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Monday, June 15, 2015

The Honourable LEO HOUSAKOS
Speaker

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THE SENATE

Monday, June 15, 2015

The Senate met at 6 p.m., the Speaker in the chair.

Prayers.

CLERK OF THE SENATE

COMMISSION ISSUED TO CHARLES ROBERT, ESQUIRE

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that a commission under the Great Seal has been issued to Charles Robert, Esquire, interim Clerk of the Senate and interim Clerk of the Parliaments, appointing him a Commissioner to administer the oath of allegiance to members of the Senate, and also to take and receive their declarations of qualification.

[Translation]

THE SENATE

TRIBUTES TO DEPARTING PAGES

The Hon. the Speaker: Honourable senators, I would like to take this opportunity to pay tribute to two pages who will be leaving us shortly.

I would like to introduce Oussama Allal, who will be starting his final semester in political science at the University of Ottawa. He really enjoyed his experience at the Senate and said that we became family to him. He aspires one day to put his knowledge and experience to work on Parliament Hill, and to further his knowledge. Oussama will do post-graduate work at one of Canada's finest universities, where he plans to earn a master's degree in political science. Congratulations.

Hon. Senators: Hear, hear!

[English]

Also, honourable senators, we will be losing Chief Page Safa Abdel Rahman, who has served us so well and who has completed her honours bachelor's degree in Conflict Studies and Human Rights, with a minor in Women's Studies. Safa plans to backpack across Europe for a month this summer — lucky her. Upon her return, she hopes to seek professional opportunities on Parliament Hill in the National Capital Region. In the future, Safa would like to go to law school and practise human rights law.

She has learned a great deal from her experience in the Senate and is extremely honoured to work this year as the chief page. The honour is all ours. Good luck, and all the best to you.

Hon. Senators: Hear, hear!

SENATORS' STATEMENTS

CANADIAN CELTIC CHOIR

Hon. Jane Cordy: Honourable senators, if I were to ask you the way to get to Carnegie Hall, I am almost certain that most of you would know that the one true, guaranteed answer would be "practise, practise, practise," or so the saying goes. Carnegie Hall is truly an iconic performance space that is equated the world over with excellence. It is for these reasons and its history that it remains at the top of most musicians' bucket list.

On May 23, this dream became a reality for a group of singers from across Canada when they travelled to New York to perform there. My assistant, Susanna Doherty, was among them, and she was truly delighted with the opportunity. The group was composed of singers from six Canadian provinces.

They performed, *Celtic Mass for the Sea*, a work written by Nova Scotian composer, Scott Macmillan, with a libretto by Jennyfer Brickenden. It celebrates the reverence of ancient people for the sea's majesty, ferocity and vitality. Scott Macmillan was commissioned to compose this piece by the CBC in 1988. The score makes use of Irish pipes, Celtic harp, Irish flute, guitar, mandolin, fiddle, string orchestra and choir. It had its world premiere in Halifax on February 15, 1991.

For this most recent performance in Carnegie Hall, the group was led by Pierre Perron, retired head of the Music Education Department at Dalhousie University and founder of the Stewart Hall Singers and the Festival Singers of Halifax; as well as by Jenny Crober, Artistic Director and Conductor of the VOCA Chorus of Toronto. As an ensemble, they gathered to rehearse the day before, with a dress rehearsal in the hall itself only hours before their well-received performance.

Honourable senators, I am sure you can appreciate how remarkable it is to have Canadians and, indeed, Canadian music represented on the world stage. How fortunate for this group of people to be able to reach back through time and to stand where many great artists have stood and have their music echo within the same walls. When you stand with the same passion and purpose, you share the stage in that moment with all those who have come before. And to that same tune, you leave a small imprint behind to fuel the next 125 years of music making in that special place.

Honourable senators, please join me in congratulating the Canadian Celtic Choir. I would particularly like to congratulate my assistant, Susanna Doherty, who did, indeed, live the dream of singing on the stage of the world-famous Carnegie Hall.

Hon. Senators: Hear, hear!

RIGHTS OF PERSONS WITH ALBINISM

[English]

Hon. Mobina S.B. Jaffer: Honourable senators, I also rise today to speak about albinism, as some of our colleagues have already done.

As you are aware, I'm a proud East African. When I was in school as a child in Uganda, I grew up noticing the stigma some of my schoolmates faced because they had albinism. At my school, we were taught very early what albinism is. As you are aware, albinism is a genetic condition. It manifests as a partial or complete absence of pigment in the skin, hair and eyes.

The struggles people with albinism face in Africa are atrocious. Largely, they are faced with these struggles because there is an educational deficit. I urge this chamber to reach out to our African parliamentary colleagues. We can reach out to them and urge them to improve the education around albinism.

