indian residential schools. That is why, thus far, we have disclosed over 3.5 million documents to the Truth and Reconciliation Commission. The settlement agreement, as you properly state, is court-directed, and we will continue to honour and respect all the terms of that agreement.

• (1450)

There is no conflict here, Senator Munson. We have already provided 3.5 million documents. It is a court-directed program, and we certainly will continue to honour and respect the work of the court.

**Senator Munson:** I have a further quick supplementary question. I am not misinformed. Why can you not answer the question, madam leader, of what Justice Sinclair said? Are you, therefore, prepared to hand over all the documents they need to do their work? Can you just simply say "yes"? Would that not be nice for a change?

**Senator LeBreton:** I think I just answered that question when I said that 3.5 million documents have been handed over as a court-directed process, which we honour and respect, and we are continuing to work within that system.

**Hon. Lillian Eva Dyck:** Honourable senators, the Truth and Reconciliation Commission is doing incredible work for Canada, for all Canadians, and yet the TRC has had to take the Government of Canada to court in order to get an order to say that the documents they need should be brought forward by the Government of Canada. The Government of Canada was dragging its feet. Actions speak louder than words.

We had an apology, and I think that was wonderful; however, the government is not cooperating with the Truth and Reconciliation Commission. There is an anomaly there; can you admit that? The government is not fully cooperating with the Truth and Reconciliation Commission.

**Senator LeBreton:** I believe the government is cooperating with the commission. Three and a half million documents have already been turned over as a court-directed process, which we honour and respect.

**Senator Dyck:** The other aspect of this, of course, is that Justice Murray Sinclair and Commissioner Wilton Littlechild are concerned because it is a five-year mandate. If they do not get all the documents in time, they only have a year left.

If the government is so committed to supporting the Truth and Reconciliation Commission, will they support the idea that they will commit to an extension for the TRC because the TRC has not been able to get full cooperation in order to get all the documents they need to complete their mandate?

**Senator LeBreton:** I can only repeat what I just said, senator. This is a court-directed process. There have already been 3.5 million documents provided. We will honour and respect the terms of the agreement. Those are the facts. Unlike what you claim, I do not believe the government has dragged its feet on this at all.

#### BUDGET CUTBACKS

**Hon. Lillian Eva Dyck:** I have another supplementary question. With regard to the idea that actions speak louder than words, there have been funding cuts of \$1.7 million to the various Aboriginal organizations across Canada. Can the Leader of the Government in the Senate tell me whether she has looked for savings and efficiencies within Aboriginal Affairs and Northern Development Canada itself? Has that department suffered a 30 per cent cut in its budget?

**Hon. Marjory LeBreton (Leader of the Government):** With regard to budgeting — like all budgeting of the government, no matter what area it is in — we want to ensure that project funding for Aboriginal organizations is focused on the delivery of essential services and the delivery of programs in key areas.

Oftentimes, programs that were in place for a long period of time had outlived their lifespan, so we are instead focusing on the delivery of essential services and programs in key areas such as education, economic development and community infrastructure. These are shared priorities, and the decisions with regard to this funding are, of course, developed hand in hand with Aboriginal leadership.

#### TREASURY BOARD

##### AUDITOR GENERAL'S REPORT— ANTI-TERRORISM ALLOCATION

**Hon. James S. Cowan (Leader of the Opposition):** Honourable senators, more than a month ago, the Auditor General revealed that the Harper government could not account for \$3.1 billion of anti-terrorism spending. On May 9, in response to a question from my colleague Senator Day, you said this:

The honourable senator is right, and I can assure him that Treasury Board is seized of this matter. As I would like to know too, I will ask them, in the honourable senator's

name, to provide information on the process they are following to identify how this money was accounted for.

My question is not about the process that is followed. It is much simpler than that. You had this issue under consideration for over a month; you have all the resources of the federal government at your disposal. Have you found the \$3.1 billion yet?

**Hon. Marjory LeBreton (Leader of the Government):** All I can do, again, Senator Cowan, is say what the Auditor General said. The Auditor General was clear when he stated on April 30: “We didn’t find anything that gave us cause for concern that the money was used in any way that it should not have been.” That is the Auditor General.

The Auditor General also stated before a House of Commons committee on May 2:

The spending within the departments would have undergone normal control procedures in those departments. There are internal controls in departments about spending, and the department would go through all of those normal processes.

We didn’t identify anything that would cause us to say that we felt anything was going on outside of those processes.

As well, the Auditor General confirmed at committee that the opposition characterization of these funds as lost is inaccurate.

As I have said before, this matter relates to the categorization of expenses by Treasury Board between 2001, 2002, 2003, 2004, 2005 into 2006, and 2009. There is no indication that any dollars are missing, misappropriated or misspent.

Again, as I said, the Treasury Board Secretariat has accepted all of the Auditor General’s recommendations, and I can only report what the Auditor General said. Of course, there is no missing money. It is a matter of accounting between departments, and I am sure the Treasury Board is seized of it.

**Senator Cowan:** Madam leader, you referenced comments by the Auditor General on April 30 and also on May 2.

On May 2, my colleague in the other place, the honourable member for Humber—St. Barbe—Baie Verte, asked the Auditor General himself, when he appeared before the Public Accounts Committee in the other place. His question was the following:

Is there a risk that some of the \$3.1 billion may not have necessarily been spent on what Parliament had approved it for?

Here is what the Auditor General said in reply:

... it’s not possible, based on the information we have, to answer the question of whether anything was spent on things outside of these initiatives.

Honourable Gerry Byrne:

Mr. Ferguson, would you suggest to the committee that there is a risk, then?

Michael Ferguson:

I guess I would have to say there would be a risk because there is not enough information to answer the question completely.

In other words, leader, we do not know where the money was spent. You are the Leader of the Government in the Senate. You and your cabinet colleagues have all the resources of the Government of Canada at your disposal. Surely you can find out where that money was spent. You say with great assurance that it was not misspent. How do you know that if you cannot find it?

**Senator LeBreton:** I am relying on the words of the Auditor General when he was asked at committee about an opposition characterization of the funds as lost. He described that as inaccurate.

Again, I will quote him from that committee:

The spending within the departments would have undergone normal control procedures in those departments. There are internal controls in departments about spending, and the department would go through all of those normal processes.

We didn’t identify anything that would cause us to say that we felt anything was going on outside of those processes.

That was the Auditor General.

**Senator Cowan:** The Auditor General, in the quote that I just gave you, when he was asked by Mr. Byrne whether he could show that anything was spent on things outside the initiatives, said there would be a risk because there is not enough information to answer the question.

What steps have you taken, as Leader of the Government in the Senate and as a member of cabinet, to get the answer to that question?

**Senator LeBreton:** I already answered that. I said the Treasury Board had accepted the recommendations of the Auditor General. If it would help you, Senator Cowan, I will take your question as notice and ask the Treasury Board what they are doing with regard to those recommendations.

**Senator Cowan:** Thank you.

## ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

### TRUTH AND RECONCILIATION COMMISSION—GOVERNMENT COOPERATION

**Hon. Wilfred P. Moore:** I would like to pursue the questions of Senator Munson and Senator Dyck with regard to the Truth and Reconciliation Commission. Leader, you said that 3.5 million of the court-directed documents had been provided.

• (1500)

I would like to know how many documents were provided voluntarily. I would like to know why the commission had to go to court to get the documents. I would like to know if all of the documents that the court directed have been provided to the commission.

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, the process was court-directed. I said the government has already provided the 3.5 million documents. Then, in follow-up to that, I said this is a court-directed process, and the government honours and respects the court-directed process.

**Hon. Jim Munson:** Honourable senators, I have a point of clarification on the Leader of the Government in the Senate's statement.

Justice Sinclair said it was much less than 3.5 million documents. He says 2.6 million, so I do not know where the leader is getting the 3.5 million figure. He thinks it is because of duplicates that resulted in the 3.5 million figure, but he says 2.6 million. Could the honourable senator clarify that, please?

**Senator LeBreton:** Honourable senators, I am advised it is 3.5 million documents. I had not heard what Mr. Justice Sinclair said. I have been assured that the 3.5 million documents have been turned over to this process and that the government will continue to honour and respect the process.

[Translation]

## DELAYED ANSWER TO ORAL QUESTION

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, I have the honour to table the answer to the oral question asked by the Honourable Senator Mitchell on May 9, 2013, concerning Enbridge.

## NATURAL RESOURCES

### PROPOSED PIPELINE PROJECTS—SAFETY STANDARDS

*(Response to question raised by Hon. Grant Mitchell on May 9, 2013)*

The Enbridge pipeline company falls under the authority of the National Energy Board (NEB or the Board), Canada's independent pipeline regulator. The Enbridge pipeline system is the largest oil pipeline system in Canada, and runs from Edmonton to Montreal, with numerous connections to their US pipeline system at the Canada/US border.

The NEB's Onshore Pipeline Regulations (NEB OPR) require that pipelines meet Canadian Standards Association (CSA) standard CSA Z662-11. This standard requires that

pipelines have an emergency shutdown system (ESD). Further, the standard requires the ESD system to include a push button shutdown mechanism for pump stations. In addition, the NEB OPR requires that pump stations have an alternate source of power capable of operating the emergency shutdown systems (in case there is a power failure).

The Board, in its capacity as the expert regulator of approximately 100 pipeline companies in Canada, has advised Natural Resources Canada that there is no immediate safety issue, as the primary ESD systems are operating. Companies are required to comply at all times with all provisions of the NEB regulations and all applicable sections of the Canadian National Standard Z662-11. In this case, although the probability of a spill occurring at a pump station at the same time as a power failure is very low, it is still one that companies need to prepare for. Once the problem was identified, the NEB immediately ordered the company to fix it.

The Board is satisfied that Enbridge's Corrective Action Plan is reasonable considering the magnitude and complexity of the work required to address the non-compliances, and that the time frame for completion of the changes does not put the safety of Canadians and the protection of the environment at risk.

[English]

## ORDERS OF THE DAY

### SAFE DRINKING WATER FOR FIRST NATIONS BILL

#### MESSAGE FROM COMMONS—AMENDMENTS

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons returning Bill S-8, An Act respecting the safety of drinking water on First Nation lands, and acquainting the Senate that they had passed this bill with the following amendments, to which they desire the concurrence of the Senate:

1. *Page 2, clause 2:* Delete:
  - a) lines 12 and 13;
  - b) lines 21 to 23.
2. *Clause 14:* Delete clause 14.
3. *Schedule:* Delete schedule.

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

[ Senator Moore ]

**NATIONAL DEFENCE ACT****BILL TO AMEND—THIRD READING—  
DEBATE ADJOURNED**

**Hon. Vernon White** moved third reading of Bill C-15, An Act to amend the National Defence Act and to make consequential amendments to other Acts.

He said: Honourable senators, I am pleased to rise as we consider the third reading of Bill C-15, the Strengthening Military Justice in the Defence of Canada Bill.

As honourable senators can appreciate, this is a bill that has been a long time in the making. It is a bill that has been studied most carefully by the Standing Senate Committee on Legal and Constitutional Affairs, and I want to start by thanking the Chair, Senator Runciman, and the Deputy Chair, Senator Fraser, for their work and support as we worked our way through this legislation. As well, I would like to thank the critic on this bill, Senator Dallaire, for his involvement in the committee.

It is a bill that has been endorsed by the Canadian Armed Forces and by a number of notable legal experts, such as the esteemed former Ontario Chief Justice Patrick LeSage, who conducted the second independent review of the military justice system following the review conducted by Chief Justice Lamer in 2003.

The military justice system is integral to the operational effectiveness, the very *raison d'être*, of the Canadian Armed Forces. It serves to maintain discipline, efficiency and morale within Canada's military. The system deals expeditiously and fairly with service offences, while respecting the Canadian Charter of Rights and Freedoms, a fact that was reiterated most recently by Chief Justice LeSage during his committee testimony.

With this in mind, the legislation, as reported back by the committee, aims to implement a number of important amendments to enhance the military justice system, clarify the roles and responsibilities of the Canadian Forces Provost Marshal, and improve the military police complaints process, as well as the military grievance system. In doing so, this legislation addresses the outstanding recommendations of Chief Justice Lamer's 2003 review of the military justice system and provides a comprehensive update to this system, which has not taken place since 1998.

Honourable senators, let me begin by highlighting some of the improvements that this bill makes to the administration of military justice.

In my opinion, among the most noteworthy aspects of this legislation are the steps being taken to enhance the sentencing provisions in the National Defence Act. As an example, Bill C-15 improves how victims are treated by giving them the option of presenting victim impact statements and giving military judges the authority to order restitution. It expands the range of sentencing options available in the military justice system. It also takes steps to make the courts martial system more representative by expanding the pool of Canadian Armed Forces members

eligible to sit on a court martial panel. It sets an additional limitation period for holding summary trials, with charges required to be laid within six months of an alleged offence.

Moreover, as the Minister of National Defence explained during his committee testimony:

The Government also recognizes that certain offences resulting in a conviction before a service tribunal are not sufficiently severe to justify a record for the disciplined military members within the meaning of the Criminal Records Act. This proposed legislation will establish a list of 27 exempted offences that, depending on the severity of the punishment, will not result in a record for the disciplined member within the meaning of the bill.

National Defence estimates that this would exempt approximately 95 per cent of convictions before a service tribunal from resulting in a criminal record, thereby eliminating the need for the disciplined service member to apply for a record suspension — formally known as a pardon — for the offence.

While improvements to the military justice system are an important aspect of this bill, so too are the amendments proposed in the area of military investigations. For instance, it clarifies the position, duties and responsibilities of the Canadian Forces Provost Marshal, who commands the military police. It clarifies the relationship between the Provost Marshal, the military police and the chain of command, including the Vice-Chief of the Defence Staff.

Proposed paragraph 18.5(3) of the National Defence Act would further provide the ability for the Vice Chief of the Defence Staff to, under exceptional circumstances, issue instructions to the Canadian Forces Provost Marshal. For example, such an exceptional circumstance could pertain to investigations that are being carried out in an active area of operations.

This provision was a source of considerable discussion during committee, but I think that government officials, including the Provost Marshal himself, have explained quite well not only why this clause is necessary, but how it in fact serves to improve the independence of investigations in the military justice system first by recognizing the very real challenges posed within theatres of operation, and then by addressing them in a transparent and accountable manner.

In establishing a statutory mechanism for issuing such instructions, Bill C-15 enhances accountability by identifying the Vice Chief of the Defence Staff as the single authority for such instructions. It establishes a statutory requirement for these instructions to be issued in writing, and it increases transparency by requiring any such instructions to be made public, unless the Provost Marshal — not the chain of command — considers that it would not be in the best interests of justice to do so.

Finally, the Provost Marshal would have the ability to make an interference complaint to the Military Police Complaints Commission should he or she consider it to be required. Therefore, regardless of the operational complexity, there will always be a single point of contact, a single point of accountability, in the Vice Chief of the Defence Staff, with

ample procedural safeguards in place to ensure the independence of the Canadian Forces Provost Marshal and the military police in carrying out their investigative functions.

Honourable senators, I would also note that Bill C-15 makes some important improvements to the responsiveness of the Canadian Forces grievance system and the military police complaints process. For example, this bill allows the Chief of the Defence Staff to delegate his power as the final grievance authority where appropriate, thereby helping to resolve grievances more efficiently and effectively, while allowing the Chief of the Defence Staff to focus on those grievances with strategic consequences.

Further, at the request of the Canadian Forces Grievance Board, the bill recognizes the external nature of this body and amends the title of the organization to the Military Grievances External Review Committee.

Lastly, measures are also being proposed under Bill C-15 to enhance the timeliness and fairness of the military police complaints process. For example, this includes provisions to establish a time frame within which the Provost Marshal would be required to resolve conduct complaints.

Honourable senators, the amendments proposed in Bill C-15 are relevant, timely and critical. They also reflect what is, for me, the most striking theme of this bill, which is making the military justice system, its investigative mechanisms, the military grievance system and the independent military police complaints process as accessible and as fair as possible for every member of the Canadian Armed Forces, from the youngest private to the most seasoned general.

• (1510)

Put simply, the amendments proposed under Bill C-15 are past due and much needed. Once again, I urge honourable senators to support and to pass this important piece of legislation.

(On motion of Senator Tardif, debate adjourned.)

## WITNESS PROTECTION PROGRAM ACT

### BILL TO AMEND—SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Runciman, seconded by the Honourable Senator Eaton, for the second reading of Bill C-51, An Act to amend the Witness Protection Program Act and to make a consequential amendment to another Act.

**Hon. George Baker:** Honourable senators, I do not want to hold up this bill; I just have a few words. I understand this bill will be heard in committee tomorrow, the all-important stage of the bill.

Senator Runciman moved second reading, and I will, without hearing it, agree with everything he said. I think it received general approval in the House of Commons.

Senator Runciman has perhaps the longest history as a minister of government departments of anyone on Parliament Hill — former Solicitor General; former Minister of Public Safety; former Minister of Industry; former Minister of Trade; and former leader in the legislature in Ontario for the opposition, elected by his colleagues. He has had quite a remarkable career. I am sure he gave a very good speech on second reading on this particular piece of legislation.

I note, honourable senators, that this is one of the very few pieces of legislation on which Commons committees made recommendations. In this particular case, two Commons committees made recommendations for this bill. Unfortunately, none of the recommendations of the Commons committees are included in the bill itself. That is why it is important that it proceed to the Senate committee where the intention of Parliament is always determined, if one goes, as His Honour would know, as a former professor of law, where the Supreme Court of Canada goes quite often to find out the intention of Parliament.