Honourable senators, I ask you to be committed to educating our political colleagues from East Africa. We all belong to many parliamentary associations, so I ask that we Canadian senators be instrumental in educating parliamentarians to help them stop the persecution of children with albinism.

Local governments cannot headline education initiatives unless they, too, are educated on this issue.

• (1810)

We have the resources, we have the medical information and we have the communication lines with our parliamentary colleagues in Africa.

Let us step up and play a role in raising the education level on albinism. Let us parliamentarians and senators, in particular, help put an end to this senseless killing. Let us act now and help educate our fellow parliamentarians.

[Translation]

ROUTINE PROCEEDINGS

SENATE PROCEDURE IN PRACTICE

FIRST EDITION TABLED

The Hon. the Speaker: Honourable senators, with leave of the Senate, I have the honour to table the first edition of *Senate Procedure in Practice*. Prepared by our table officers and other members of Senate staff, this document informs senators about parliamentary procedures in the Senate. I recommend this work to all senators and interested parties. This document is available in English and French, and senators can obtain a copy on request. We will soon have information about how to get it.

Is leave granted, honourable senators?

Hon. Senators: Agreed.

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

LABRADOR INUIT LAND CLAIMS AGREEMENT IMPLEMENTATION COORDINATING COMMITTEE— 2012-13 ANNUAL REPORT TABLED

Hon. Yonah Martin (Deputy Leader of the Government): Honourable senators, I have the honour to table, in both official languages, the 2012-13 Annual Report of the Labrador Inuit Land Claims Agreement Implementation Coordinating Committee.

STATE OF INUIT CULTURE AND SOCIETY IN THE NUNAVUT SETTLEMENT AREA— 2013-14 ANNUAL REPORT TABLED

Hon. Yonah Martin (Deputy Leader of the Government): Honourable senators, I have the honour to table, in both official languages, the 2013-14 Annual Report of the State of Inuit Culture and Society in the Nunavut Settlement Area.

BANKING, TRADE AND COMMERCE

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO DEPOSIT REPORT ON STUDY OF THE USE OF DIGITAL CURRENCY WITH CLERK DURING ADJOURNMENT OF THE SENATE

Hon. Irving Gerstein: Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That the Standing Senate Committee on Banking, Trade and Commerce be permitted, notwithstanding usual practices, to deposit with the Clerk of the Senate a report relating to its study on the use of digital currency between June 22 and June 30, 2015, if the Senate is not then sitting; and that the report be deemed to have been tabled in the Chamber.

FISHERIES AND OCEANS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXTEND DATE OF FINAL REPORT ON STUDY OF THE REGULATION OF AQUACULTURE, CURRENT CHALLENGES AND FUTURE PROSPECTS FOR THE INDUSTRY AND DEPOSIT REPORT WITH CLERK DURING ADJOURNMENT OF THE SENATE

Hon. Fabian Manning: Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That, notwithstanding the order of the Senate adopted on Monday, December 9, 2013, the date for the final report of the Standing Senate Committee on Fisheries and Oceans in

relation to its study on the regulation of aquaculture, current challenges and future prospects for the industry in Canada be extended from June 30, 2015 to July 31, 2015; and

That the Standing Senate Committee on Fisheries and Oceans be permitted, notwithstanding the usual practice, to deposit with the Clerk of the Senate a report relating to its study on the regulation of aquaculture, current challenges and future prospects for the industry in Canada between June 22 and July 31, 2015, if the Senate is not then sitting, and that the report be deemed to have been tabled in the Chamber.

CARDING IN GREATER TORONTO

NOTICE OF INQUIRY

Hon. Mobina S.B. Jaffer: Honourable senators I give notice that, two days hence:

I will call the attention of the Senate to the discriminatory practice of carding by law enforcement officers in the Greater Toronto Area, and I will urge Toronto Mayor John Tory to do everything in his power to end carding practices.

QUESTION PERIOD

CITIZENSHIP AND IMMIGRATION

DEPORTATION OF BURUNDI NATIONALS

Hon. Mobina S.B. Jaffer: Honourable senators, I have a question for the Leader of the Government in the Senate and it has to do with the situation that is happening in Burundi at the moment. As we know, Burundi is a country of La Francophonie and Canada has a great relationship with Burundi. At the moment, Burundi is suffering terrible atrocities with their president insisting on running for a further term.

I would like to ask the question: What are we doing to the people that we are going to be deporting to Burundi? Are we going to stop that deportation as is our convention?

[Translation]

Hon. Claude Carignan (Leader of the Government): Senator, as you know, our government keeps a close eye on countries in crisis and their stability. If there are risks to the safety of individuals

should they be deported to their home country, the risk level is always taken into account to ensure that people who are already in difficult situations are not placed in even more dangerous situations.

[English]

Senator Jaffer: Thank you for your answer. I completely respect the fact that you may not know about this. May I please ask you to find out if we are stopping the deportation of people from Canada to Burundi while this conflict lasts?

[Translation]

Senator Carignan: We are concerned about what is happening in Burundi, and we will continue to keep a close eye on the situation while working with our humanitarian partners on the ground.

ORDERS OF THE DAY

SPEAKER'S RULING

The Hon. the Speaker: Honourable senators, I am ready to rule on the point of order raised by the Honourable Senator Bellemare on Thursday, May 28, as to whether Bill C-377, An Act to amend the Income Tax Act (requirements for labour organizations), requires a Royal Recommendation. As you will recall, the point of order was also considered by the Senate on June 9.

[English]

Senator Bellemare's concern is that Bill C-377 cannot be considered by the Senate because it appropriates public money but was not recommended to the House of Commons by the Governor General. She argued that the bill would expand the role of the Canada Revenue Agency in a way that is not envisaged by the current statute. If Bill C-377 passes, the agency would be responsible for collecting and diffusing information related to the protection of the tax base and compliance with tax obligations.

Senator Bellemare also underscored the high costs of the measure. She also expressed concerns about the contradiction between these costs and the balanced budget requirements proposed in Bill C-59, which is currently before Parliament. As part of her argument, Senator Bellemare drew a distinction between the activities of the Canada Revenue Agency relating to charitable organizations and the requirements under Bill C-377 relating to labour organizations. The agency does provide public information on charitable organizations, but Senator Bellemare argued that this role has nothing to do with the requirements that Bill C-377 would impose.

Senators Fraser, Tardif and Ringuette supported Senator Bellemare's arguments. They made reference to past rulings, establishing that unless expenditures required under a bill

fit within an existing Royal Recommendation, or are of an auxiliary or administrative nature, the bill must be recommended to the House of Commons by the Governor General. As Senator Tardif explained, legislation imposing additional functions on bodies funded by the public money, if the functions are substantially different from their existing functions, requires a Royal Recommendation.

• (1820)

Several honourable senators challenged this position. Senator Runciman provided the Senate with information from the Canada Revenue Agency indicating that the costs of Bill C-377 would be far lower than those suggested by Senator Bellemare. Both Senator Martin and Senator Dagenais drew the Senate's attention to a decision by the Speaker of the House of Commons from December 6, 2012, in which he addressed similar points and determined that the bill did not require a Royal Recommendation. Senator Martin argued that "a Royal Recommendation is not required every time a bill creates a new charge, but only when the charge is new and distinct." Senator Dagenais, for his part, explained that the provisions in the bill can actually be linked to the current mandate and operations of the Canada Revenue Agency. He also noted that witnesses from the agency had drawn connections between the requirements that Bill C-377 would impose and activities that it already undertakes.

In considering this point of order, let me first remind honourable senators that sections 53 and 54 of the Constitution Act, 1867, establish that bills to appropriate funds or to impose taxation must begin in the House of Commons and must be recommended to that house by the Governor General. This is a fundamental principle in our parliamentary system of government, generally referred to as the financial initiative of the Crown. It helps ensure a coherent fiscal structure. Decreases in taxes, on the other hand, do not require a Royal Recommendation.

We should also recognize here that the two houses do not always agree as to how this fundamental principle should be interpreted. Almost a century ago, in 1918, a Senate committee considered the issue. One of its main conclusions was that the Senate has the power to amend bills that appropriate a part of the revenue or impose a tax by reducing amounts, but it does not possess the right to increase the sums. The House of Commons has not accepted this understanding, claiming that it has exclusive rights in relation to such legislation. At times, the two houses have even reached different conclusions about the need for Royal Recommendation, with the Senate sometimes determining that a bill does not require a recommendation, while the Commons determines that it does. The general pattern is for the Senate to be more flexible in interpreting these provisions, and the Commons to be more protective of its rights in relation to money bills.

Rule 10-7 specifically deals with bills appropriating public money. It states that "[t]he Senate shall not proceed with a bill appropriating public money unless the appropriation has been recommended by the Governor General." The issue of when a bill must be accompanied by a Royal Recommendation has been dealt with in numerous rulings in the Senate. Extracts from relevant rulings and procedural works can be found in the text

relating to rule 10-7 in the second edition of the *Companion to the Rules of the Senate*. One of Speaker Kinsella's rulings of February 24, 2009, is particularly significant. In it he stated as follows:

The procedural authorities . . . indicate that a number of criteria must be considered when seeking to ascertain whether a bill requires a Royal Recommendation. First, a basic question is whether the bill contains a clause that directly appropriates money. Second, a provision allowing a novel expenditure not already authorized in law would typically require a Royal Recommendation. A third and similar criterion is that a bill to broaden the purpose of an expenditure already authorized will in most cases need a Royal Recommendation. Finally, a measure extending benefits or relaxing qualifying conditions to receive a benefit would usually bring the Royal Recommendation into play.