We dealt with a bill here just a month ago, a judgment of the Supreme Court of Canada in the case of *Tse*, 2012 CarswellBC 985, in which Chief Justice McLachlin, of the Supreme Court of Canada, said at paragraph 28, under the heading “Intention of Parliament”:

It is clear from the overall context of the provisions in Part VI of the *Code* that Parliament intended to limit the operation of the authority under s. 184.4 to genuine emergencies. Evidence before the Standing Senate Committee on Legal and Constitutional Affairs....

It goes on, and then it quotes again: *Proceedings of the Standing Senate Committee on Legal and Constitutional Affairs*.

Then it goes on with more quotes and then it says: *Proceedings of the Standing Senate Committee on Legal and Constitutional Affairs*.

That is it. In the last one I read out from the Supreme Court of Canada about a month ago, there were four Senate committees quoted by the Supreme Court of Canada to determine the intention of Parliament. That is the heading: “Intention of Parliament,” paragraph 28. After the “Intention of Parliament,” the Supreme Court of Canada turns to the language of the section under review.

If we look to a month ago, honourable senators, the Supreme Court of Canada, 2013 Carswell, Ontario, 733, *Sun Indalex Finance, LLC*, at paragraph 81, under “Conclusion,” the Chief Justice quotes from the Standing Senate Committee on Social Affairs, Science and Technology, 2011, and then she says:

A report of the Standing Senate Committee on Banking, Trade and Commerce gave the following reasons for this choice...



Then the Standing Senate Committee on Banking, Trade and Commerce was quoted as the conclusion of the Supreme Court of Canada in that case, just two months ago: the intention of Parliament as determined by the Supreme Court of Canada.

We go to a recent judgment of last month, Supreme Court of Canada, in *R. v. TELUS Communications Company*, in which Parliament's intention was outlined.

Honourable senators, that was interesting because that case involved communications by texting. TELUS Communications Company in Canada had 10,000 requests for production orders, based on a suspicion, for the production of the communications by texting. When one reads that judgment, one sees that the Supreme Court of Canada examined the intention of Parliament in allowing a production order to be issued on a suspicion under section 487.012 (3), as His Honour is well aware, and whether or not that is enough to get to interfere with private communications from one person to another. It is a fascinating decision of the Supreme Court of Canada. It went practically unnoticed, of course, but it examines Parliament's intention and the difference between a suspicion and a belief.

I mention that, honourable senators, because it was just last week that the Senate passed a bill that involved contraband. The Senate fulfills a role that the House of Commons never did. It happens in every single Senate committee meeting when, at the end of the day, when the bill is completed, the question is asked by the chair: "Are there any observations?" They do not do that in the House of Commons. Invariably those observations, if they are good ones, show up later on in legislation.

Here, we had a Senate committee with two former police officers sitting on the committee — two famous police officers: Senator Dagenais, from the Sûreté du Québec, and, of course, the police chief, Senator White, who has served well.

To be quite honest, honourable senators, going back many years in Newfoundland and Labrador, I recall a very good friend of His Honour, Chief Justice Alex Hickman, who was the chief justice at that time. He was the Minister of Justice in the mid-1960s when I was the law clerk in the provincial legislature. He was great judge.

• (1520)

He made a determination, in 1985 as I recall, based not on fingerprint evidence but palm-print evidence. Senator White is beginning to smile. The judgment in that case, one of the first that I have seen based on palm-print evidence, said that Constable Vernon White of the RCMP had a penchant for palm-prints. It was used two years later in a very serious prosecution of an individual. After that, of course, Senator White went on to become the assistant commander of the RCMP, then he was the assistant head of personnel with the RCMP for Canada. One can see in case law that where every mistake made by an RCMP officer that was litigated civilly, Senator White's name was also on the lawsuit because he was one of the people in charge. One sees it today in case law when he became the police chief here in Ottawa; one sees his name also as part of a suit. I recall he became the police chief one day, and the next day a suit was issued against a particular police officer. Police Chief White

was mentioned because he should have trained the officer properly in his one day of service. However, I am getting off the subject.

We had Senator White sitting on the committee and we had Senator Dagenais sitting next to him. Senator Dagenais has 30 years of experience with the Sûreté du Québec. Before that, I understand his father was with the Montreal police.

We had the Ontario Provincial Police represented at the committee. We had a bill before us that attempted to bring in better legislation regarding the illegal importing of tobacco from the United States, contraband. A case was put to the director of the Ontario Provincial Police for eastern Ontario where a car came across the border at 3 a.m., followed by a truck, and an OPP officer had a suspicion that there was contraband aboard. He pulled the vehicles over to the side of the road and noticed an illegal cigarette pack on the floor. He wondered if he had enough grounds to search this vehicle. He went ahead and did it. He opened the back door and found 60,000 cigarettes in the back seat, plus there was a big truck behind. He then called the RCMP and customs.

At trial, all of that evidence was thrown out. The chief of police for eastern Ontario said, "Oh, that is not unusual." He said, "If we had gone there with a member of the RCMP or someone who was working with customs, it would have all been legal, because under the Customs Act and the Excise Tax Act, a suspicion is all that is required to do a search."

Here we had provincial police officers from Quebec and Ontario who did not have the authority of an RCMP officer, or a summer student employed with the Canada Border Services Agency at an airport, to search.

The mechanism is there in the Senate. It is outside of the legislation that we were considering. In the Senate, an observation is appropriate. I made an amendment that the Ontario Provincial Police force and the Sûreté du Québec should be given the same authority as an RCMP officer, but I was corrected by my good friend Senator Joyal, who said we cannot do that; we have to make it all provincial police forces in Canada. That was the recommendation, the observation from the Senate committee.

An observation is like something that is said in passing. We have the French words "*en passant*," which is a chess move where you move in front of someone; or, His Honour would say, *obiter dictum*, meaning "in passing." That is the same as an observation by a Senate committee.

That should be put on the record because I think we will see action on that in the future by a government, and again fulfilling a role that the Senate has and the Senate fulfills that the House of Commons does not have.

I know I have said a lot about this bill, but in conclusion, let me say that the Senate fulfills not only those two vital roles of the intention of Parliament and making observations that become law, but also our committee reports. I am pleased to report today that in 2013, in the last three or four months, we have had several Senate committees highlighted in judgments of our provincial

courts, our superior courts, our courts of appeal, and the Supreme Court of Canada. Unfortunately, no committee from the House of Commons is mentioned, but that is the way it has always been.

I might add that in a judgment of the Provincial Court of Nova Scotia, 2013 CarswellNS 111, the court highlights our Standing Senate Committee on Human Rights in making a determination.

In *R. v. Marnagh*, 2013 CarswellOnt 885, the Nolin report is again mentioned.

In the Nova Scotia case, the person who is mentioned is Senator Andreychuk, who I am sure is listening very carefully to what I am saying. Senator Andreychuk was mentioned by a Superior Court judge in Nova Scotia who passed judgment on Senator Andreychuk's conclusions in her committee report. It is interesting because Senator Andreychuk is a former family court judge, which is considered to be, as honourable senators know, a Superior Court judge in Newfoundland and Labrador and in other provinces. We had a Superior Court judge passing judgment on a former Superior Court judge as a chair of a Senate committee. It certainly was complimentary in nature. The case is called *John v. John*, 2012 CarswellNS 672.

Honourable senators, in conclusion, for the intention of Parliament decided by the Supreme Court of Canada, invariably, in those cases that I mentioned, in those specific paragraphs, the intention of Parliament is from the Senate. The intention of Parliament is determined in those judgments. It is from observations of the Senate, not present in the House of Commons; it is not a part of the operation of the House of Commons. Committee reports are mentioned continually by our courts, right throughout this country, and of course these are recommendations made by the Senate as far as the purpose of legislation is concerned. We do at times make minor changes in legislation.

• (1530)

Unfortunately, honourable senators, there are times when the Senate must oppose legislation by the other house. On the weekend, I listened to an NDP member in the House of Commons loudly condemn the Senate for stopping their gambling bill.

I want to put this on the record. The New Democratic Party should understand that although the NDP member who came before our committee introducing the bill said it was their party policy in the last election campaign, it was not long ago — three years ago — when the Senate held up a 560-page bill involving income tax. The NDP had asked us to stop the bill because it took away the tax credit for the Canadian film industry but kept it for the American film industry while they were in Canada.

The Senate, through its wisdom, held up that bill and it remained on the Order Paper and never became law, although it was unanimously passed by the House of Commons. The only explanation I can give is that I do not agree — and I do not think anyone agrees — with defeating legislation from the other place. However, as honourable senators know, there is a phrase used in law that says “when something shocks the conscience of the community.” There is another phrase used in our Charter in section 24(2), which is “bring the administration of justice into

disrepute.” There arrives at a point where somebody votes according to their beliefs. If that line has been crossed in the passing of legislation, then there is no other choice; Senators have a right to represent the people of Canada and not just their political party who voted for it in the House of Commons.

**The Hon. the Speaker *pro tempore*:** Further debate? Are honourable senators ready for the question?

**Some Hon. Senators:** Question.

**The Hon. the Speaker *pro tempore*:** It is moved by Senator Runciman, seconded by Senator Eaton, that this bill be now read a second time.

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

**Hon. Senators:** Agreed.

(Motion agreed to and bill read second time.)

#### REFERRED TO COMMITTEE

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

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

### FAMILY HOMES ON RESERVES AND MATRIMONIAL INTERESTS OR RIGHTS BILL

#### MESSAGE FROM COMMONS

**The Hon. the Speaker *pro tempore*** informed the Senate that a message had been received from the House of Commons returning Bill S-2, An Act respecting family homes situated on First Nation reserves and matrimonial interests or rights in or to structures and lands situated on those reserves, and acquainting the Senate that they had passed this bill without amendment.

### APPROPRIATION BILL NO. 2, 2013-14

#### SECOND READING

**Hon. Larry W. Smith** moved second reading of Bill C-63, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2014.

He said: Honourable senators, the bill before us today, Appropriation Bill No. 2, 2013-14, provides for the release of the remainder of supply for the 2013-14 Main Estimates that were referred to the Senate on February 26, 2013. The government submits estimates to Parliament in support of its request for authority to spend public funds. Main Estimates include information on both budgetary and non-budgetary spending authorities, and Parliament subsequently considers appropriation bills to authorize the spending.

The 2013-14 Main Estimates include \$252.54 billion in budgetary expenditures and a decrease of \$40.95 billion in non-budgetary expenditures. The \$252.54 billion in budgetary

expenditures includes the cost of servicing the public debt; operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations. These Main Estimates support the government's request for Parliament's authority to spend \$87.06 billion under program authorities that require Parliament's annual approval of their spending limits. The remaining \$165.48 billion is for statutory items previously approved by Parliament and the detailed forecasts are provided for information purposes only.

The decrease of \$40.95 billion in non-budgetary expenditures consists of an increase of \$.07 billion in voted spending authorities and a decrease of \$41.02 billion in statutory spending that was previously approved by Parliament. Non-budgetary items — loans, investments and advances — are outlays that represent changes in the composition of the financial assets of the Government of Canada.

Part I of the 2013-14 Main Estimates includes a detailed comparison against the 2012-13 Main Estimates.

The total of voted or appropriated items in the 2013-14 Main Estimates is \$87.13 billion. For this amount, Appropriation Act No. 1, 2013-14 sought authority to spend \$26.39 billion. The balance of \$60.74 billion is now being sought through Appropriation Bill No. 2, 2013-14.

Should honourable senators require additional information, I would be pleased to try to provide it. If not, the honourable chair will do so.

**The Hon. the Speaker *pro tempore*:** Further debate?

**Hon. Joseph A. Day:** Honourable senators, I am not sure if I am up to providing answers to all the questions, but I would like to say a few words about this particular supply bill. This is the main supply and I adopt the historical review by Honourable Senator Smith, the deputy chair of the committee. At this time, I would like to thank all members of the committee for the fine work that they have done.

The committee works very well. It works well because we have a group of honourable senators who are interested in putting forward the issues that are sent to us and handling them in a manner that the people of Canada would expect.

Honourable senators, Bill C-63 that we are dealing with now is main supply. Main supply, honourable senators will know, is only part of the money that the government spends in a year. There are two basic aspects to money the government needs. Some is statutory, and that is in a bill that we pass here which authorizes a certain amount to be used to perform the functions outlined in the bill. All of that grouping is statutory in nature.

There are other activities, such as the operations of departments, capital expenditures, that would not form part of a bill, but the government needs them in order to function. They are voted appropriations. We vote on those each year. That is what we are doing when we get the Main Estimates each year in March and look through these documents to determine what is happening in the various departments. That is what the

committee does throughout the year. Throughout the year, the Finance Committee can bring in any government department mentioned in these Main Estimates and ask them what they are doing with the money that they are asking for and how it compares to other years.

• (1540)

Now, with respect to statutory expenditures, we are told about those. We can ask questions about the statutory expenditures that are expected, but we do not scrutinize those as closely as we do the voted appropriations. It is the voted appropriations that appear in these two bills. That is what we will focus on. That, in fact, is what we have focused on throughout.

The estimates come out. Honourable senators may be wondering how these documents get into the estimates. That process was outlined by one of our witnesses from Industry Canada. We asked that question: Just what is the process; how do you get in here so that you can then come to Parliament and ask for these funds? She was from Industry Canada, and her name is Ms. Bincoletto. She is one of the officers who appeared before the Finance Committee in relation to Industry Canada's request. She was asked to sort of outline the process about getting into the Main Estimates.

"I will ask my colleague to supplement, if required," she said; so she undertook to answer.

When the budget states that a program is either renewed or a new program is put in place, we usually work with the Department of Finance and Treasury Board to determine the best means to provide policy authority to effect those programs.

The initial policy statement probably appeared in a budget, maybe the last budget, maybe one of the other budgets before that. Now we have to put the words, the government's policy that appeared in the budget, into dollar terms.

If a memorandum to cabinet is necessary in order to provide the policy authority, then we have to prepare the memorandum to cabinet, we go to cabinet, and it is therefore approved. If it is a program that requires terms and conditions, then a Treasury Board submission is prepared and it goes to a different cabinet committee of Treasury Board ministers, who then endorse the terms of the new program.

Once that cycle is completed, then we are in a position to start expending those monies and enter into either a contribution agreement or whatever —

"Whatever" could be spending it on capital or on operations.

— other agreements we have with the recipients of those programs.

In this case, since the budget was fairly late, we have started the process, but we have not completed it. Therefore, it cannot be included in the mains of this year. Some of them

will be included in Supplementary Estimates (A), and some may even have to wait until Supplementary Estimates (B), depending on the timing.

That generally will explain to honourable senators how the process works. This goes on throughout the year.

One of the other documents that is being upgraded that we were asked to take a look at — and we used it quite a bit this particular year, which we have not done in the past — is the Reports on Plans and Priorities. A committee in the House of Commons asked for changes to this process that we have been talking about; they asked for changes in the fiscal cycle, so that Parliamentarians can do their job. Their job is to review anticipated expenditures and give advice to Parliament before we vote.

Therefore, a number of changes are being made as we go along, and I may make reference to some them. It makes it a little difficult for us in Finance, because that turns us away from being able to make a reasonable comparison in some cases between this year and last year, because of different accounting systems that are being used and different means of showing the expenditures moving away, in some instances, from just looking at operations and budget and contributions to looking at other more specific programs. If one lists all the programs, then it is easier for parliamentarians to conceptualize the various programs we should vote on, as opposed to groupings and then wondering what is in that group.

Those are some of the changes being made. Some of the changes being made in the Reports on Plans and Priorities we found very helpful. As we were going through our Main Estimates, we were also looking at the Reports on Plans and Priorities that are coming out; they come out about a month after the estimates.

As indicated in Ms. Bincoletto's statement, because the budget is late and it refers to a particular policy matter, and the process of going before a cabinet committee and then going before a Treasury Branch committee, sometimes the request does not get into the Main Estimates. Honourable senators will see in the next bill that some of those that did not get into the Main Estimates got picked up in a second process called Supplementary Estimates (A).

There are three supplementary estimates per year. We will deal today with the Main Estimates and Supplementary Estimates (A). Supplementary Estimates (B) and (C) will be coming — (B) in the fall and (C) in February of next year. That is the usual process.

In order to allow parliamentarians an opportunity to take a quick look at these estimates, there is another procedure that we have introduced, and that is interim supply. The government asked for and we approved interim supply earlier on. Honourable senators may recall the report from our committee for interim supply, which we filed on March 26. That gave the government a certain amount of money — approximately \$20 billion — for different departments to have some money to function until we got to the main supply.

That cycle runs out on June 27, and so the government must have this supply for the rest of this year passed before that date.

Of course, as a supply process, this is a matter of confidence. We recognize that, but that does not mean that we just rubber-stamp the request. We are expected to understand and to speak out on the items that are in here. That is why we spend a considerable amount of time looking at these various reports, and that is why we generated another report reflecting on the various items and the various departments that we saw over the past two or three months.

I would now like honourable senators to take a look at the Orders of the Day. On page 3, we are at Item No. 2, Bill C-63. Flipping the page over, Item No. 1 on the next page is under Reports of Committees, and the committee report on the Main Estimates relates to Bill C-63.

We have a special process here that we have to keep talking about because it is different from our normal process and procedure. We do not send the supply bills to committee. The committee has a chance to look at what is in the supply bill before the supply bill arrives here, through the Main Estimates. There is in the Main Estimates a schedule. That schedule is reflected in Bill C-63.

The study that is done with respect to all of the items and the amount that the government wishes to spend is in this schedule. The study is done by us and we report on that. We have made our second interim report, and that is item number 1 on page 4. That is like a normal bill being sent to committee. It is like a pre-study, in effect. I think you can run that parallel.