On the other hand, a bill simply structuring how a department or agency will perform functions already authorized under law, without adding new duties, would most likely not require a Recommendation. In the same way, a bill that would only impose minor administrative expenses on a department or agency would probably not trigger this requirement.

The list of factors enumerated here is not exhaustive, and each bill must be evaluated in light of these points and any others at play. It certainly is not the case that every bill having any monetary implication whatsoever automatically requires a Royal Recommendation. When dealing with such issues, the Speaker's role is to examine the text of the bill itself, sometimes within the context of the parent act. Of course, the Speaker, in making this assessment, seeks to avoid interpreting constitutional issues or questions of law.

In a subsequent ruling, on December 1, 2009, Speaker Kinsella clarified that a bill to add a function generally relating to an act's existing purpose and without mandating new hiring or other expenditures, does not necessarily qualify as a "new and distinct" expenditure, and so may not require a Royal Recommendation. I should also remind senators of the general principle, expressed by several Speakers, that, when the analysis is ambiguous, the Speaker should generally prefer to presume that a matter is in order, if a valid argument to that effect can be established. This allows the Senate itself to make the final decision, preserving this chamber's role as a house of discussion and reflection.

[Translation]

Within this context, we can turn to the specific concerns raised by Senator Bellemare. As a first point, let me note that the possible interactions of Bill C-377 with Bill C-59, if they both receive Royal Assent, are of interest, but remain hypothetical. The Speaker does not deal with hypothetical issues, so this matter need not be considered further.

In terms of the potential costs for implementing Bill C-377, the Senate has been presented with divergent estimates from two credible sources — the Parliamentary Budget Officer and the

Canada Revenue Agency. We have received incompatible information, and it is impossible to reach any certain conclusion on this point.

[English]

In truth, however, the central issue in this point of order is whether Bill C-377 expands the Canada Revenue Agency's current functions. Or, to put it another way, do the agency's current responsibilities include the collection and publication of information? Senator Bellemare has argued that the agency has a mandate to protect the tax base and to ensure respect for tax obligations. The Senate has, however, been told that these are not its only duties. The Canada Revenue Agency's web site already provides extensive and detailed information about some organizations, and it may not be unreasonable to see the changes proposed under Bill C-377 as a mere adjustment to the existing activities of receiving and posting information. I also note that representatives of Canada Revenue Agency have confirmed to senators that they are already involved in providing such information. They have also indicated that there are cases where information is disclosed for purposes not related to taxation.

As I noted earlier, the two houses respect the constitutional requirements relating to financial measures, but do not always agree on how they are to be applied. In general, the House of Commons is more demanding in interpreting these provisions, which give it pre-eminence in the financial field. It would be odd — although by no means impossible — for the Senate to find that a bill requires a Royal Recommendation when the House of Commons has determined that it does not.

[Translation]

Honourable senators, we are faced with varying estimates as to the costs for implementing Bill C-377. We have also been told that the provisions of the bill align with some of the work currently performed by the Canada Revenue Agency. While recognizing the importance of the concerns raised by Senator Bellemare, it does seem that these factors provide a coherent case for accepting that the bill can continue before the Senate. This conclusion is supported by, but not based on, the bill's history in the House of Commons. Mindful of the preference for allowing debate to continue when a sound argument to that effect can be made, I find the bill in order, and debate can resume.

[English]

CORRECTIONS AND CONDITIONAL RELEASE ACT

BILL TO AMEND—THIRD READING— DEBATE ADJOURNED

Hon. Tom McInnis moved third reading of Bill C-12, An Act to amend the Corrections and Conditional Release Act.

He said: Honourable senators, I will not be lengthy. I will be reasonably brief, but I am pleased to speak at third reading of Bill C-12, an act to amend the Corrections and Conditional Release Act.

[The Hon. the Speaker]

The short title of this piece of legislation, drug-free prisons act, depicts an ambitious task that strives to free our prisons of the scourge of illegal drugs. Canadians for the most part would be amazed that there are indeed illegal drugs behind the prison walls, at least, to the extent that we are told they exist.

• (1830)

Senator Campbell, the able critic of this legislation, whose career path has provided him with considerable knowledge of inmate addictions and mental illness, said in his thoughtful address on Bill C-12, that it should be no surprise to anyone that there are drugs in prisons.

From my perspective, Canadians would be less surprised, perhaps, that 75 to 80 per cent of inmates had a substance abuse problem prior to entering a penitentiary.

Drug use in our prisons presents a challenge not only to the safety of our correctional officers, but also for the protection and rehabilitation of the inmates themselves.

My learned friend Senator Campbell said also:

It simply is beyond comprehension that you believe that you can stop this.

He was referring to drugs in prisons.

I agree that total elimination may not be a practical goal at the moment. However, that does not mean that we should not do whatever we can to reduce the availability of drugs behind our prison walls. Therefore, putting in place certain procedures for the detection of drugs is most certainly helpful and necessary at this time to assist with the rehabilitation of those inmates who are working towards bettering themselves as they prepare for re-entry into the community.

Honourable senators, this is a long-standing and complex problem that is found in prisons around the world. The inmates incarcerated within the penitentiary system in Canada are in our custody. Therefore, we must not back away from this issue simply because it is a difficult challenge.

As the Honourable Minister Steven Blaney stated in his testimony before the Justice and Human Rights Committee in the other place, we must “take the bull by the horns.”

Honourable senators, Bill C-12 is fairly straightforward. It proposes two measures that will help us reach our goals of keeping drugs out of our federal prisons and holding offenders to account for their own actions.

The first measure involves urinalysis testing. Urinalysis collectors conduct urinalysis tests on offenders by way of random selection to detect the use of illicit substances. This is done either on demand when Correctional Service Canada

believes, on reasonable grounds, that an offender has taken an intoxicant; or as part of a random selection; or as a requirement for a treatment program, participation in a community program or activity involving community contact. Under this new legislation, it will be clear that offenders can still be subject to urinalysis testing and, if they fail or refuse to take the test, their parole can be jeopardized.

The second measure in this bill also relates to parole decisions. As honourable senators know, the parole board may impose special conditions that offenders must adhere to when released on parole that are specific to the offender's case and to the risk they present. These are in addition to the standard ones that apply to all offenders upon release, such as staying in Canada and reporting to a parole officer.

Bill C-12 proposes to clarify the parole board's authority within the Corrections and Conditional Release Act to impose special conditions relating to the use of drugs or alcohol for offenders whose criminal behaviour is linked with drug or alcohol abuse. The consequences of failing to comply with a special condition of parole are clear. If an offender breaches the condition — in other words, if an offender who has a condition to abstain from alcohol and drugs falls back into a pattern of drug or alcohol use — the parole board can revoke parole and send the offender back inside the federal prison.

Honourable senators, taken together, these two measures will provide further incentive for offenders to remain drug-free while inside the penitentiary, even after being granted parole, as well as steering clear of drugs while outside in the community. This will contribute to safer penitentiaries and safer communities, and it works toward the overarching goal of helping offenders to reintegrate into society as law-abiding citizens.

Finally, honourable senators, at the Legal and Constitutional Affairs Committee, there was strong support for the bill. However, we were reminded of the continued need for greater programming inside the prison walls, in addition to the important requirement to continue working with the inmate upon release.

I fully support this legislation and invite all senators to join with me.

(On motion of Senator Campbell, debate adjourned.)

APPROPRIATION BILL NO. 2, 2015-16

THIRD READING

Hon. Larry W. Smith moved third reading of Bill C-66, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2016.

He said: Your Honour, I think that, after last week's second reading, we seem to have had full debate and information provided by the chair of the National Finance Committee and by me, so I have nothing else to present at this time.

Hon. Joseph A. Day: I can't resist, honourable senators, the opportunity to speak for a short while on this particular bill where you'll be asked to approve the expenditures of some considerable amount of money. I think that's why it's important for us to understand the context of what we're doing here.

This is \$62 billion that you're being asked to approve, honourable senators. What it is in this bill, Bill C-66, is the balance of the estimates under the Main Estimates. We've been looking at the Main Estimates since the beginning of the fiscal year. We did an interim supply, and then we moved to full supply.

Interim supply was done to allow for three months of expenditures. The government would have some revenue to operate until the end of June. That interim supply was approximately \$26 billion, and this is the balance of \$62 billion that makes for the full amount, in the Main Estimates, of the voted portion of the appropriations.

The other way the government acquires funds is through the statutory route. That's usually about two thirds and one third is voted each year.

That's where we are, honourable senators, with respect to this particular matter. What I undertake to do each time we have one of these supply bills is to compare the schedules that are attached to the bill that outline where the \$62 billion is going. I compare those schedules to the schedules that are attached to the Main Estimates, so that we know we studied the same thing that appears in the bill.

I confirm, honourable senators, that they are identical and that we have, therefore, with the report that we've already filed on this, already studied the proposed expenditures in the amount of appropriations that the government is seeking.