• (1550)

When I speak on item number 1 on the next page of the report, I am speaking on the items that appear in this bill, and I intend to do that later today.

I am content to see this bill set down for third reading debate as soon as it is given second reading, presumably today. In the meantime, we will have had a chance to talk about the various items in it.

Honourable senators, we are being asked to approve expenditures of \$60.7 billion. That is an important figure. That is a lot of money, but we have a large government bureaucracy. As indicated on page 2 of the bill, there are two schedules. I mentioned that in the Main Estimates there are schedules. The two schedules require some explanation. The first schedule is for a year. Normally, each year we approve expenditures. If the funds are not spent, the government has to come back to us to reprofile and get back in the queue.

There are certain departments that we have decided, because of the nature of their business, can have the funds for two years before they have to spend them. In the \$60 billion, for some departments or agencies we are approving two years of funding. As my honourable friends can see at Schedule 2, the Canada Revenue Agency, Parks Canada and the Canada Border Services Agency are the three that received two-year funding in this bill.

This bill provides for “up to,” which means that the government need not spend this money. It does not mean that come March, if they have not spent all of it, they have to rush out and spend everything that is left. There is a carry-over percentage, depending

on the department, of about 5 per cent that can be moved over to the next year. There is also reprofiling, which means that they come back to Parliament and ask that funds that were not spent go to the next year. We are quite familiar with that process in the Finance Committee. We watch that quite closely.

If this bill is passed, we will have authorized the expenditure of this money back to the beginning of this fiscal year, April 1. It is deemed to be approved back to that date. If the departments have already started spending in anticipation of the Senate agreeing with the House of Commons to approve this funding, they will be covered. That is an important feature to have in mind.

Honourable senators, supply is a matter of confidence. We have studied the subject matter and I will be talking about that in due course.

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

**Hon. Senators:** Question.

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

**Hon. Senators:** Agreed.

(Motion agreed to and bill read second time.)

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

(On motion of Senator Carignan, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.)

#### VISITOR IN THE GALLERY

**The Hon. the Speaker *pro tempore*:** Honourable senators, I would like to call your attention to the presence in the gallery of Garry Breitreuz, Member of Parliament for Yorkton—Melville in Saskatchewan.

Welcome to the Senate of Canada.

**Hon. Senators:** Hear, hear.

[Translation]

#### APPROPRIATION BILL NO. 3, 2013-14

##### SECOND READING

**Hon. Larry W. Smith** moved the second reading of Bill C-64, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2014.

He said: Honourable senators, the bill before us today, Appropriation Act No. 3, 2013-14, provides for the release of supply for the 2013-14 Supplementary Estimates (A) and now seeks parliamentary approval to spend \$1.10 billion as voted

expenditures. These expenditures were granted based on the spending forecast by the Minister of Finance in the March 2013 Budget.

The 2013-14 Supplementary Estimates (A) were tabled in the Senate on May 21, 2013, and referred to the Standing Senate Committee on National Finance. These are the first supplementary estimates for the fiscal year that will end on March 31, 2014.

The 2013-14 Supplementary Estimates (A) provide information on budgetary spending of \$1.11 billion — \$1.10 billion in voted expenditures and \$8.2 million in statutory spending.

The \$1.10 billion in voted expenditures requires the approval of Parliament and relates to the following major budgetary items:

- \$260.3 million to meet operational requirements at Chalk River Laboratories (Budget 2013) (Atomic Energy of Canada);
- \$230 million for the Disaster Financial Assistance Arrangements contribution program (Public Safety and Emergency Preparedness);
- \$207 million for strategic cost-shared programming in innovation, competitiveness, market development, adaptability and industry capacity under Growing Forward 2 (Agriculture and Agri-Food);
- \$167 million for specific claims settlements (Aboriginal Affairs and Northern Development Canada);
- \$99 million for incremental pension requirements (VIA Rail Canada Inc.);
- \$46.8 million in support of business risk management programs under Growing Forward 2 (Agriculture and Agri-Food).

The supplementary estimates also include an increase of \$8.2 million in the net statutory budgetary spending previously authorized by Parliament. Adjustments to projected statutory spending are provided for information purposes only and are attributable to the employee benefit plan.

Pursuant to Appropriation Act No. 3, 2013-14, we seek Parliament's approval to spend a total of \$1.10 billion in voted expenditures.

• (1600)

Honourable senators, this concludes my preliminary comments; I will be pleased to answer any questions you may have on Supplementary Estimates (A), 2013-14.

**Hon. Joseph A. Day:** Honourable senators, I will be speaking in English, but I would like to thank Senator Smith for the information he provided on the bill in French.

[English]

Honourable senators, Bill C-64 is another matter of confidence and deals with Supplementary Estimates (A). As I mentioned a short while ago, if departments cannot get their meetings with cabinet committees and Treasury Board to get everything approved for inclusion in the Main Estimates, they can still get the funds. This is policy. In either the last budget or one of the previous budgets, the government stated that the Supplementary Estimates (A) usually contain items that did not get into the current estimates because the budget comes out at the same time as the estimates are being prepared. One cannot expect to see policy matters from the budget in the Main Estimates. It just does not work that quickly, so we see them in supplementary documents. Bill C-64 is one such document.

Treasury Board officials have told us that they include in the Supplementary Estimates (A) only those items that absolutely need the attention and approval of Parliament immediately and that cannot wait for the fall in order to allow for a quick preparation of the supplementary estimates.

Earlier today, I filed a report on the Supplementary Estimates (A) approved by the Senate Finance Committee. It is before the house, and a copy will be made available to all senators. I am hopeful that honourable senators will take the time to read the summary of testimony by witnesses who appeared before the committee on the Supplementary Estimates (A).

The Standing Committee on Procedure and House Affairs of the House of Commons has asked for some changes, so a number of changes will be made over the next day or two. One change will be the Blue Book, which we will miss. I do not know if the Main Estimates will be digital, but the Supplementary Estimates (A) have gone digital. Those of us who find it easier to read a paper copy have to print from our computers to review the Supplementary Estimates (A). It is not nearly as attractive as the Blue Book we used to receive.

Honourable senators, the report on Bill C-64 Supplementary Estimates (A) in the amount of \$1.1 billion explains Schedule A that appears in here. I expect to speak tomorrow to the Supplementary Estimates (A).

[Translation]

I hope that the Deputy Leader of the Government will be able to call the report tomorrow before the third reading of Bill C-64.

[English]

I will discuss the background and content of Bill C-64 before honourable senators are required to vote on it. With that understanding, I am content to allow the bill to have second reading now, so that we can deal with the explanation tomorrow when the report comes up for debate.

**The Hon. the Speaker *pro tempore*:** Further debate? Are honourable senators ready for the question?

**Some Hon. Senators:** Question.

[ Senator Day ]

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

**Hon. Senators:** Agreed.

(Motion agreed to and bill read second time.)

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

(On motion of Senator Carignan, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.)

## YALE FIRST NATION FINAL AGREEMENT BILL

### SECOND READING

**Hon. Scott Tannas** moved second reading of Bill C-62, An Act to give effect to the Yale First Nation Final Agreement and to make consequential amendments to other Acts.

He said: Honourable senators, I rise to speak my first words in this place. It is my honour to lead the debate at second reading of Bill C-62. This proposed legislation is significant as it is the last step required to bring the final agreement into effect as a modern treaty under the Constitution Act, 1982.

Yale First Nation is located two hours by car east of Vancouver, along a major transportation corridor that includes the TransCanada Highway and lines of the Canadian Pacific Railway and the Canadian National Railway. Twelve of this First Nation's 16 reserves border the Fraser River. The four remaining reserves are residential areas. The combined size of Yale's 16 reserves is 217 hectares.

The people of Yale First Nation have lived on these lands and fished in nearby waters, in the words of Yale elder and former chief Lawrence Hope, since time began. Today, Yale First Nation has 155 members with more than half of its members under the age of 30. Of the 155 members, 68 live on reserve. The remaining population lives in nearby Chilliwack and in Vancouver.

Over the years, the Yale people have forged close and productive relationships with nearby local governments that provide the Yale First Nation with most of its services. Nearly two decades ago, in 1994, the people and leaders of the Yale First Nation decided to enter the British Columbia treaty process in order to take greater control over their own future, protect their traditions and increase their prosperity.

The six-step process is a voluntary one of political negotiations among First Nations, British Columbia and Canada. Its main goal is to establish treaties to resolve questions of uncertainty with respect to land ownership and usage, the management and regulation of lands and resources, and the application of laws.

In the case of Yale First Nation, the final agreement does exactly that. It brings certainty to the ownership and use of lands and resources in the area, creates opportunities for Yale First Nation, and provides predictability for continued development and growth in the province.

Representatives of all three parties signed an agreement in principle in March 2006. Chief negotiators for the three sides then initialed a final agreement in February 2010, recommending that the groups they represent adopt it.

• (1610)

Since then, members of the Yale First Nation have approved the agreement and British Columbia has given Royal Assent to a provincial act. In April of this year representatives of all three parties to the agreement, including the Minister of Aboriginal Affairs and Northern Development, met in British Columbia to sign the final agreement. That final agreement is made up of many elements, and I believe it is wise for honourable senators to take some time to go over the core terms of this agreement.

Under the terms of the agreement, the Yale First Nation will receive a capital transfer of \$10.7 million and a further \$2.2 million to promote economic development. It will also get one-time funding of \$1.4 million and annual funding of some \$1.5 million to implement the agreement, assume new management responsibilities, and provide key social programs and services.

Yale First Nation will receive 1,749 hectares of land to add to its existing 217 hectares of reserve lands. The community will have the power to govern these lands through their law-making authorities set out in the agreement. For instance, Yale First Nation will control mineral rights on its land. The community will own all forest resources on these lands and will have the authority to make laws respecting forest resources and practices. It will also have the right to harvest wildlife and migratory birds, and enjoy the authority to make laws to regulate the gathering of these animals by members of the community.

The agreement also gives Yale First Nation the right to harvest fish for food, social and ceremonial purposes. Community members will be able to exercise this right in a designated area of the Fraser River. The volume of their catch has already been established.

Provisions for the commercial fishery are set out in a harvest agreement, which does not form part of the final agreement. The term of the harvest agreement is for 25 years. Yale First Nation has the authority to renew the harvest agreement every 15 years after the initial term expires. The harvest agreement authorizes Fisheries and Oceans Canada to grant fishing licences to members of the Yale First Nation. The terms and conditions of these commercial licences will be comparable to licences issued to other commercial fishers.

Honourable senators, I should point out that members of the Yale First Nation have fished in their home territory successfully and sustainably for thousands of years, with the last 20 years under the federal Aboriginal Fisheries Strategy.

The last element of the agreement I want to touch on is language and culture. Under the agreement, Yale First Nation will have the authority to make laws that govern Aboriginal healers, education, child protection services, and adoption and custody of Yale First Nation children. The community will also have the authority to make laws to designate and conserve cultural artifacts, to preserve and promote their language, and to protect and manage heritage sites and public access to those sites.

Honourable senators, these key provisions, along with the others that make up the agreement, represent a major step forward for Canada, for British Columbia and, most of all, for the Yale First Nation. Most important, this agreement frees the Yale First Nation from the restrictions of the Indian Act, giving members of the community the ability to govern themselves.

As I mentioned earlier, this agreement resolves long-standing questions between the three governments about undefined Aboriginal rights and title, bringing certainty to the ownership, management and use of lands, waters and resources. The importance of this heightened certainty cannot be underestimated. It gives rise to partnerships between First Nation and a variety of non-First Nation governments, businesses and groups. It arms investors and entrepreneurs with the confidence they demand to commit their funds to start new ventures or expand existing ones, and it leads eventually to more job opportunities and, as a result, rising incomes and better lives for members of First Nations.

Twenty-six modern treaties and self-government agreements, which cover more than half of our country's land mass, have been ratified and brought into effect. These treaties and agreements have furnished the certainty that has enabled many First Nations to thrive. Allow me, honourable senators, to share a few examples.

In Newfoundland and Labrador, a treaty has enabled the Nunatsiavut to re-organize the Labrador Inuit Development Corporation, the community's business and development agency, to invest in fisheries, real estate, mining and quarry operations.

In Northern Quebec, treaties have made it possible for the Inuit, Cree and Naskapi First Nations to set up joint ventures with private sector firms in industries that range from mining to airlines, from clothing to software, and from construction to bioscience.

In the Northwest Territories a treaty has empowered the Tlicho people not only to negotiate benefits agreements with developers of natural resources projects, but also to provide specific contracted services to those developers.

In British Columbia, in particular, treaties have equipped Tsawwassen First Nation with the authority to develop its land for industrial, commercial and residential uses, and give Sechelt First Nation the means to diversify its local economy beyond fishing and into logging, tourism, real estate and quarrying.

These successes contribute to recent figures that show that self-governing communities increase employment in their communities by 13 per cent and boost participation in the local labour force by 12 per cent.

An independent study carried out recently by PricewaterhouseCoopers states that modern treaties have the potential to pump billions of dollars into the B.C. economy alone. The figure could be as high as \$10 billion. The power that agreements give First Nations means that a considerable portion of this money will end up where it is needed most — in the hands of people in First Nations and neighbouring communities throughout the province.

Yale First Nation intends to do its part to realize the economic potential of modern treaties in British Columbia. Anticipating the coming into effect of this agreement, community leaders have developed plans for forestry and ecotourism ventures. They are also examining the feasibility of teaming up with BC Hydro to harness hydroelectricity from a local waterway. These enterprises will create jobs for many community members and for others in nearby towns. They will enable men and women from Yale First Nation to gain vital new skills and experiences, and they will generate substantial financial returns.

Honourable senators, this promise of greater economic development leading to increased community wealth and enhanced community health shows that the B.C. treaty process indeed pays off. Growing evidence of the benefits of treaty making is inspiring other communities in the province to persevere in their own consultations and negotiations. With several communities in various stages of consultations and negotiations, I believe it is fair to say that Parliament will have increasingly more bills such as Bill C-62 to consider in the years to come.

I would be remiss, however, if I did not share with honourable senators some of the concerns that have been raised with respect to the Yale First Nation agreement.

Sixty-nine First Nation bands and organizations claim territories that overlap with territories claimed by Yale First Nation. Three years ago each of the 69 groups were invited to review what was then the agreement-in-principle and conveyed to the governments of B.C. and Canada their concerns with respect to the impacts this agreement might have on their interests. The vast majority of groups raised no concerns. Consultation meetings were held with leaders who did: specifically, the Chehalis band, the Spuzzum band and two groups that represent the Stó:lo people.

Yale First Nation chief and lead negotiator Robert Hope made concessions to modify the agreement to address the concerns of the Chehalis band and Spuzzum band. Both groups now fully support the agreement.

Generous accommodations were also made by the parties, again, especially by Yale First Nation to resolve the claims of the Stó:lo. Since these adjustments were made, however, representatives of the Stó:lo have changed their position from seeking access to certain lands to demanding ownership of these lands via a treaty to which they are not a signatory. As a result, the three parties to the agreement have reached an impasse with the Stó:lo. Notwithstanding this unfortunate occurrence, I can inform honourable senators that the three parties to the agreement are willing to continue the consultation process up to the effective date of the agreement in 2015.

• (1620)

While the three parties remain open to receiving any new information not previously considered, honourable senators should know that the governments of B.C. and Canada intend to move forward, to live up to the commitment they made to the Yale First Nation when the community entered negotiations and to conclude this 20-year process.

As this process and my remarks come to a close, I want to salute the people primarily responsible for us being in a position to review Bill C-62 today. We thank Yale First Nation negotiator Chief Robert Hope; provincial negotiator Mark Lofthouse, and federal negotiators Jim Barkwell, Eric Denhoff, Bill Dymond and Wendy Hutchinson for their tireless efforts. We also thank Sophie Pierre, Chief Commissioner of the B.C. Treaty Commission for her leadership; Premier Clark and Minister Chong for their steadfast support for the B.C. treaty process; and the legislators of the Province of British Columbia for adopting a bill that gives the force of the province's law to the agreement.

Most of all, honourable senators, our thanks and congratulations go to the men and women of the Yale First Nation for their devotion to the treaty process, their patience in seeing it through to conclusion and their support for the agreement.

One person in particular merits specific mention, the late Yale First Nation Chief and elder Lawrence Hope. His involvement in the negotiations gave added legitimacy to them, especially among the Yale people. His practical wisdom was also a source of guidance for all negotiators as they journeyed along the path to an agreement.

As the journey to bring into effect this agreement comes to a close, another begins — a journey for the people of the Yale First Nation to generate greater economic development and to take greater control over their individual lives and the life of their community. I ask honourable senators to pass Bill C-62, bringing a conclusion to the journey that began in 1994 and enabling Yale First Nation to pursue the next chapter in their future.

**The Hon. the Speaker *pro tempore*:** Questions? Further debate?

**Hon. Larry W. Campbell:** Honourable senators, I thank Senator Tannas. That was a stellar first speech. He has a bright future.

**Some Hon. Senators:** Hear, hear.

**Senator Campbell:** Thanks to Senator Tannas, I just ripped up 30 pages of notes, so this will be a lot shorter than it originally was.