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

Some Hon. Senators: Agreed.

Some Hon. Senators: On division.

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

• (1840)

APPROPRIATION BILL NO. 3, 2015-16

THIRD READING

Hon. Larry W. Smith moved third reading of Bill C-67, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2016.

He said: Honourable senators, as mentioned earlier, I think we had a thorough review. If our chair would like to make comments, I would pass it over to Senator Day.

Hon. Joseph A. Day: Honourable senators, this is Supplementary Estimates (A), which adds to what I just spoke on. I just spoke about the main supply that comes with the Main Estimates in early March, and then along comes another document that is reflective of some items. There are a number of different reasons for why they might not have been in the main supply for the year. Along comes another document, Supplementary Estimates (A), and that's the next document we study. We did study that. It has schedules attached to it as well, different schedules than are in the Main Estimates. This, honourable senators, is for \$3.1 billion, so we add to the amount that we just voted another \$3.1 billion.

If honourable senators look at the supplementary estimates, we see an interesting series of figures. For last fiscal year, the total amount that was spent by the government was \$241 billion for the whole year, including Main Estimates and Supplementary Estimates (A), (B) and (C). We have now Main Estimates and Supplementary Estimates (A) only. We probably won't have (B) because of the election, and there probably will be a (C) right after Christmas. Already compared to \$241 billion last year, we are up to \$244 billion this year. There is a difference of approximately the amount we're voting now, \$3 billion more than the government is seeking to spend this year over last year.

We know that the Minister of Finance has indicated that he would like to balance the budget, so that means either that there has to be more revenue in order for the government to balance the books at the end of the year, or they will stop some of the payments that we're authorizing here. We don't know what will happen, but if the minister is true to his word, he has a bit of a challenge ahead of him. Where that will come from, honourable senators, we will see throughout the year, and that will become apparent to us.

One area that I did want to point out to you where the government is obtaining revenue is in the sale of the bailout shares that were purchased to help Chrysler and General Motors. Those shares were recently sold at a figure considerably less than we actually put into buying them. There's another loss that the government is going to have to deal with.

McDonald House in London has recently been sold. That sale was completed in March of 2014. The chancery embassy building in Rome was sold, \$26.7 million. Land in Kuala Lumpur, Malaysia, sold for \$24.6 million. The official residence in Dublin — I never did get to see that, although I heard a lot about it — has been sold for \$17.6 million. Staff quarters in Tokyo, Japan, sold for \$15.2 million. The official residence in Copenhagen, Denmark, sold by the government. The official residence in Stockholm, Sweden, sold by the government. The chancery in Madrid, sold. The chancery in Lima, Peru, sold. The official residence in Lisbon, Portugal, sold.

Those are the ones that sold, honourable senators. There is also the official residence in Oslo, Norway, which is for sale. The official residence in Brussels is listed for sale. The official residence in Mexico City is listed for sale. The official residence, another one in Brussels, for the ambassador to NATO, is listed for sale. The staff quarters in Bridgetown, Barbados, is listed for sale.

This is one area where the government can get short-term revenue to meet an obligation to balance the books on a one-time basis. It's a very dangerous way to try to achieve a goal for a particular year, to withdraw from the world, and that would appear to be what's going on here. These will become operating costs for rentals if we don't withdraw from our international obligations in diplomacy. That's one of the ways that revenue can be obtained in order to balance books, honourable senators, but it's very short-term because we're running out of places to sell and we're running out of shares to sell. I just wanted to bring that to your attention. We'll be watching.

I want to thank Honourable Senator L. Smith and all the members of Finance. We get these estimates in very short order. We're required to do our due diligence as best we can, and we will continue to do so. We have a mandate to continue to study the Main Estimates throughout the year, and we will continue to do so. We'll watch to see if the Auditor General has to ask for any more supplementary estimates to cover the extra \$23 million that he has indicated he has spent. Those are the kinds of things that we will watch for, and we'll decide at that time whether we should or should not vote for any further supplementary estimates.

I have, honourable senators, on your behalf, checked the two schedules that are attached, and they are identical to the schedules we studied. Just for your recollection, the first schedule is those departments that receive appropriations on an annual basis, and then the funds they don't spend lapse at the end of the year. There are certain agencies, including Parks Canada and the Canada Border Services Agency, that get two-year appropriations, so they don't lapse at the end of the year. They have a two-year rollover. We were told by Treasury Board when they appeared before our committee that that's likely to change over time.

As I mentioned when I spoke on Thursday at second reading on these matters, there is a new concept that has slowly been gathering interest and approval, which is the carryforward to avoid major expenditures at the end of a fiscal year. Instead of the money lapsing, departments are being allowed to carry forward a certain amount on an annual basis. With that, you may not need to see in the future the departments and agencies that have traditionally expended programs over a two-year period.

Those, honourable senators, are my comments with respect to this expenditure of \$3.1 billion.

Hon. Pierrette Ringuette: Could I ask a question?

Senator Day: Yes, I would be pleased to provide an answer.

Senator Ringuette: Thank you for the information, Senator Day. Has Foreign Affairs provided you any explanation or cost analysis with regard to selling the assets and renting? There's a certain standard with regard to ambassadors' residences that requires them, more often than not, to entertain within the official residence. A certain space is required, which probably is not cheap in different settings. Has Foreign Affairs or Treasury Board provided the committee with an analysis of what Canadians will have to pay in rental fees to have adequate facilities for foreign residences?

• (1850)

Senator Day: Thank you, honourable senator, for the good question. No, we have not sought that information. The Honourable Senator L. Smith and other members of the committee are here; and that is an area we should pursue. As I indicated, many properties are being listed for sale, so there's a clear policy statement that deserves an airing. We haven't had Foreign Affairs in to our committee in the last while. Your question will be remembered, and we will look into that.

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

Hon. Senators: Agreed.

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

MARINE MAMMAL REGULATIONS BILL

THIRD READING—DEBATE ADJOURNED

Hon. Norman E. Doyle moved third reading of Bill C-555, An Act respecting the Marine Mammal Regulations (seal fishery observation licence).

He said: Colleagues, I welcome the opportunity to speak briefly in support of Bill C-555, An Act respecting the Marine Mammal Regulations.

The safety of Canadians at their places of work is a basic assumption across Canada. However, seal harvesters have reported fearing for their safety at times during their prosecution of the seal hunt. That's why the bill before us today is so important. This bill would require the Governor-in-Council to amend the Marine Mammal Regulations to increase the distance a person must maintain from a seal harvester, unless you are under the authority of a seal fishery observation licence. To be clear, the proposed amendments to the regulations would increase the distance that an unlicensed observer must keep away from a hunter from one half nautical mile to a full nautical mile.

The House of Commons Standing Committee on Fisheries and Oceans studied the bill from June 11, 2014 to November 25, 2014. The committee heard testimony from Fisheries and Oceans Canada, the Canadian Maritime Law Association and the Fisheries Council of Canada. It is important to underscore that the testimony given by these witnesses showed strong support for the proposed changes. The Standing Senate Committee on Fisheries and Oceans also recently studied the bill. Given the importance of this proposed change, the bill was reported back by both committees with no amendments.

The bill will help to address the concerns of sealers with respect to the issue of unlicensed observers, who may pose a threat to the safety of those involved in the seal harvest. The threat, colleagues,

is all too real. We recall how in 2008 Fisheries officers seized a vessel and arrested activists who were putting seal hunters' lives in danger by advancing alarmingly close to the hunt. Because of its close proximity, the vessel was breaking up the ice floe on which the sealers were trying to carry out their traditional hunt. It was undeniably a very dangerous situation that required the intervention of Fisheries officers and a Coast Guard boat. We must take action to ensure that it doesn't happen again and that the hunt will be a safe one.

To ensure that officers have an appropriate amount of time to respond to the actions of dangerous radical activists, the distance between unlicensed observers and seal hunters must be increased. The bill is designed to strengthen the Canadian seal harvest by providing a safer operating environment for everyone by reducing the potential danger of interactions between seal harvesters and unlicensed observers during the hunt on these dangerous ice floes.

Canadian sealers are proud of their tradition. The hunt is well regulated, humane and sustainable. However, the Canadian seal harvest will attract the curious every year. Licences are made available through Fisheries and Oceans Canada to people interested in observing the seal fishery. All licensed observers have to abide by the conditions of their licence. During the seal harvest, Fisheries officers at sea, in the air and on the ice monitor the activities of both sealers and licensed observers to ensure that everyone is kept safe.

Licensed observers will continue to be able to observe Canada's seal harvest in accordance with the existing regulations and related licence conditions. However, Fisheries and Oceans Canada can and will refuse to issue a licence to anyone who intends to disrupt or has a history in the last five years of disrupting the seal harvest. When it comes to unlicensed observers, currently the Marine Mammal Regulations permit anyone to observe the seal hunt from outside half a nautical mile of a seal harvester at work. This is about 900 metres or 3,000 feet. That is not far enough.

Why is it not far enough? If unlicensed observers violate the half a nautical mile distance, enforcement officials are left with relatively little time, usually in difficult environmental conditions, to react and intervene if necessary. That's why Bill C-555 proposes to double the safety barrier to one full nautical mile, which is about 1,800 metres or 6,000 feet. The bill would strengthen enforcement activities and reassure sealers of their safety. Our government fully supports the Canadian sealing industry — a harvest that is ancient and so critical to the culture and economies of coastal and Aboriginal communities.