This is a historic moment for the Yale First Nation. As the senator said, it has been over 20 years in the making, which I believe all parties would agree is way too long for this process to go on. Some of the interesting things that were not mentioned involve wildlife and plant harvesting. This is particularly important up in the Fraser Valley. Those senators who have been up there understand that in the summer it is hot. The hot winds blow up the Fraser Canyon, which allows them to dry the salmon, as they have done for at least 9,000 years. Wildlife and plant harvesting is important to this First Nation. They have the right to harvest wildlife and migratory birds and to gather plants for their own use. They will have the law-making authority to regulate their members' harvest of wildlife and migratory birds. The overall management of these activities, however, remains the responsibility of the provincial or federal minister as it may apply. Within the terms set out in the final agreement, Yale First Nation



members do not need to have federal or provincial licences or to pay any fees or royalties to harvest wildlife, migratory birds or plants.

Needless to say, forestry is an important industry in British Columbia. Since they are within the Fraser Canyon, up the slopes at the back of their land are decent forest products. It is expected that the Yale band will be able to take advantage of these forest opportunities, including reforestation and ensuring that the forest is maintained in a sustainable way.

I have to speak about the overlap. Senators from British Columbia understand that a number of First Nations are involved in this process, and virtually every one of them has overlaps. In Vancouver, for instance, it is estimated that there is demand for 150 per cent of the land available. Overlapping is not unusual because remember that First Nations in British Columbia, while having defined areas, were not as we would imagine them. The land belonged to all of the people, so there was not a housing lot. There was not a city lot. It was very fluid. The overlapping portion of this, while of concern when negotiating, should not be a deal breaker. I believe that, going forward, both the Sto:lo and the Yale Nations, who have lived there side by side for thousands of years, will need to get together and come up with a solution.

The area in question is called the Five Mile Fishery. It is an unbelievable fishing location for them to both dip net and spear. I would expect that as we go forward we will see negotiations.

Like Senator Tannas, I do not believe that these overlapping problems should be cause for not having an agreement. I believe that in this case all levels of government, including the Yale First Nation, have worked very hard to find some way of coming to a settlement. It happened with Chemainus. It happened with the Spuzzum First Nation. Unfortunately, it has not happened with Sto:lo. I would urge them to continue on. As people who want to be self-governing, they need to find a way of moving forward and solving these problems because they have been there for 9,000 years, and I hope they will be there for another 9,000 years.

I support this, as I support all treaties signed in this manner. This is a promise that we have made. This is a promise that we must keep, and the only rider I can put on it is that I hope that in the future we will be able to come to these treaty agreements in a much more timely fashion.

**Hon. Lillian Eva Dyck:** Will the honourable senator take a question?

**Senator Campbell:** Yes, of course.

**Senator Dyck:** I thank both honourable senators for their speeches. Senator Campbell brought up the issue of overlap. I know the Sto:lo were concerned about the Five Mile Fishery. What does the honourable senator see happening in the future? Will this agreement in any way affect the development of a solution? Will it create a roadblock? Is there still a way for them to work together to come to some kind of solution?

**Senator Campbell:** I believe there is always a way to come to some kind of solution. I am concerned about comments from the Sto:lo Nation about violence in the summer, not directed against the Yale First Nation but against the RCMP and fisheries who will be on the river. I do not think statements such as that are conducive to moving forward.

The Yale First Nation has said to the Sto:lo that they allow them full access to Five Mile. Their only concern is that they also want to ensure that the land is not used for partying or illegal activities and that the resource is protected.

I believe that once the light is a little dimmer on the whole thing, they will be able to get together. I have spoken to the Yale First Nation, and there is no intent on their part to deny the Sto:lo the ability to fish the Fraser. That is not it, and they have said, "You have full access here." What they want to do is to ensure that what happens on their land is legal and above board.

**Senator Dyck:** For my clarification, I think the honourable senator said that the Sto:lo will have full access to fishing on the Five Mile Fishery site. That was a main issue of contention for them, but the Yale Nation has agreed to that.

**Senator Campbell:** Yes. To further clarify, I think that there are many different First Nations and many different families. Most of the sites on the river are family sites. There is no question that, at times, different First Nations have fished the Five Mile. Perhaps they have said, "This is our fish camp." They will not stop the families from going fishing there. All they want you to know is that there are rules to be obeyed, and then everyone will be fine.

• (1630)

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

**Some Hon. Senators:** Question.

**The Hon. the Speaker:** It was moved by the Honourable Senator Tannas, seconded by the Honourable Senator Oh, that this bill be read a second time.

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

**Hon. Senators:** Agreed.

(Motion agreed to and bill read second time.)

REFERRED TO COMMITTEE

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

(On motion of Senator Carignan, bill referred to the Standing Senate Committee on Aboriginal Peoples.)

## THE ESTIMATES, 2013-14

### MAIN ESTIMATES—TWENTIETH REPORT OF NATIONAL FINANCE COMMITTEE—ADOPTED

The Senate proceeded to consideration of the twentieth report (second interim) of the Standing Senate Committee on National Finance (2013-2014 Main Estimates), tabled in the Senate on May 30, 2013.

**Hon. Joseph A. Day** moved the adoption of the report.

He said: Honourable senators, this is the other part of the puzzle that we were talking about earlier. This is an analysis of the Main Estimates, the schedule of which forms the basis for Bill C-63. We looked at Bill C-63 earlier, honourable senators, and what I wanted to do for a short while is explain it to you. This has been circulated and everyone has a copy of the report, but I wanted to highlight the work that your committee has been doing to prepare for this supply bill that amounts to \$60.7 billion, which the government is asking us to approve. This is your due diligence. We have done that for you. Your due diligence, then, is to read this report and perhaps listen a bit to the discussion that takes place in relation to this.

Honourable senators, we filed the first interim report on the Main Estimates in March to allow for interim supply. We met with five departments and two agencies prior to that and reported on that. On the second interim report, which is the one we are talking about now, we continued our study and met with eight different government departments and seven agencies that appeared before our committee since the first report. We will continue that throughout the year. There will be other reports from us prior to any further supply bills, but that is the process that we go through in your Finance Committee.

At this time, I want to thank those members of the Treasury Board Secretariat who come to us on a regular basis to explain what is in the estimate documents. If they do not have an answer, they go away and find answers for us, which is very much appreciated.

At our request, the Treasury Board Secretariat spent a considerable amount of time explaining the initiatives of the committee in the other place on government operations. That is one of the areas of responsibility for our Standing Senate Committee on National Finance, namely the government operations side. They spent a considerable amount of time talking about the Reports on Plans and Priorities and the other document. We focused a lot on those reports, which are prepared by the departments and which outline strategic incomes and where the departments would like to go over a period of time.

A number of changes allow for more than a one-year look to see where the department thinks they would like to go. There are then the departmental performance reports that come after the fiscal year, which relate back to where the department would like to go, where they got to and what they have been able to achieve.

These comparative documents are helpful for us as well. Have in mind that the Main Estimates are prepared by Treasury Board. Treasury Board is our main source of information for all

government activity, but the Reports on Plans on Priorities by the different departments is departmental but also very helpful to us.

There is a movement toward more electronic reporting, honourable senators; we will see more and more of that. We can go to various websites to follow up on different initiatives. Over time, that should make the accountability of government departments more open.

There are two different types of accounting systems out there, and we have had some difficulty with this. One of them is accrual accounting; the other is cash accounting. The best way to think of this is the budget that the government comes up with is an accrual accounting document. Cash is in the estimates, and that is how much money is actually needed in order for the government to function for the year.

As was pointed out to us in an example, suppose an individual purchases a house for \$1 million over five years and commits to paying \$200,000 per year over the five-year term. Accrual accounting would record this as an accounting item of \$1 million at the time the obligation is made to purchase — that is, \$1 million over five years. However, cash accounting would just show it as an obligation of \$200,000 each year. That is the difference. One is more up-front than the other.

The officials provided us with a response from the government, and the President of the Treasury Board and the officials indicated that both types of accounting systems were useful. That is, we should not go entirely to one and abandon the other because both are helpful; each is helpful. However, the minister has said that it would be inappropriate to go to accrual accounting for appropriations.

A number of changes have been made, but that one will not be made. The committee in the other place had indicated that maybe they would like to go that way, but the minister said it would be inappropriate for appropriations for estimates. To understand what amount of money is needed for the year, a cash basis will continue.

I will give you a quick highlight of the various departments that came before us. First, the Department of Canadian Heritage projects budgetary expenditures of \$1.32 billion. Out of that, \$1.13 billion goes to grants and contributions, so money in and then out to various other entities.

Throughout, we have asked these questions: How much money are you saving with respect to government initiatives? How many people have lost employment? If you are tightening up your expenditures, then obviously there will be a reduction in the number of people employed. That is part of efficiencies.

We were also told that the Canadian Museum for Human Rights in Winnipeg is not bringing in as much money as they had anticipated, but they want to continue with the construction process. Therefore the government is advancing \$10 million, which will be paid back as money comes in to that particular museum.

There is another interesting discussion with respect to Pier 21. Pier 21 is projecting expenditures of \$18.5 million, which represents an increase of \$8.5 million over last year. That

increase is due to changes in the funding profile — that is, the way they account for things — but renovations to the museum facilities will be undertaken during the year. That was an interesting bit of information that we received from that particular department of Canadian Heritage.

The Canadian Space Agency projects expenditures of \$488 million — \$477 million in voted and \$10 million in statutory. That is heavily oriented towards voted amounts, his represents a \$125 million increase. In an almost \$0.5 billion expenditure, that is \$125 million, more than a 20 per cent increase over the previous year.

• (1640)

In our report we have listed the various reasons for that and where there is extra money, mainly satellite purchase agreements they will be entering into. In fact, in order to meet the budget review that the government has asked all departments to go through, there is a reduction of \$24.7 million in relation to operations. This results in the elimination of 49 staff positions. There is some additional capital expenditure, but operations are going down.

The National Research Council, a very important area for many of us, has budgetary expenditures of \$820 million per year, and that includes \$637 million voted. That is an increase of \$119 million. There is an explanation here. There is actually a reprofiling of funds that they did not spend last year, which we always enjoy learning about.

The point with respect to the National Research Council that I want to communicate to honourable senators is the information with respect to transformation initiated by the National Research Council as a result of government policy to realign their activities with market demand and industry needs in mind. That is as opposed to doing the pure research for which they have been known for many years — including nano-research which did not have any specific commercial purpose at the time the research was done. It was pure research. They are being directed to align their activities with market demand and industry needs. That is a fundamental shift in the National Research Council. Before they get approval for the money, they have to be able to demonstrate that activities respond to actual market demand and industry need. I think that calls for more discussion, honourable senators.

The Youth Employment Program was discussed. I will not spend more time on that.

With respect to Citizenship and Immigration Canada, there is a major obligation to pay back the many would-be immigrants to Canada who had paid money to get in the queue to be considered for the right to come to Canada, but Citizenship and Immigration never got around to reviewing their application. Then the list not only was cut off, but was cancelled. As a result of that, those people who were on the list had to get their money back. There is a major financial obligation to pay back funds in that regard, which the government indicated they were in the process of doing, but they needed approval from us in order to do that.

There is also an initiative of \$21.3 million to provide for exchange of biometric and biographic information between the United States and Canada regarding nationals from each of our

countries. We are proceeding down that road of exchanging a lot of very sensitive information with our neighbour to the south.

There is a new immigrant entrepreneurs program that replaced the earlier one. It is an interesting program that has been started in some other countries. Basically, foreign would-be immigrants apply. They do not get approval so much as they get on the list of potentials. Then they are reviewed and matched with someone here, and a province can step in and say: “We would like this person,” or “We would like that person.” It is quite a different system than we had previously, and there are no guarantees when the application is made.

Public Safety Canada is another department — we talked to them previously — that has a major expenditure each year, and \$440 million is the anticipated amount for this year.

We went through and picked out the departments that were spending the largest amount of money. Correctional Service of Canada pointed out that the penitentiary in Kingston has been closed and they expected some considerable savings from that. They have a decrease of 1,249 employees from previous years, which is a major change. I do not think they were all working at the Kingston Penitentiary. There was a closure of the Leclerc Institution in Laval, Quebec. It is anticipated that this enabled the institution to save \$120 million.

Another interesting session we had was with Industry Canada. We talked with them at length about various programs they have, including the Canadian foundation. A number of programs are running out, honourable senators. Officials explained the approval process for expenditures by federal departments and agencies, which precedes the inclusion of those expenditures in the Main Estimates, what I read to you earlier. It is an interesting process that they explained to us.

Honourable senators, Shared Services Canada is another department we want to keep an eye on. It is a newly created department, in effect. They provide all the information technology for all the departments.

Honourable senators, I wonder if I could have five more minutes. I will finish up in less than that.

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

**Hon. Senators:** Agreed.

**Senator Day:** Shared Services Canada now spends \$1.4 billion. This is a group that has been created in the last two or three years, and they are already up to that kind of an expenditure. They have \$1.2 billion in operating expenses. Much of it is salaries, because usually the equipment is bought by the department where they work. That is, I think, a rather significant amount.

They indicated, however, that the goal of bringing together a single Email Transformation Initiative, which is one of the things they are working on so that all government departments are served by the same email server and all operating on the same platform. The goal of this initiative is to bring together 377,000 employees from 44 different departments and agencies.

Honourable senators can imagine the importance of cyber security, which has to be looked at from this point of view. We will be keeping an eye on this particular agency. The employees are all over the place, and they are supposed to be managed from one source, as opposed to being managed by the department they are working for or providing the services for. One can see the potential for abuse.

Canadian Air Transport Security Authority, CATSA, is the group of people who provide security at airports. They have an increase of \$21.9 million because of equipment they are adding.

The final one I wanted to talk about was The Jacques Cartier and Champlain Bridges Incorporated. This year the government is spending over \$0.5 billion, a 29 per cent increase. The federal government has the obligation with respect to the Champlain, Jacques Cartier and Mercier bridges, and they are even building a bridge to a residential island, Nuns' Island. The federal government is looking after all of that on Nuns' Island. It is near the Champlain Bridge.

The honourable senator is wondering where Nuns' Island is.

• (1650)

**Senator Mercer:** I wonder who lives on Nuns' Island.

**Senator Day:** There are a number of other departments referred to here, honourable senators; I just wanted to give you a little bit of a flavour. Nothing major stands out, but there are a number of yellow flags as opposed to red flags.

We started a new procedure to capture the undertakings. Because we work at this so quickly, we are forced to do that because we get the estimates and then we get the supply bill. We do not have an opportunity to get all of the undertakings from the various departments and agencies that we meet with. They say, "Oh, yes, we can get you that information but we do not have it right now." As a result, we think we have been losing some of that in the past. They go away and say they have done their report. We are now running a list at the end of our report of the outstanding issues that we will follow up on. That way, we will not have the gaps that maybe we have had in the past.

There are two other little points I wanted to bring to your attention. One is that, according to government forecasts, as of the end of 2013-14, the total accumulated debt will be \$627 billion. That is based on a government forecast of a deficit for this year of \$18.7 billion. The government has predicted the deficit for the year that just ended at the end of March was \$25.9 billion, but at the first of the year, the deficit for last year was predicted to be \$21 billion. That is roughly a 23 per cent difference.

Next year, it is predicted that we will have a deficit of \$18.7 billion. If we add 25 per cent for inaccurate predicting, then that will be up over \$20 billion again.

Honourable senators, that is the deficit, and I think it is important to keep an eye on it.

The only other item I wanted to bring to the attention of honourable senators is the government forecast for strategic and operating revenue targeted savings. Last year they predicted a

saving of \$1 billion. This year it is \$2 billion, but in order to balance the budget, next year they have to go up to \$4 billion. That is three times as much as they saved this year. We want to keep an eye on all of those items as the year progresses.

(On motion of Senator Callbeck, debate adjourned.)

## STUDY ON THE PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING ACT

TENTH REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE—  
DEBATE ADJOURNED

The Senate proceeded to consideration of the tenth report of the Standing Senate Committee on Banking, Trade and Commerce entitled: *Follow the Money: Is Canada Making Progress In Combatting Money Laundering and Terrorist Financing? Not Really*, tabled in the Senate on March 20, 2013.

**Hon. Irving Gerstein** moved the adoption of the report.

He said: Honourable senators, it gives me great pleasure to rise today and commend to you the tenth report of the Standing Senate Committee on Banking, Trade and Commerce entitled *Follow the Money: Is Canada Making Progress in Combatting Money Laundering and Terrorist Financing? Not Really*, which I tabled in the Senate on March 20, 2013.

This report concludes the five-year statutory review of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. This review was originated by our former colleague and my predecessor as chair, the Honourable Michael Meighen. After more than a year of study, hearing from over 40 witnesses and taking a fact-finding trip to Washington, D.C., the committee has produced a report containing 18 policy recommendations to improve Canada's anti-money laundering and anti-terrorist financing efforts.

I would like to express my most sincere appreciation to all members of the committee, particularly Deputy Chair Senator Hervieux-Payette, for their most thoughtful insight and constructive input. In my opinion, this report demonstrates the very best of what the Senate can do in terms of producing quality, non-partisan, practical policy suggestions to government.

Honourable senators, money laundering is a global issue. The Royal Canadian Mounted Police estimated that in 2011, between US \$800 billion to US \$2 trillion was laundered globally, while here in Canada, their estimate was between \$10 billion and \$15 billion. As honourable senators can see, Canada is but one link in a global chain, and just as any chain, is only as strong as its weakest link. Canada cannot be a weak link in the chain.

The fight against money laundering is a continual game of catch-up. Make no mistake: Criminals are very creative and their methods are endless. Keeping pace in an increasingly challenging environment is becoming more difficult, particularly as technology evolves.

Honourable senators, to combat money laundering and terrorist financing, Canada has assembled a collection of government departments and agencies into an anti-money

laundering and anti-terrorist financing regime. This regime consists of the Financial Transactions and Report Analysis Centre of Canada, commonly called FINTRAC, which was created approximately 10 years ago to collect and analyze financial data; the Royal Canadian Mounted Police who, along with municipal and provincial police forces, investigate criminal activities related to money laundering and terrorist financing; the Canadian Security Intelligence Service, which works to provide intelligence that may be useful for investigations; the Canada Border Services Agency, which monitors and safeguards our borders; and the Canada Revenue Agency, which regularly reviews tax returns for suspicion of money laundering.

The most important tool in combating money laundering is intelligence, and FINTRAC is at the heart of the regime's intelligence capability. FINTRAC acts as the primary receiver of financial transaction information for financial institutions, which include banks, trust companies and credit unions, as well as other reporting agencies such as realtors, dealers in gems and precious metals, and life insurance agents. FINTRAC analyzes the information it receives to determine the potential for money laundering and terrorist financing, and if FINTRAC becomes suspicious, it transmits that information to the appropriate agency.

Honourable senators, the information received and transmitted by FINTRAC is intelligence, somewhat like tips received by the police. It is fundamental to differentiate between FINTRAC, which is an intelligence agency, and the RCMP, which is an investigative agency. Intelligence is not evidence and cannot be used in a court of law. However, intelligence can be useful to investigative agencies in gathering evidence that can subsequently be used in court.

I must admit that understanding the difference between intelligence and evidence and the difference between an intelligence agency and an investigative agency was not always easy for the committee. Determining the efficiency of the regime was equally as difficult because, first, results were hard to define due to imprecise information provided by witnesses, either because they were reluctant to share such information in a public forum or because such information is just not being collected. Second, it is challenging to follow a case from start to finish because of the lack of information being shared between both regime partners and the regime and reporting entities.

Consequently, the committee's 18 recommendations focused on updating the legislative tools, resources and regulatory framework available to make Canada's regime more efficient and effective.

Using a value-for-money lens, the committee made its recommendations in three broad policy areas: structure and performance, information sharing, and scope and focus.

Starting first with structure and performance, the committee feels that a structure with appropriate oversight of the regime will lead to better results and enhance the value for money spent. The committee recommends that a single supervisory body, led by the Department of Finance and made up of all members of the regime, as well as representatives of the reporting entities, be

created. This is in sharp contrast to the present situation, where several interdepartmental working groups exist alongside industry and representative committees with no focus or coordination.

To make this supervisory body accountable, it is recommended that it report annually to Parliament the following performance indicators: the number of investigations, prosecutions and convictions by the regime; the dollar amounts seized as a result; the extent to which intelligence gathered by FINTRAC is beneficial; and the total expenditures in combating money laundering and terrorist financing.

• (1700)

To augment the financial resources available, the committee recommends that the funds seized from the proceeds of crime go directly to the regime. This is different from the current system whereby seized funds are returned to the Consolidated Revenue Fund. Access to seized funds has proven effective in providing both incentive and additional funding to combat money laundering and terrorist financing in both the U.S. and the U.K.

The second key policy area dealt with by the committee has to do with information sharing. Frankly, the committee found that the regime partners were for some reason unable or unwilling to share information with each other.

The committee makes several recommendations to break these silos down and encourage dialogue. Presently, regime partners are not required to provide any indication to FINTRAC regarding the usefulness of intelligence received. Requiring agencies to provide regular and detailed feedback would allow FINTRAC to tailor its assessments and enhance the information it shares with each partner.

Another information sharing recommendation would allow regime partners direct access to the FINTRAC database. Currently, FINTRAC only shares information under two sets of circumstances. First, if FINTRAC's own analysis determines that money laundering or terrorist financing has taken place, it may proactively disclose that suspicion; and second, a partner agency may petition FINTRAC for access to data related to an ongoing investigation. Allowing partner agencies real-time access to the database would enhance the speed with which information is shared while taking nothing away from FINTRAC's analytical role.

However, the committee recognized that the ability to instantly access FINTRAC's raw data must be balanced with the right to privacy shared by all Canadians. In a post-9/11 world, governments are faced with a fundamental issue of balancing national security versus privacy. The committee was mindful that the government needs to collect detailed information to prosecute criminals, but, to ensure the continued protection of private information, the committee recommends that the Privacy Commissioner be involved in developing the access guidelines.

Information sharing amongst regime partners is only one of the silos built up over the years. It became apparent that the lack of dialogue between FINTRAC and the reporting entities is another and was cited by witnesses as an inefficiency of the regime.

Currently, much of the dialogue between FINTRAC and the reporting entities travels only one way, and that is up. The committee heard that the reporting entities regularly submit reports to FINTRAC without receiving any response regarding their usefulness. Similar to the recommendation that requires FINTRAC's partners to provide it with feedback, the committee also recommends that FINTRAC provide ongoing advice to the reporting entities. This would assist them in optimizing their reports and could lessen some of their reporting burden. As well, FINTRAC should provide continual training and tools to reporting entities and their employees.

The third and final area of recommendation concentrates on what the committee believes to be the optimal scope and focus of the regime. Currently, Canada's regime assesses the potential for money laundering in two ways: threshold-based reporting, which requires the reporting of certain types of financial transactions regardless of the potential for crime; and risk-based reporting, which focuses on transactions enabling certain risk factors, such as payment method, geographic location, payee and repetition, amongst others. To date, this hybrid approach has served Canada well, but the committee believes the regime should increase its emphasis on risk-based reporting and analysis. However, honourable senators, notwithstanding a recommendation for more risk-based reporting, the committee feels that certain thresholds also need to be strengthened.

The first has to do with cash as a method of payment. Cash is difficult to trace. Dirty cash can be used to purchase goods such as jewellery, boats, cars, artwork, antiques and electronic merchandise, among other items, for the purposes of reselling them, thereby laundering the original criminal proceeds. Currently, jewellers are covered under the regime and are required to report any cash transaction over \$10,000, while the vendors of the other products I listed are not. Given the risk cash poses, the committee recommends that the government review the list of reporting entities with a view to including those sectors where cash transactions over \$10,000 can occur.

The second threshold that needs to be expanded is international electronic fund transfers, EFTs. Currently, every international EFT over \$10,000 originating in Canada is reported to FINTRAC. While FINTRAC is obviously not concerned about legitimate transfers, they are primarily concerned about money being sent abroad in support of terrorist activities. The committee heard testimony that terrorist entities and their supporters are well aware of the current threshold and simply operate beneath it. In an effort to increase the flow of information to FINTRAC, the committee recommends eliminating the current \$10,000 threshold, thereby requiring reporting of every foreign EFT originating in Canada. I mention that both Australia and the United Kingdom currently require similar reporting, and the United States is considering such a move.

Honourable senators may also be aware that on entering Canada, individuals are asked to disclose if they are carrying \$10,000 or more in cash. Such disclosures are shared by CBSA with FINTRAC. However, if an individual enters Canada carrying \$10,000 or more in prepaid credit cards, no disclosure is required.

Some colleagues may not be familiar with such cards, but these cards are as good as cash. Operating in a variety of ways, some can be used only as a credit card, while others can be used as a

cash card at an automated teller. Some cards have a fixed value, some are limitless and some are even reloadable. Most cards are used for legitimate purposes, but they can also be used for the illegal movement of funds. Currently, prepaid cards are not defined as a monetary instrument under the act. They, like other advances in technology, such as mobile payments via cellphones, are not covered by the current regulation. Criminals are free to exploit their use.

The committee found this to be a gaping hole in the regime's ability to combat money laundering and terrorist financing and recommends that the government should frequently review the regulations to ensure that the regime is continually keeping pace with advancements in technology.

The committee's final recommendation seeks to create a public awareness campaign about Canada's efforts to combat money laundering and terrorist financing. Recently, the committee studied the Financial Literacy Leader Act and felt there may be a role for the Financial Literacy Leader to play in creating a public awareness program.

In conclusion, honourable senators, you have often heard me speak about the importance of money, whether it is the lifeblood of a political party or the appropriations necessary to govern a country. However, just as money can promote political debate or support social programs, it can also be used to fund criminal and terrorist activities. In order to keep up with criminal elements, Canada's anti-money laundering and anti-terrorist financing regime needs to be able to follow the money, and the Senate Banking Committee unanimously believes that the implementation of its 18 policy recommendations will help do just that.

Thank you, honourable senators.

(On motion of Senator Tardif, for Senator Hervieux-Payette, debate adjourned.)

## CRIMINAL CODE

### BILL TO AMEND—THIRD READING— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Runciman, seconded by the Honourable Senator White, for the third reading of Bill C-290, An Act to amend the Criminal Code (sports betting).

**Hon. Terry M. Mercer:** Honourable senators, I stand today to encourage you to support Bill C-290, An Act to amend the Criminal Code (sports betting). I am a proponent of this bill, and I am because I have listened to both sides and have examined the evidence that both sides have presented. This bill would allow the provinces to conduct and manage a lottery that involves betting on single sports events or athletic contests.

• (1710)

I understand some honourable senators have decided to support that and I thank them for that. I understand some may be thinking of voting against it, and some have not decided.

I would like to offer some interesting facts that I hope will change honourable senators' minds and bring them over to the support side of this bill. Honourable senators will have heard some of these facts already, but I would like to put them on the record for all to consider.

Have honourable senators ever played PRO-LINE, or do you have any friends who have? Have you perhaps participated in betting on a group of NFL games on a Sunday afternoon? As honourable senators know, sports betting is widely available in all jurisdictions in Canada, but single-sport betting is not. Unlike PRO-LINE-type betting, where one bets on an outcome of a group of games, single-sport betting occurs on only one game.

Legal and responsible betting happens every day. Law-abiding citizens go to casinos and bet on the horses; they play PRO-LINE or the slots. Access to legalized gambling creates some problems, but the provinces and gaming industry have first-rate programs to help those who have become addicted. Problem gambling affects our citizens, but those who do not become addicted want a safe and legalized environment in which to access this type of entertainment.

While we must do what we can to help those who have become addicted, we also must understand that the type of betting this bill will allow is already happening, but it is happening underground. I will come back to the problems of addiction later.

Honourable senators, Great Britain, Australia and many other countries in Europe have already regulated this industry, making it safer for people to bet legally and allowing regulation and better monitoring so that match-fixing is less likely to take place.

Organized crime groups are running illegal gambling operations for such sporting events that this bill proposes to allow. The passage of this bill will take this illegal gambling out of their hands and allow for legal and safe betting in Canada.

One of the myths that opponents of this bill cite is that illegal gambling of this sort will continue regardless if we make it legal or not. We need to understand that the betting odds are set to attract people to bet on both wagers — wins and losses. As with any type of gambling, the winning bets are paid for by the losing ones. The odds will therefore be the same whether the bet is placed legally or illegally. If the odds were different in the illegal market, bookies would go out of business because they would not be able to cover the losses of all the winnings. In places where they have regulated this type of betting, the odds were consistent and there was no edge for the illegal market.

The argument that single-sport betting would still continue illegally is simply untrue, because it is not sustainable and, more importantly, not profitable. Billions of dollars are being lost to this illegal betting industry.

Take Atlantic Lottery Corporation, for example. One hundred per cent of their profits go back into Atlantic Canada's community for things like social programs, roads, education

and hospitals. Why are we allowing illegal gambling to take place when it is denying the provinces billions of dollars? The change proposed in this bill does not create a new gambling product, but merely serves to regulate an industry that currently resides in the hands of organized crime to the tune of \$10 billion and through offshore websites to the tune of \$4 billion.

While profits go to fund social programs and infrastructure, they also go to help deal with problem gambling, providing services through the provinces like the Problem Gambling Help Line in Nova Scotia.

However, it is worthy to note that legalizing this type of betting does not increase problem gambling or excessive gambling. There are many debates going on about this type of betting and online betting in general, for example online poker, most of which provide little scientific evidence to back up their claims and thus do not provide for informed debate.

Opponents of the bill would have honourable senators believe this creates more problem gamblers, but the scientific data says otherwise. I know some people do not believe in scientific data, but it is there and I will review some of the findings.

Honourable senators, in a study published by the Division on Addiction of the Cambridge Health Alliance at Harvard University — yes, Harvard studied gambling, which is interesting — it was found that the availability of online gambling does not support claims that online gambling has a tendency to cause problem or excessive gambling. The study is entitled *Assessing the Playing Field: A Prospective Longitudinal Study of Internet Sports Gambling Behavior*. One only gets a title like that if it is a Harvard study. It is a study in online betting.

It was conducted in 2005 and reported in 2007. It reports the first-ever analysis of Internet gambling activity among a large, randomly selected cohort followed over time. It included 42,647 people who had an account with Internet betting provider bwin Interactive Entertainment from February 1 to 27, 2005. The average age was 31 and most of them were male, at 91.6 per cent. However, most of the 3,239 women included in the group indicated similar patterns to those of their male counterparts. These are real statistics. There is a real data set we can review and can rely on. It is not a speculative dogma, as we hear from the opponents of online gambling.

As a result, the study concluded that:

The findings reported here do not support the speculation that Internet gambling has an inherent propensity to encourage excessive gambling among a large proportion of players.

Honourable senators, these results speak for themselves.

There is one last piece of information from this study which I also found interesting. People seem to moderate their betting behaviour based on their wins and losses. As the losses increase, the amount of play, number of bets, bets per day, the amount of money per day and total wagers all decreased. The report says this

suggests that the level of the population losing discourages ongoing play and winning encourages continued play. It makes sense to me.

Honourable senators, this bill is important for jobs and revenues in Canadian border towns like Windsor and Niagara Falls, Ontario, or other communities across the country, and for companies that run such online businesses.

I want to talk about a company in my hometown of Halifax. SportsDirect Inc., is a Halifax-based company that employs more than 100 people and provides sports information to leagues and gaming companies around the world. They are not an online casino, but the data they produce is used by organizations, newspapers like *USA Today*, *New York Post*, the *Chicago Tribune*, and a number of casinos in Las Vegas and other parts of the world. They provide statistics that people use to formulate their bets. They are not an online casino. The passage of Bill C-290 could lead to more opportunities for this company and others.

I was speaking with the chairman and founder, Paul Lavers, a couple weeks ago. He suggested that legalizing single-sport betting could add upwards of 1,000 jobs, many of which are held by students. A thousand jobs in a community like Halifax would have a major effect on our community. The research is extensive and students are used in doing it. This could be a great way to help students pay for their very expensive educations. It sounds pretty simple to me.

Mr. Lavers also provided some data which I found interesting. The data agreed with the Harvard study I referred to earlier in terms of gender and education. What was interesting was the household income of the people who play in the single-sport betting world. Almost 70 per cent of those players earn more than \$50,000 a year, including 20 per cent who earn over \$100,000 a year. Those numbers indicate that those players are educated and know when and when not to bet.

Honourable senators, one thing I find interesting is that the professional sports leagues are against this type of betting, citing the integrity of the sport.

• (1720)

My question, though, is why would North American sports leagues not do what other leagues around the globe are doing? They are working with legal sports bookies, regulators, enforcement agencies and gambling addiction programs to monitor all betting more efficiently, effectively and thoroughly. Instead, North American leagues choose to sit on the sidelines while billions of dollars are going offshore through betting on their teams' sports activities via organized crime. Pardon the pun, but the numbers do not add up.

This is an interesting story, honourable senators. Earlier in June, a former basketball player from Auburn University, located in Alabama, was arrested and charged with conspiring with gamblers to throw games in the 2011-12 season. This came about

because one of his teammates notified the coach. No one knew it was happening, except the illegal bookies, and no one would have found out unless the other players revealed what was happening.

The sad reality is that this happens because the system is unregulated. The money is going into the pockets of cheaters, illegally, and benefiting no one but organized crime.

Finally, there are examples of places that could benefit from this bill: the Colosseum at Caesars Windsor; the Fallsview Casino Resort in Niagara Falls; the Windsor Raceway; the Kewadin Casino in Sault Ste. Marie; the Fraser Downs Racetrack and Casino; the River Rock Casino Resort; and the Hastings Racecourse in White Rock, British Columbia, just to name a few.

What is across the border from these communities? Michigan, New York and Washington, with big populations of people who have money to gamble, and we could provide an outlet for that. Think about that.

In short, this bill makes our communities safer and brings revenue out of criminal hands and into our communities. It would have a direct impact on our towns and local jobs, and it will not increase excessive and problem gambling. These are the facts, and this is why I am pleased to support the bill.

On a final note, it is ironic that the late Senator Doug Finley and I seldom agreed on policy or legislation, but I have been reliably told that this was one piece of legislation that Senator Finley did support. As we were debating this bill, I was looking forward to having an opportunity for Senator Finley and me to vote together for once.

This is also an opportunity for me to offer my condolences to his family. While I say we did not agree on a lot, I had a great deal of respect for him, and we had some great chats on occasion.

Honourable senators, this is an important piece of legislation. It provides jobs for Canadians and gets money out of the hands of organized crime. I encourage all honourable senators to think about their vote. I have encouraged people from my province to remember the number of jobs that will be created in Halifax and in border towns and cities across the country where casinos exist.

(On motion of Senator Baker, debate adjourned.)

[Translation]

## GENETIC NON-DISCRIMINATION BILL

### SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Cowan, seconded by the Honourable Senator Tardif, for the second reading of Bill S-218, An Act to prohibit and prevent genetic discrimination.

[ Senator Mercer ]



**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, I would like to move adjournment for the remainder of my time so that I can prepare my notes on this file.

(On motion of Senator Carignan, debate adjourned.)

## LANGUAGE SKILLS BILL

### SECOND READING

**Hon. Claude Carignan (Deputy Leader of the Government)** moved second reading of Bill C-419, An Act respecting language skills.

He said: Honourable senators, today I am pleased to be speaking at second reading to Bill C-419, An Act respecting language skills for officers of Parliament.

Essentially, this bill is designed to require that officers of Parliament who occupy key roles in our parliamentary system be bilingual.

Since coming to power in 2006, our government has always shown a steadfast commitment to promoting our country's two official languages and to putting a series of measures in place to promote bilingualism in the government and give Canadians access, in either official language, to the government services they are entitled to, as set out in the Constitution.

In 2007, during the Francophone and Acadian Community Summit, our colleague, Senator Verner, who was the minister of Canadian Heritage, Status of Women and Official Languages at the time, announced a clear roadmap that was developed with and for those communities. Senator Verner proved that she is a woman of her word and, in 2008, our government approved the first *Roadmap for Canada's Linguistic Duality 2008-2013: Acting for the Future*.

This roadmap represented an unprecedented government-wide investment of \$1.1 billion over five years.

[English]

She had planned investments in several priority areas, including health, justice, immigration and economic development, as well as arts and culture. These generated a number of initiatives that contributed to the promotion of the two official languages in Canadian society and ensured that linguistic duality remained an essential characteristic within the Government of Canada.

[Translation]

In November 2012, the House of Commons Standing Committee on Official Languages tabled its second report, which analyzed the impact of this roadmap and made a number of recommendations. The main recommendation was to implement a new strategy for official languages and proposed benchmarks for developing this new strategy.

On behalf of our government, the Honourable James Moore, Minister of Canadian Heritage and Official Languages, responded as follows:

Our two official languages as well as our culture, our values and our institutions, are part of what defines us as Canadians. They ensure that we can communicate with each other, share our heritage, and discuss our concerns and our plans for the future, while generating benefits for all Canadians. In a country as vast as Canada, our two official languages are essential for developing a sense of community with one another. The Government of Canada will continue providing support for official languages by maintaining the funding intended to protect, strengthen and celebrate Canada's linguistic duality.

[English]

It is unprecedented. The roadmap is the most significant investment in favour of official languages in Canada's history. Since the roadmap is expiring in 2013, the government has been consulting Canadians and major stakeholders since 2011. We have also been following very closely testimony given to the Official Languages Committee.

[Translation]

In summer 2012, the government conducted unprecedented cross-Canada consultations to better identify the priorities of Canadians and stakeholders.

Many Canadians indicated that the roadmap had made it possible to achieve significant improvements in key areas. However, they recommended that certain areas be given priority in order to promote linguistic duality and help enhance the vitality of official-language minority communities.

In March of this year, the Minister of Canadian Heritage and Official Languages presented our government's new *Roadmap for Canada's Official Languages 2013-2018*.

• (1730)

The new roadmap will focus on three pillars that will ensure the vitality of English and French in Canada: education, immigration and communities.

As outlined in Economic Action Plan 2013, the Government of Canada is renewing its unprecedented investment in the protection, promotion, and celebration of both official languages for another five years. It is an undeniable fact: English and French are integral to our history, our identity and our future. They forge links that unite us and allow us to live together in a strong and prosperous society.

The new roadmap is the most comprehensive investment in official languages in Canadian history. The Government of Canada is investing \$1.2 billion in the *Roadmap for Canada's Official Languages 2013-2018*. Clearly, honourable senators, our government takes the promotion of Canada's official languages

very seriously. That is why we decided to support Bill C-419, which fits in very nicely with the many initiatives we have brought forward with respect to official languages.

In terms of the specifics, Bill C-419 adds the obligation that 10 officers of Parliament be bilingual; in other words, they have to be able to speak and understand both official languages. In addition to the many other skills these positions require, bilingualism will be a very clear essential qualification. For a clear understanding, I think it is important to list the 10 senior officials who will be affected by this legislation. They are: the Auditor General, the Chief Electoral Officer, the Commissioner of Official Languages, the Privacy Commissioner, the Information Commissioner, the Senate Ethics Officer, the Conflict of Interest and Ethics Commissioner, the Commissioner of Lobbying, the Public Sector Integrity Commissioner, and the President of the Public Service Commission.

Honourable senators, security of tenure is an extremely rare concept, and it is granted to people who conduct audits, oversee the government and give orders. Given that we are a chamber of sober second thought, we benefit from this security of tenure. This protection ensures that these senior officials have the independence they need to do their job without fear of reprisal. These ten officers of Parliament are required to report to and interact with parliamentarians. Pursuant to section 133 of the Constitution Act, 1867, parliamentarians have the fundamental right to use the official language of their choice. Therefore, these officers of Parliament must be bilingual and able to communicate directly with parliamentarians. Traditionally, this has almost always been the case, but it was not part of the selection criteria. If we pass Bill C-419, bilingualism will be a selection criterion for these 10 officers of Parliament.

Honourable senators, I mentioned that parliamentarians have the right to use the official language of their choice. I should also point out that Canadians have the right to know how their money is managed and to scrutinize their government's actions. These officers of Parliament are responsible for communicating their observations and recommendations to the public. They must therefore be able to do so in both official languages, not only to share their reports, but also to answer questions and interact with government officials and the media.

This bill embodies the obligation of institutional bilingualism provided for in the Official Languages Act, a quasi-constitutional act.

Honourable senators, this bill sends a powerful message that Canada's two official languages are equal. I urge you to unanimously support this bill, which is consistent with our government and our governance.

**The Hon. the Speaker** *pro tempore*: Will the Honourable Senator Carignan accept a question?

**Senator Carignan**: Yes.

**Hon. Gerald J. Comeau**: Senator Carignan, thank you for your excellent speech. You provided a good summary of the government's support for official languages. I would like to say

that I give my full support to the objective of this bill, which is to ensure that officers of Parliament are bilingual. It took some time to get to this point.

Since we are talking about adopting the principles of this bill, I have a few practical questions about the application of this new law. I am going to ask a number of questions that I would like you to answer.

The bill reads as follows:

Any person appointed to any of the following offices must, at the time of his or her appointment, be able to speak and understand clearly both official languages...

Who will be responsible for determining the person's ability to clearly understand both official languages? Will it be the Privy Council? The Minister of Official Languages? The Treasury Board? Who will enforce this new law?

Who will evaluate these individuals? At some point, someone will, of course, be given the task of conducting this evaluation.

Who will determine the competency criteria that the person will have to meet to show that he or she clearly understands both languages? How will we measure the level of comprehension?

An evaluation will no doubt be conducted by external parties, such as journalists or others. How will the level of bilingualism be measured?

Should the ability to understand both official languages be called into question, who will administer the appeal mechanism, if necessary?

Right now, offices of parliamentary officers that are designated bilingual are subject to the Official Languages Act; however, officers of Parliament will not be. Should we have considered changing the Official Languages Act rather than creating a new law?

**Senator Carignan**: The bill mentions the ability "to speak and understand clearly both official languages." This is a rather clear language test for comprehension and oral and writing skills. The Privy Council is responsible for researching and setting the selection criteria for most of these positions. There are various language tests on the market to assess language skills—I remember taking one. Candidates who achieve higher levels are considered to be eligible for positions such as senior management. Various criteria already exist.

These positions are also staffed by people whose duties must be approved by parliamentarians. When we interview the candidates, we will be able to assess their ability to speak and understand both official languages. We can then reject applications if there are problems with the hiring or the staffing process.

Those appointed are people whom we must interact with, as parliamentarians. As parliamentarians, we have a constitutional right, under section 133, to express ourselves in this chamber in the language of our choice. It is therefore important that these

individuals be able to speak and understand both official languages so they can respect our constitutional rights as parliamentarians.

• (1740)

**Hon. Fernand Robichaud:** Honourable senators, I wonder what has changed since the Auditor General was appointed. He had very little French, but promised to learn it so that he could eventually understand and communicate in this official language.

Are such promises to achieve a certain level of understanding now enough to qualify for such a position?

**Senator Carignan:** My understanding of the bill is that this is a prerequisite for the appointment. The candidate will have to clearly speak and understand both official languages, and not just promise to understand and speak them. It is a *sine qua non* condition for being appointed to the positions that are identified in the bill.

**Hon. Claudette Tardif (Deputy Leader of the Opposition):** Honourable senators, I am pleased to speak to Bill C-419, the Language Skills Act. I want to thank the honourable member for Louis-Saint-Laurent, Alexandrine Latendresse, for her legislative initiative.

As a Franco-Albertan who has been working for years on promoting French, on respect for our country's linguistic duality and on strengthening official language minority communities, I support this bill, which would make it mandatory for the 10 officers of Parliament to be bilingual.

Honourable senators, let me remind you that bilingualism is a fundamental value in Canada. The Official Languages Act and the Charter of Rights and Freedoms laid the foundation for linguistic duality and language rights. The Commission on Bilingualism and Biculturalism, which was created 50 years ago, recommended that English and French be formally declared the official languages of the Parliament of Canada, the federal government and the federal courts. The objective was to give Canadians the option to communicate in French or in English with their government, to provide them with equal opportunities to fill federal government positions and to allow them to work in the official language of their choice.

Today, proficiency in both official languages has become an essential skill for those in leadership roles within the federal public service. An increasing number of ministers, members of Parliament, heads of federal agencies and federal employees are bilingual. I would like to repeat what the government reiterated in its 2011 Speech from the Throne, and I quote:

Canada's two official languages are an integral part of our history and position us uniquely in the world.

Despite the progress bilingualism has made, we are still called upon to create legislation regarding this issue, specifically for officers of Parliament, because the bilingualism requirement is not always taken into consideration when appointing people to those

positions. Rewind to a few months ago, when the government appointed a unilingual Auditor General. As a result of its decision, the government received many complaints and a strong rebuke from the Commissioner of Official Languages for not having considered the bilingualism requirement.

In fact, in his preliminary report on the investigation, the Commissioner of Official Languages concluded that the Privy Council Office failed to meet its obligations by not taking into consideration the language requirements set out in subsection 24(3) of the Official Languages Act, which mentions the Office of the Auditor General specifically. It clearly disregarded the intent of Parts IV, V and VII of the Act during the process of appointing Mr. Ferguson as Auditor General.

Clearly, the government made a grave error in appointing a unilingual anglophone as Auditor General. I am in no way calling into question the abilities of the Auditor General, whom I hold in high regard. It was also a mistake to try and convince Canadians that an officer of Parliament can quickly learn French, knowing full well that it is an elusive goal.

Since the role of Auditor General is very demanding in terms of responsibilities and availability, it would be quite the achievement for him to learn a second language in such a short period of time. Our colleague, Senator Joyal, said the following in a meeting of the Committee of the Whole in the Senate in November 2011:

There is a distinction between someone who is willing to learn languages and someone who must master the language when he or she holds the position.

It is laudable for someone to commit to learning a second language, but we have to be realistic and take the circumstances into consideration. All Canadians, both francophones and anglophones, expect senior officials to be bilingual. Officers of Parliament must be able to work in both official languages.

Such a bill would not normally be necessary, but when a unilingual Auditor General was appointed, it became clear that there was no guarantee that the Official Languages Act would be honoured. That is where Bill C-419 comes in. This bill would make it mandatory for anyone appointed to this position to be bilingual. Officers of Parliament must be able to understand both official languages at the time of their appointment.

The bill states that persons appointed to certain offices must be able to speak and understand clearly both official languages. The bill lists the following 10 offices: the Auditor General of Canada, the Chief Electoral Officer, the Commissioner of Official Languages for Canada, the Privacy Commissioner, the Information Commissioner, the Senate Ethics Officer, the Conflict of Interest and Ethics Commissioner, the Commissioner of Lobbying, the Public Sector Integrity Commissioner and the President of the Public Service Commission.

Honourable senators, I would like to emphasize the merits of this bill while sharing some comments with you regarding some of the amendments proposed in committee to improve the original bill. During the Committee of the Whole in the Senate on

March 20, 2013, the Commissioner of Official Languages, himself an officer of Parliament, clearly indicated the importance of bilingualism in response to my question on Bill C-419. He said:

It is important that the individuals who hold these positions personify the role to some extent. I am not the chair of an official languages commission; I am the Commissioner of Official Languages, and parliamentarians expect to be able to speak to me in French or in English, and rightly so. The same goes for all other commissioners, whether it be the Privacy Commissioner, the Information Commissioner or the Auditor General.

During his speech at third reading of Bill C-419, on May 29, 2013, the Honourable Stéphane Dion eloquently presented three reasons that justify bilingualism as an essential qualification for such critically important positions as those of officers of Parliament.

First of all, given that these officers of Parliament are here to serve Parliament, they must be able to communicate with all parliamentarians. They are often called upon to explain the results of their work, to table reports and to appear before parliamentary committees.

The second reason has to do with the fact that these officers have to make important decisions based on written information. Being able to read both official languages is essential because officers of Parliament must consult many documents that come from across Canada, many of which are in French. Thus, this competency includes the ability to read in both official languages.

The third reason concerns the bilingual capacity of a particular office. Consider the Office of the Auditor General, which must be able to work in both official languages. In fact, we know that in practice if senior management is unilingual, it is highly likely that everything will be done in that one language. Senior management should be able to use both official languages to ensure the office can function in both official languages. This will encourage upwardly mobile employees to become bilingual.

Another important reason relates to the fact that officers of Parliament should also be very good communicators. Officers of Parliament are increasingly featured in the media, given the nature of their contributions, the increasing visibility of their offices and public expectations. They must communicate with all Canadians clearly and accurately in both official languages.

• (1750)

Officers of Parliament are in a very high-profile role. They must be very skilful at communicating in our country's two official languages at all times.

We also need to send a clear message to the youth of our country. Those who are ambitious and want to reach higher ranks of responsibility need to learn both official languages. Appointing people who are highly bilingual to high-level positions, such as those of officers of Parliament, will have a positive influence on future candidates for those positions.

I am convinced that this bill will encourage a growing number of people to persevere and push themselves even harder to learn either of our official languages. We can also hope that appointing

bilingual officers of Parliament will encourage post-secondary establishments to offer more language courses as well as programs in our country's two official languages.

Here, in the Hon. Stéphane Dion's words, are the benefits of being bilingual:

...some positions with national responsibilities in this country require a mastery of both official languages. Moreover, those languages are international languages, and provide an excellent window on the world. Let us therefore do everything we can to promote this splendid asset we possess, instead of trying to weaken it.

I would like to share with you my observations about the amendments that were approved when the bill was studied in committee. It is unfortunate that when it was being studied by the House of Commons Standing Committee on Official Languages, the bill was stripped of its preamble and two clauses.

Allow me to provide my observations on these amendments that diminished the scope and flexibility of this bill. First, we know, honourable senators, that generally speaking, the preamble outlines the spirit of the bill and its underlying objectives. I would like to read what the preamble stated in the first version of Bill C-419.

Whereas the Constitution provides that English and French are the official languages of Canada;

Whereas English and French have equality of status and equal rights and privileges as to their use in all institutions of Parliament;

Whereas members of the Senate and the House of Commons have the right to use English or French during parliamentary debates and proceedings;

And whereas persons appointed with the approval by resolution of the Senate, the House of Commons or both Houses of Parliament must be able to communicate with members of those Houses in both official languages;

It is disappointing that the preamble of this bill was eliminated because it laid out the merits of the bill. It stressed that our language rights are equal and it would have helped in interpreting the statute. In my experience, it is always important to remember that in Canada, our two official languages have to be treated equally. In other words, neither language is better or worse than the other. What is more, the Official Languages Act, a quasi-constitutional law, must be respected.

Second, the bill would have required persons appointed with the approval by resolution of the Senate, the House of Commons or both Houses of Parliament to understand French and English without the help of an interpreter and to express themselves clearly in both official languages. Now the beginning of clause 2 reads:

Any person appointed to any of the following offices must, at the time of his or her appointment, be able to speak and understand clearly both official languages...

Note that the phrase “without the aid of an interpreter” was removed. Unfortunately, this weakens the bilingualism requirement. I would like to remind honourable senators that the phrase “without the assistance of an interpreter” appears in subsection 16.1 of the Official Languages Act, a provision that applies to the Federal Court. The phrase “without the assistance of an interpreter” is a pretty good benchmark for the high level of language proficiency needed to hold the position of Federal Court judge.

I am not convinced by the government’s arguments as to why this phrase should be removed when it comes to the appointment of bilingual officers of Parliament. The phrase “without the aid of an interpreter” sets a higher standard for the required level of bilingualism than the expression “clearly understand.”

I do not understand why the government chose to eliminate the phrase “without the aid of an interpreter”, when a similar expression is used in the Official Languages Act, explicitly requiring a high level of bilingualism for senior positions.

Marie-France Kenny, president of the Fédération des communautés francophones et acadienne du Canada, testified before the Standing Committee on Official Languages on Tuesday, March 26, 2013, before the clause-by-clause consideration of the bill. She said:

[Allow] me to give you the citizen’s point of view [on required language skills]. French-speaking Canadians expect to be able to hear the Auditor General speak in French to explain the government’s major financial management issues. They expect to be able to speak with the Privacy Commissioner in their own language. In short, the capacity to speak to the public and understand them without using an interpreter is essential. It requires advanced oral and comprehension skills.

Clause 3 of the bill was also removed. That clause provided that the Governor in Council could, by order, add offices to the list established in clause 2. This provision gave the bill some flexibility because it meant that other positions could be added to the list of 10 officers of Parliament. It is unfortunate that clause 3 was removed. It reflected a longer-term commitment to bilingualism among senior government officials.

My next observation refers to clause 4 in the original bill. Through another amendment, this provision was completely removed. It read as follows:

In the event of the absence or incapacity of the incumbent of any of the offices listed in section 2 or vacancy in any of these offices, the person appointed in the interim must meet the requirements set out in section 2 (in other words, the bilingualism requirements).

Without that provision in the bill currently before us, I believe there is a real risk that someone who is not bilingual could be appointed on an interim basis. An acting appointment can last several months before a permanent appointment is made. Since this detail is no longer clearly stated in the bill, what guarantee do we have that all interim appointments to officer of Parliament positions will be occupied by bilingual individuals?

As this bill is interpreted in its amended form, I can only hope that the language skills targeted by Bill C-419 will be incorporated into the position, no matter who holds the position, and that anyone appointed on an interim basis will also be bilingual. Any incumbent of a position set out in Bill C-419, whether that person is appointed on an acting or a permanent basis, must have the language skills required by the position. This objective was a determining factor and essential to guaranteeing that these officer of Parliament positions respect the bilingualism principle at all times.

Honourable senators, we must be vigilant, and we are within our right to question whether the government will respect its commitment to honour this bill once it becomes law. I hope it will do everything possible to enforce this bill fairly and to respect the rights of the people who want to express themselves and be understood in either of our official languages.

Canadians have the right to demand that people holding crucial roles in Parliament be fluent in both official languages. This includes the positions of officers of Parliament.

In conclusion, honourable senators, I want to reiterate that English and French have equality of status and equal rights and privileges as to their use in Parliament. I want the government to take a strong leadership role in implementing this bill and in the appointment process for these positions. I sincerely hope that all senators in this chamber will work together to ensure that this bill receives Royal Assent soon.

[English]

**The Hon. the Speaker *pro tempore*:** Will the honourable senator accept a question?

[Translation]

**Senator Tardif:** Yes, certainly.

[English]

**The Hon. the Speaker *pro tempore*:** Honourable senators, before I take the question, I notice that the clock is getting close to 6 p.m. What is your pleasure with respect to seeing the clock, Honourable Senator LeBreton?

**Hon. Marjory LeBreton (Leader of the Government):** I would recommend we carry on with the Order Paper, Your Honour, and not see the clock.

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

**Hon. Senators:** Agreed.

[Translation]

**Hon. Andrée Champagne:** Honourable senators, my question is for the honourable Senator Tardif. Following the same logic, should we not be designing a bill that would make it essential for every person who is elected to the House of Commons and appointed to the Senate of Canada to know both languages and be bilingual? That would fix a lot of problems.

• (1800)

**Senator Tardif:** That would definitely be a good thing, Senator Champagne, but I do not think that we are there yet.

**Senator Champagne:** That is too bad.

**Senator Robichaud:** Honourable senators, I am under the impression that the purpose of the bill currently before us is simply to strengthen another law, namely the Official Languages Act. All sorts of ways have been found to circumvent the requirements of the Official Languages Act.

Is Senator Tardif convinced that there is no way for the government to get around this bill when it is appointing officers of Parliament?

**Senator Tardif:** Honourable senators, I believe that we have to remain vigilant. However, I am confident that this bill will serve as an additional tool to reinforce the obligation to promote the equality of status of our country's two official languages.

**Hon. Maria Chaput:** Does this bill mean that the next time an officer of Parliament position is posted, the posting will have to indicate that proficiency in both official languages is mandatory?

**Senator Tardif:** According to the bill, it is a prerequisite to appointment and so the job posting would have to include that requirement.

**Senator Robichaud:** I have another question, honourable senators. Senator Tardif said earlier that the bill was amended in the other place. Has she considered reintroducing the part of this bill that was eliminated or amended? From what she was saying, it strengthened the bill considerably.

Has the honourable senator considered reinstating the bill in its original form?

**Senator Tardif:** Honourable senators, I do not think that the members of the Official Languages Committee can make a decision like that until we have heard from the witnesses.

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

**Hon. Senators:** Question!

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

**Hon. Senators:** Agreed.

(Motion agreed to and bill read second time.)

## REFERRED TO COMMITTEE

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

(On motion of Senator LeBreton, bill referred to the Standing Senate Committee on Official Languages.)

[*English*]

## HUMAN RIGHTS

### BUDGET—STUDY ON ISSUE OF CYBERBULLYING— ELEVENTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the eleventh report of the Standing Senate Committee on Human Rights (budget—study on cyberbullying in Canada), presented in the Senate on June 6, 2013.

**Hon. Salma Ataullahjan** moved the adoption of the report.

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

(Motion agreed to and report adopted.)

### STUDY ON THE EVOLVING LEGAL AND POLITICAL RECOGNITION OF THE COLLECTIVE IDENTITY AND RIGHTS OF THE MÉTIS

#### TWELFTH REPORT OF ABORIGINAL PEOPLES COMMITTEE AND REQUEST FOR GOVERNMENT RESPONSE ADOPTED

The Senate proceeded to consideration of the twelfth report (interim) of the Standing Senate Committee on Aboriginal Peoples, entitled: "*The People Who Own Themselves*": *Recognition of Métis Identity in Canada*, tabled in the Senate on June 6, 2013.

**Hon. Vernon White:** Honourable senators, I move:

That the report be adopted and that, pursuant to Rule 12-24(1), the Senate request a complete and detailed response from the government, with the Minister of Aboriginal Affairs and Northern Development Canada being identified as minister responsible for responding to the report.

**The Hon. the Speaker *pro tempore*:** Is it your pleasure, honourable senators, to adopt the report?

**Hon. Lillian Eva Dyck:** Honourable senators, I would like to say a few words before we move to adopt the report.

This is the first parliamentary report on the Metis and I would like to thank all senators on the committee who participated in the study and all the staff. We have access to some brilliant researchers and analysts. We have support of translators, and so on, who helped us to do the committee work when we travelled.

I would also like to thank the various Metis people who welcomed us into their communities. Everywhere we went on our study, they welcomed us with open arms and shared passionately their ideas about who they were, what they wanted and what they thought our recommendations should be. I wanted to mention those people specifically.

I would also like to give my special thanks to the former chair of the committee, the Honourable Gerry St. Germain. He led us on this committee. He was somewhat reluctant to undertake this study, perhaps because he saw it as being a conflict of interest since he is a Metis person and was the first Metis to self-identify when he was in the House of Commons as an elected member of Parliament.

As honourable senators know, the report was tabled last week. This week we tried to bring attention to it with the media. Senator White and I, at the suggestion of our Communications Officer Ceri Au, tried to get the media outside the chamber to see the work we had done. Unfortunately, they said it was not of interest at this time. That is too bad, because it is one those reports that shows the important work that we, as senators, do. As I said previously, it is the very first parliamentary report on the Metis people of Canada. They have been long ignored and now they are recognized.

There are two legal cases with respect to the Metis people that will bring it to the forefront of Canadian attention: The Manitoba Metis Federation won a legal battle in Manitoba with respect to land; and there is also the *Daniels* case, which is now being appealed by the federal government. The *Daniels* case essentially said the Metis people should be considered as Indians under the Indian Act. Prior to that, they had been excluded. That will bring more and more attention to the issue of Metis identity as we continue and as these challenges and court cases begin to show some practical effects within the communities.

Our report had three major recommendations. The first one was that the department should go out and continue to collect demographic and statistical information on the Metis people so we know how many Metis people there are and where they live. The second recommendation focused on historical documentation and encourages the government to continue to support academic researchers in their endeavours to look into the history of the Metis in Canada and also to develop programs so that the Metis communities, the Metis people themselves, can also develop their own histories.

On the committee's trip, we heard from many communities where families are documenting their history. They are going right back, for instance, to the Red River Metis settlements to prove they are Metis according to at least one set of criteria.

• (1810)

The third recommendation was that the federal government should continue to enter into bipartite and tripartite agreements with organizations and that they should develop an action plan to move forward with Metis organizations. As Senator White stated, we expect to get a progress report from the government within a year's time.

One interesting feature to this report is the lovely way that our communications people and our staff have put it on the Senate website. One can go to the Committee on Aboriginal Peoples

website and see the whole report. It lays out the news release, the order of reference, the recommendations, the senators who took part in it, the full text of the report and the community profiles.

What is really neat about the community profiles is that if one clicks on it, it actually takes you to a map of Canada and shows the places we visited during our study. If you click on, for example, Northwest Territories, it will take you to the information that we received from the Northwest Territories. That makes it really user-friendly.

I am not sure, but I do not think any other committee has adopted that approach. I think it will make it very useful to the people out in the community, and I think that the communities we visited will be very happy to see this. People from Duck Lake and Batoche, Saskatchewan, will be able to click and see what we heard and what we have said about them. That is a great addition, and I hope it is appreciated by the Canadian public. I think it is a good report, and I hope it is well received and I hope we move forward.

**The Hon. the Speaker** *pro tempore*: Further debate? Are honourable senators ready to adopt the report?

(Motion agreed to and report adopted.)

## RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT

### SEVENTH REPORT OF COMMITTEE—ORDER STANDS

On the Order:

Resuming debate on the motion of the Honourable Senator Smith, P.C. (Cobourg), seconded by the Honourable Senator Comeau, for the adoption of the seventh report of the Standing Committee on Rules, Procedures and the Rights of Parliament (Amendments to the *Rules of the Senate*), presented in the Senate on March 19, 2013.

**Hon. David P. Smith:** Honourable senators, I regret that Senator Carignan managed to escape before I had another go at him, but this is a super urgent matter. I am glad it will get the leader's attention, because Senator Carignan was talking about the great road map. The road map of the Rules Committee has been anything but great; it has been rocky and into a dead end. If one looks at the items on the agenda here, Item No. 3 is the seventh report, Item No. 4 is the sixth, Item No. 5 is the fourth, and Item No. 7 is the fifth.

Since December, the Rules Committee has adopted three standing reports. Every one of them has been unanimous. I want to repeat that: Every one of them has been unanimous, with no partisanship at all. We came to conclusions on updating the rules to make them more relevant to modern times, but all four reports are being held up by Senator Carignan and Senator Cools. Senator Cools held up the first one, which was tabled in December. She has not said a word about it since. That is six months ago. There is an alliance here, obviously, and Senator Carignan has held up the next three reports.

Our concern is that there is a plan to just keep stalling it until we rise, and then there will probably be a prorogation, and we will have to redo all this work on which collectively different senators have spent hundreds of hours. We came up with four unanimous reports, totally non-partisan.

Last Thursday I pointed out to Senator Carignan, because I could never get a straight answer from him — it is all in Hansard — that he had assured me that he would give me an answer last week. I am now quoting from Hansard. This is what he said on Thursday of last week:

Honourable senators, I told Senator Smith that I would deal with it this week. My week ends on Friday. I will therefore look at it tomorrow and make a decision.

I do not think he had even looked at any of these reports, and some of them are three or four sentences long.

Honourable senators, I will not be hard on Senator LeBreton, but I am speaking on behalf of the Rules Committee, the members of which are frustrated beyond belief that we spent countless hours on four reports and it is quite clear that they are all being stalled.

Has the leader had an answer from Senator Carignan yet? I would like her to give this her attention, because I think she would do the right thing. It would be terrible if all that work went down the drain and we lost four unanimous reports because Senator Carignan and Senator Cools, for whatever reason, decided to kill them all. It is wrong. It is not in the best interests of this place.

I do not get too emotional around here, but this is really bothering me. Senator Carignan told me he would settle this last week, and he did not; he had not even looked at it.

Can the leader shed any light on this? If not, I hope she will hold his feet to the fire. If people want to debate it, fine; if they want to amend it, fine; if they want to vote it down, that is fine too; however, let us deal with it. It is wrong to have spent all that time and just let that work wither on the vine.

**Hon. Marjory LeBreton (Leader of the Government):** I thank the honourable senator. Senator Smith did give me the transcript from June 6, and he quotes Senator Carignan correctly.

Honourable senators, other than overhearing conversations when Senator Smith comes over to plead his case, I have not followed this closely. However, I will attempt to find out exactly what the issue is here and hopefully have some kind of response for the honourable senator.

**Senator Smith:** I could tell the honourable senator if she wishes, but I will not do it on the floor. This is where we need some honesty and where we need to do the right thing.

**The Hon. the Speaker *pro tempore*:** This matter stands adjourned in the name of Senator Carignan.

(Order stands.)

[ Senator Smith ]

#### SIXTH REPORT OF COMMITTEE—ORDER STANDS

On the Order:

Resuming debate on the motion of the Honourable Senator Smith, P.C. (Cobourg), seconded by the Honourable Senator Comeau, for the adoption of the sixth report of the Standing Committee on Rules, Procedures and the Rights of Parliament (Amendments to the *Rules of the Senate*), presented in the Senate on March 6, 2013.

**Hon. David P. Smith:** Honourable senators, the same words apply to that report, and I hope the leader will review that with Senator Carignan, too.

**Hon. Marjory LeBreton (Leader of the Government):** I will, indeed, honourable senators.

(Order stands.)

#### FOURTH REPORT OF COMMITTEE—ORDER STANDS

On the Order:

Resuming debate on the motion of the Honourable Senator Smith, P.C. (Cobourg), seconded by the Honourable Senator Fraser, for the adoption of the fourth report of the Standing Committee on Rules, Procedures and the Rights of Parliament (Amendments to the *Rules of the Senate*), presented in the Senate on December 12, 2012.

**Hon. David P. Smith:** Honourable senators, this one stands in the name of Senator Cools, but they are working together, so the leader might ask Senator Carignan about that one as well.

**Hon. Marjory LeBreton (Leader of the Government):** Ditto.

(Order stands.)

#### FIFTH REPORT OF COMMITTEE—ORDER STANDS

On the Order:

Resuming debate on the motion of the Honourable Senator Smith, P.C. (Cobourg), seconded by the Honourable Senator Fraser, for the adoption of the fifth report of the Standing Committee on Rules, Procedures and the Rights of Parliament (Amendment to the *Rules of the Senate*), presented in the Senate on March 5, 2013.

**Hon. David P. Smith:** This is another one. Honourable senators, there we have the four, and we must deal with them.

**Hon. Marjory LeBreton (Leader of the Government):** I had not realized they were in four different spots on the Order Paper. Now that I am responsible for the Order Paper for the rest of the sitting today, I will, Senator Smith, make attempts.



**Senator Smith:** I will not pick on Senator LeBreton. She is not the author of this. I know who is, but he escaped, and it was not a coincidence.

(Order stands.)

• (1820)

## MENTAL HEALTH CARE TREATMENT FOR INMATES IN FEDERAL CORRECTIONAL INSTITUTIONS

### INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Callbeck, calling the attention of the Senate to the need for improved mental health care treatment for inmates in federal correctional institutions, and the benefits of providing such treatment through alternative service delivery options.

**Hon. Bob Runciman:** Honourable senators, this item was adjourned in Senator Cordy's name, and she has kindly afforded me the opportunity to speak very briefly on it, with the understanding that it would remain adjourned in her name following my comments.

**Some Hon. Senators:** Agreed.

**Senator Runciman:** Honourable senators, at outset I would like to thank Senator Callbeck for introducing her inquiry on the need for improved mental health treatment for inmates in federal correctional facilities.

As Senator Callbeck noted, her inquiry is similar to one I introduced in December 2012 that unfortunately fell off the Order Paper when no one took the adjournment. I do not intend to speak at length on this, as my views are already on the record.

Four senators, including myself, participated in the discussion of my inquiry and, to my knowledge, none of the speakers generated any interest within the fourth estate. That is not a surprise to anyone in this place, as good words and good works in the Senate of Canada are, more often than not, lost in the ether. That does not lessen the disappointment when there appears to be a consensus on an initiative that reflects on a significant issue that is in the news almost on a daily basis as a result of the Ashley Smith inquest.

Both Senator Callbeck's inquiry and my own call on the Correctional Service of Canada to utilize alternative service delivery options for treatment of seriously mentally ill inmates. Mine focused on female inmates. Both inquiries cited the St. Lawrence Valley Correctional and Treatment Centre as an example of a secure treatment unit with an outstanding record of success and a clear interest in providing the kind of treatment that is not and will not be available in the federal correctional system.

The Ashley Smith inquest has exposed a great many problems within Canada's correctional system, most importantly, its inability to appropriately and successfully deal with inmates suffering serious mental illness. In my previous speech, I dealt in detail with why this is happening and I will not repeat the reasons.

The Smith inquest may run into the fall and I am hopeful that the inquest jury will conclude that alternative service delivery is the most effective way to deal with seriously ill inmates, especially female inmates. If that is indeed a recommendation, am I optimistic that Corrections will accept the finding and pursue that course? In a word, no. Am I pessimistic? You bet.

Why do I feel that way? Just look at Corrections' actions in the lead-up to the Smith inquest and their lack of action in the wake of inquest testimony. Thanks to a media freedom-of-information request, we learned that Corrections spent more than 3 million tax dollars, most, if not all, in legal fees to attempt to limit the inquest's mandate and to prohibit the inquest jury and the public from viewing videos that displayed the horrific treatment Ashley received within the system. We can only guess how many millions of tax dollars Corrections spent to settle with the Smith family and, of course, that is subject to a non-disclosure agreement.

Should the public have a right to know their total contribution to Corrections' efforts to keep as much information as possible about the tragedy behind the curtains? This offensive misuse of tax dollars only stopped when the public uproar caused the government to step in with a cease-and-desist order. As well, we have learned through the inquest proceedings that Corrections officials paid — and many would use a harsher word — a correctional officer \$25,000 to keep his mouth shut about Ashley's treatment.

We have known about these issues and more for some months now, but I have yet to hear of any shakeup at the Correctional Service of Canada — no firings, no discipline, just silence. Therefore, honourable senators, I see no reason for optimism.

As well, in correspondence and public commentary, Corrections officials, when responding to questions about alternative service delivery, continue to mislead with references to cooperation with outside providers, such as the Institut Philippe-Pinel in Montreal or the St. Lawrence Valley Correctional and Treatment Centre, where they do one-offs with one or two particularly challenging inmates. This is nothing less than a smokescreen to cover their lack of serious consideration of dedicated units in proven alternative service delivery facilities. It is turf protection of the most dangerous kind.

In short, unless Corrections goes through a thorough house cleaning and abandons their efforts to subvert the public interest in favour of their own empire, or unless the government, as it did with Corrections' efforts to obstruct the Smith inquiry, steps in and provides direction, I unfortunately cannot be optimistic.

**The Hon. the Speaker *pro tempore*:** Honourable senators, as agreed by this chamber, this matter stands adjourned in the name of Senator Cordy.

(On motion of Senator Cordy, debate adjourned.)

### THE SENATE

MOTION TO TAKE NOTE OF CERTAIN FACTS, URGE  
THE AUDITOR GENERAL TO CONDUCT A  
COMPREHENSIVE AUDIT OF THE PRIME  
MINISTER'S OFFICE, AND TO SEND A  
MESSAGE TO THE HOUSE OF  
COMMONS—DEBATE  
ADJOURNED

**Hon. James S. Cowan (Leader of the Opposition)** pursuant to notice of June 6, 2013, moved:

That the Senate take note of the following facts:

1. Prime Minister Stephen Harper stated on May 22<sup>nd</sup>, while in Lima, Peru, that when his former Chief of Staff, Nigel Wright, gave Senator Michael Duffy more than \$90,000 “**he did this in [his] capacity as Chief of Staff**”;
2. It is not known what consideration the Prime Minister or his office received in return from Senator Duffy for this money;
3. It is not known whether similar payments were made to any other individuals by Mr. Wright or by others in the Prime Minister's Office; and
4. It is not known whether the Prime Minister's former Chief of Staff has or will himself be reimbursed by any third party for his payment to Senator Duffy;

and therefore the Senate urge the Auditor General of Canada to conduct a comprehensive audit of the expenses of the Prime Minister's Office, including any payments made by individuals in the Prime Minister's Office to Parliamentarians; and

That a message be sent to the House of Commons requesting that House to unite with the Senate for the above purpose.

He said: Honourable senators, just last week, the Leader of the Government in the Senate stood in her place and argued that we needed to invite the Auditor General to conduct a comprehensive audit of Senate expenses because, as she described it, she was hearing from thousands of Canadians who are outraged by what has happened and want more accountability in the Senate. My colleagues and I supported her motion, and it passed quickly.

However, honourable senators, as I said when I spoke to the motion last Wednesday, Senator LeBreton's proposal was really just the latest attempt to divert Canadians' attention from the real problem, the real questions they want answered: What really took place in the Prime Minister's Office?

I, too, am receiving a flood of emails and letters from outraged Canadians. They are outraged by what they are finding out about the way this Prime Minister and his most senior advisers evidently do business: secret cheques of \$90,000 handed over to a sitting parliamentarian undergoing a forensic audit of improper expense

claims and handed over without, we are asked to believe, any paper whatsoever — no promissory note, no contract, not even a yellow Post-it Note. A gift, a casual gift of \$90,000 from the Prime Minister's chief of staff to bail a fellow Conservative, a sitting senator, out of trouble.

Senator LeBreton said in a press conference last Thursday that taxpayer dollars were not involved in what took place in the Prime Minister's Office, so it is of no concern to us. The money came from Nigel Wright. There is nothing more we need to know. However, if there was nothing to hide, why is it being hidden?

Honourable senators, the questions swirling around this shady transaction are not going away. Even the Prime Minister leaving the country, twice now, is not working to change the channel, as he would wish.

Twenty years ago, then-Conservative member of Parliament for Mississauga South, Don Blenkarn, wrote a letter raising questions about the way things were being done in then-Conservative Prime Minister's Brian Mulroney's government. He wrote:

What comes through to all sorts of people critical of our government is some sort of a quick pay-off to friends... and it doesn't taste well and it doesn't sound well and it leaves all sorts of suspicions and it doesn't add up or balance.

Honourable senators, Don Blenkarn's words from 20 years ago about the Mulroney government could have been written in the last few weeks about the Harper government. Indeed, not dissimilar words have been spoken recently by now independent, formerly Conservative MP, Brent Rathgeber. He said last week:

Canadians want to know what was the quid pro quo.

He went on:

As a member of Parliament I do not want to be beholden or indebted to that branch of government —

He was referring to the Prime Minister's office.

— and I don't know what the quid pro quo was between the former chief of staff to the Prime Minister and Senator Duffy, and it's inappropriate on so many levels and then [the chief of staff to] the Prime Minister would offer a gift to try to make it go away.

• (1830)

Honourable senators, I introduced this motion for the Senate to urge the Auditor General to conduct a comprehensive audit of the expenses of the Prime Minister's Office, including any payments made by individuals in the Prime Minister's Office to parliamentarians, because Canadians need answers, and they are certainly not getting them from the Prime Minister or the members of his government.

My motion begins by asking the Senate to take note of certain facts. Let me take a few minutes to go through these important facts.

First, Prime Minister Stephen Harper stated on May 22, while in Lima, Peru, that when his former Chief of Staff, Nigel Wright, gave Senator Michael Duffy more than \$90,000 — this is a quote from the Prime Minister — “he did this in [his] capacity as Chief of Staff.”

Honourable senators, I must tell you, when I heard this remarkable statement from the Prime Minister, I was astonished. The Prime Minister, who always — and certainly on this file — chooses his words with great care, told Canadians that Mr. Wright gave the \$90,000 cheque to Senator Duffy not as a personal friend, but he did this “in his capacity as Chief of Staff.”

This was not a private act by an individual who happened to be the Prime Minister’s Chief of Staff. No, it was, we were told by the Prime Minister himself, an official act by the Chief of Staff to the Prime Minister.

What does this mean, honourable senators? Is this how business is done in this Prime Minister’s Office? Are payments of tens of thousands of dollars to sitting parliamentarians part of the accepted mandate of Prime Minister Harper’s Chief of Staff? Has this been done before, if not by this Chief of Staff, then by others?

Senator LeBreton has tried to say, “This is the case of an individual [Mr. Wright] who used private money.”

In fact, however, the Prime Minister has told Canadians that the money may have been private — I will return to that shortly — but the payment was made by Mr. Wright “in his capacity as Chief of Staff.”

In other words, honourable senators, the Prime Minister himself has told Canadians that this was not a private matter but a transaction conducted in the Prime Minister’s office, by the most senior official in that office, next to the Prime Minister himself, acting in his official capacity as Chief of Staff.

Canadians want to know: What is going on in the Prime Minister’s Office if writing \$90,000 secret cheques to an embattled sitting senator is apparently part of the Chief of Staff’s mandate or responsibility?

Returning to my motion, I next asked the Senate to take note of the following: It is not known what consideration the Prime Minister or his office received in return from Senator Duffy for this money. This is the very point that Mr. Rathgeber made last week.

Mr. Wright is reputed to be a brilliant, sophisticated businessman. He has not one but two law degrees, yet we are asked to believe he would write a cheque to Senator Duffy for \$90,000 without any written document and without demanding anything in return from Senator Duffy.

Honourable senators, this strains credulity to the breaking point.

Mr. Wright was reportedly brought in to head Prime Minister Harper’s office precisely because of his business acumen, his sharp knowledge of how things are done right in the private sector, in the world of business, and therefore his ability to help put Canada on track for economic success. Is this an example of how the

private sector does business — to write secret cheques for \$90,000 to individuals under investigation for misuse of funds and not protect oneself or one’s boss by having something in writing? Nothing demanded or required from Senator Duffy as, in Mr. Rathgeber’s words, a quid pro quo? Is it common for the Chief of Staff to give away almost \$100,000 with nothing to be given in return? Is this an example of the Conservative’s promised “steady hand on the tiller” of Canada’s financial ship? Is that how the nation’s finances are being managed?

Was the money given in consideration for services that had already been rendered by Senator Duffy? What services? Or was it in exchange for services to be rendered in the future? What and when? Senators are supposed to be independent checks on the executive. How independent could a senator be if he has accepted a secret payment of \$90,000 from the Prime Minister’s Office — from the Prime Minister’s Chief of Staff acting in his official capacity?

Again, honourable senators, the Prime Minister was very clear that Mr. Wright wrote the cheque “in his capacity as Chief of Staff.”

The third fact I list in my motion that needs to be taken note of is that it is not known whether similar payments were made to any other individuals by Mr. Wright or by others in the Prime Minister’s Office.

This is critical, honourable senators. If Mr. Wright was acting, as the Prime Minister said, in his capacity as Chief of Staff, had he acted this way in the past? Had others made payments at his direction, with his knowledge, or with him carefully looking the other way? What about other chiefs of staff to Prime Minister Harper? Was this how business is done in his PMO? Is that why Prime Minister Harper made that remark in Lima, Peru?

The fourth fact is that it is not known whether Prime Minister Harper’s former Chief of Staff has or will himself be reimbursed by any third party for his payment to Senator Duffy.

Of course, since tabling the motion here last Thursday, Canadians — myself included — were shocked to hear a report on the CBC about the existence of a secret fund in the Prime Minister’s Office that at times, according to the report, has reached almost \$1 million. Moreover, the CBC said Prime Minister Harper’s Chief of Staff has exclusive signing authority over the secret fund whose existence, and I quote from the report, “has apparently been a closely guarded secret for the past seven years, even within the Prime Minister’s Office. Only a few Conservative insiders know how the PMO cash stash has been spent.”

If true, we have a Chief of Staff casually writing a cheque to a besieged Conservative senator, and formerly major fund-raiser, for \$90,000. We were asked to believe that Mr. Wright is so wealthy he could cut this size of a cheque without asking for anything in return — no promise of repayment. We were then told that in fact there is a secret fund in the Harper PMO with hundreds of thousands of dollars from Conservative supporters, and Mr. Wright has exclusive signing authority over the fund, and

no one — not the Auditor General, not Elections Canada — has ever looked at the fund. Indeed, hardly anyone even in the Conservative Party knows it exists.

The CBC reporter who broke the story, investigative journalist Greg Weston, wrote at the PMO's direction to Mr. Fred DeLorey, a spokesperson for the Conservative Party. Mr. Weston posed the following question: "Is there any reason those funds could not have been used in the Duffy-Wright deal?" He received a carefully worded reply: "no funds were used for that."

Note, honourable senators, not that those funds "could not have been used in the Duffy-Wright deal," but that in fact they were not used. That does not, however, answer the question about whether there was an initial expectation that they would be used in such a manner.

When CTV's Bob Fife broke the story of Mr. Wright's cheque, Mr. Wright resigned, and everyone said the money was a gift from Mr. Wright to Senator Duffy. At that point, Mr. Wright would not — indeed, having resigned, he could not — reimburse himself from the fund; but could they have been used? Would they have been had the story not broken? These are questions that still remain to be answered.

Of course, the latest twist in this mysterious saga is that we are told that no such secret fund exists at all. The Conservatives after first saying, yes, the fund exists — MP Chris Alexander told the CBC in those words: "the fund does exist" while trying to spin it as really no big deal, "the prime minister at times incurs expenses that are best paid by the party" — suddenly tried to back-pedal, change course and deny the existence of the fund altogether.

Which is true? I do not know. Since the original story reported that its existence was known only to a few Conservative insiders, it is unclear whether the denials are simply coming from those not privy to the closely guarded information.

Honourable senators, we are not talking about some private club or organization here and how they choose to run their own affairs.

• (1840)

We are speaking of the highest office in the land, the most powerful people in the country, and how they are running the most powerful office in Canada and the Government of Canada. Ironically, at the same time that we are debating this, one of our committees is studying Bill C-377. There, the Harper Conservatives are asking us to pass a law compelling private organizations — trade unions — to disclose transactions of \$5,000 or more.

Yet the Prime Minister's Office is drawing a curtain, a heavy black veil, over its own payments of almost 20 times that amount to a sitting senator.

Honourable senators, Canadians deserve answers. The Canadian government, notwithstanding what this Prime Minister would like us to believe, is not the Harper government. It is not his personal fiefdom. It is the government of Canadians, and Canadians want answers.

Senator LeBreton correctly said last week that the Office of the Auditor General is a respected body and the right body to turn to when taking measures to restore public confidence in the Senate. I agree. However, if the Auditor General is needed to restore public confidence in the Senate, how much more so is the Auditor General needed to restore public confidence in the Prime Minister and in the operation of the Prime Minister's Office?

Therefore, I ask the Senate to urge the Auditor General of Canada to conduct a comprehensive audit of the expenses of the Prime Minister's Office, including any payments made by individuals in the Prime Minister's Office to parliamentarians.

This is an extraordinary step, but the facts that have emerged in recent weeks and continue to emerge almost daily warrant nothing else.

Of course, I am disappointed that Senator LeBreton tried last week to dismiss my motion as a political stunt. We are dealing with very serious issues here. However, the Prime Minister, when he first spoke publicly about Mr. Wright's \$90,000 payment to Senator Duffy, tried to dismiss it as a distraction. Now, Senator LeBreton tries to call this a stunt. Canadians are calling what they see a scandal. They want answers. They deserve answers.

The Prime Minister has demonstrated a surprising lack of curiosity as to what actually transpired in his office, with his most senior adviser. Canadians do not share his equanimity. That is why I am calling on this chamber to urge the Auditor General to step in to conduct a comprehensive audit to obtain answers to the real questions Canadians are asking. What is going on in this Prime Minister's Office?

**Hon. Grant Mitchell:** There are a couple implications of this expenditure that I think have not been apparent. One of them is that if, in fact, this money was designed, as by definition it would be, to defray certain campaign costs incurred by Senator Duffy and if the Conservative Party was at its maximum limit for expenditures, would it not be that the Auditor General's review could reveal, for example, that this actually pushed the Conservative Party over their total expenditure for that 2011 campaign?

Another factor would be that given it would be defraying election, campaign or political expenses, if it was Mr. Wright's personal money, would it not again by definition be pushing him considerably over his annual maximum donation limits, and would that be the kind of thing that the Auditor General could look into as well?

**Senator Cowan:** Thank you for your question. Of course, we do not know. That is the reason we need the investigation. Its stated purpose was to enable Senator Duffy to repay the amount of his questionable claims for housing expenses, living expenses, et cetera. We do not know. We now know that some of the claims that were repaid were questionable for other reasons in relation to campaigning during an election period while claiming he was on Senate business.

All of this needs to be investigated, and the difficulty is that the missing piece is what happened or did not happen in the Prime Minister's Office and why it happened. As Senator LeBreton suggested with respect to restoring confidence

in this chamber, the Auditor General is the appropriate person to do that. I agree. We supported that, and I would expect and hope that she and honourable senators on the other side would see similar merit in the suggestion we get to the bottom of this other piece of the puzzle, the remaining piece, by having the Auditor General look at the Prime Minister's Office.

[Translation]

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, since we came to power in 2006, we have worked tirelessly to significantly strengthen accountability rules in Ottawa. Under Stephen Harper's leadership, we have raised ethics standards for parliamentarians and the entire government.

In 2006, Canadians gave us a mandate to clean house after the sponsorship scandal. Canadians asked us to ensure that the rules were followed and that there would be serious consequences if they were not.

We listened to Canadians and we met their expectations. The Federal Accountability Act is the strictest accountability legislation in our country's history, and it changed how things are done in Ottawa, for the better. Never again will we have another sponsorship scandal.

In addition, we strengthened the powers of the Auditor General, whom we have invited to the Senate. We reformed the legislation on funding for political parties and strengthened the rules around lobbying to put an end to cronyism.

Our government has a strong record on ethics and on fiscal management as well.

One thing is clear in the issue we are discussing today: no public funds were used.

In addition, the Royal Canadian Mounted Police and the Ethics Commissioner are continuing to investigate. That is the right thing to do, and this process can and must run its course. From a jurisdictional perspective, the Auditor General is not the appropriate authority to handle this file.

Honourable senators, our government will continue to take the necessary measures to ensure that all Canadians can be proud of their representatives' ethical standards. However, as I just said,

this motion does not use the appropriate means. I am asking you to reject it.

[English]

**Senator Mitchell:** I would like to ask a question. It is interesting how the deputy leader, and frequently some of his colleagues, draw this comparison between the sponsorship issue and the context of this debate. It is an interesting comparison to the extent that they would argue the sponsorship issue was severe, and it was severe. At the same time, it is interesting that he would want to mention that scandal in the same breath as the scandal that is occurring now in the Prime Minister's Office.

However, there is one fundamental difference, which eludes him in his talk, and that is that in the case of the sponsorship issue, the government called an open public inquiry, the Gomery inquiry, which was extremely revealing. Yet, in this case, the government refuses to countenance an Auditor General's inquiry, which generally is not particularly open.

In drawing that comparison in his presentation, is the deputy leader now suggesting, or could he be persuaded, to go to the next step, the proper step, and fulfill the comparison to say yes, he would be arguing for an open public inquiry into the Prime Minister's Office scandal? Clearly he wants to draw that comparison so definitively.

[Translation]

**Senator Carignan:** I can take the comparison even further. During the sponsorship scandal, \$338 million of taxpayers' money was spent to buy advertising and, in some cases, generate numerous phoney invoices to line the pockets of individuals who misappropriated funds.

In the case before us today, we are not talking about \$338 million of public funds but rather \$90,000 of personal money, given by one individual to another.

I do not see much of a parallel there.

(On motion of Senator Mitchell, debate adjourned.)

(The Senate adjourned until Wednesday, June 12, 2013, at 1:30 p.m.)

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