Radical animal rights groups and misinformed celebrities continue to ignore the facts and launch their campaigns regarding the management of the seal harvest. We'll continue to be truthful about sealing; and the truth is that it is humane and sustainable. However, as we saw in 2008, there is a radical fringe element with the desire to disrupt the harvest up close. This is completely unacceptable. No Canadian, whether an office worker in Toronto or a seal hunter on an ice floe, should feel unsafe in their place of work. The bill before the Senate today will address that problem.

Honourable senators, the Canadian sealing industry is supported by a professional workforce of harvesters committed to upholding the highest standards with regard to animal welfare. Our sealers use a veterinarian-approved method for humanely killing a seal. Sustainability is assured because of science-based management, and the population of harp seals has tripled since the early 1970s.

• (1900)

Still, misinformation abounds, particularly around the type of seals that are harvested. It has been more than 30 years since Canada allowed the commercial harvest of unweaned harp seals. They are often referred to as whitecoat seals and young hooded seals. However, some critics use outdated photos to malign the character of today's harvests. Clearly, the facts only get in the way of their agenda.

Our government continues to vigorously defend the commercial seal industry as humane, sustainable and well regulated. Enacting this bill would show the steadfast support that the government has for the safety of all individuals involved in the seal harvest.

To finish, this bill helps protect the safety of the hunter, the observer and officers while the hunt is conducted on the ice. Like any industry, those who make their living through the seal hunt should be allowed to do so free of fear for their personal safety. For these reasons, Bill C-555 deserves the full and unconditional support of the Senate.

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

[Translation]

INCOME TAX ACT

BILL TO AMEND—THIRD READING— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Dagenais, seconded by the Honourable Senator Doyle, for the third reading of Bill C-377, An Act to amend the Income Tax Act (requirements for labour organizations).

Hon. Jean-Guy Dagenais: Honourable senators, I appreciate having this opportunity to speak to you about Bill C-377, an Act to amend the Income Tax Act, specifically dealing with requirements for labour organizations.

First of all, I would like to say that I agreed to sponsor this private member's bill because it represents a key element in protecting the rights of workers. As a former president of an employee association, I have no hesitation in saying that Bill C-377 contains nothing that is anti-union, nothing unconstitutional, and more importantly, nothing against unionized workers.

[Senator Doyle]

It simply establishes the formula that union leaders will be required to use every year to make a disclosure that will enable those who pay union dues to ensure that the union is spending their money wisely. Now that is what I call transparency.

Let me begin by saying that I was not at all impressed by the arguments made by union leaders and all the lawyers who probably collect substantial fees from these union organizations — we are talking about millions of dollars a year — because all they did was defend their bread and butter. It was a matter of engaging in self-defence and protecting the code of silence, a position that over the years has become solidly entrenched in some large labour organizations in this country.

I used the term “code of silence” because that is what really prevented many unionized workers from speaking to us or speaking publicly about the real code of silence that some union leaders in this country have imposed on their members. Only the former unionist Ken Pereira, one of the star witnesses for the Charbonneau Commission in Quebec, appeared to argue the merits of Bill C-377, and he did so eloquently.

If you look at how he was treated in his province, which he was forced to leave in order to continue working, it is pretty clear that some union leaders have a great deal of control over what happens to anyone who talks.

I speak from experience here. I spent 28 years of my life in a labour organization, where my only job was to protect my members. My father did the same for more than 10 years. I therefore spent 38 years involved in and observing union operations. My comments are not based on what I learned in university or what I read in the papers. This is something I lived every day.

No one here can claim that kind of experience to justify opposing this bill, which was drafted to defend unionized workers. I am proud to rise on their behalf today. I ask you to vote in favour of Bill C-377 for their sake.

Anyone who wants to bring up the past and call for this bill to be rejected can rest assured that I have a response to that. My response is based on recent events that should warrant your full support of Bill C-377.

Over two years, the Charbonneau Commission exposed what I would call the dark side of the union world to the entire country. We saw evidence of incontrovertible, flagrant abuse on the part of unscrupulous union leaders. One of the FTQ leaders, Jocelyn Dupuis, was convicted of misappropriating funds.

Unfortunately, there is also an RCMP investigation under way into misappropriation of funds at the Ontario Provincial Police Association. This is not a proud moment for the police, but I'm sure that, like me, you have noticed their silence on Bill C-377.

Allow me to take this a bit further. You should know that the Montreal police force launched an investigation into the revelations made on CTV regarding the death threats made against a member of the Teamsters — the union representing rail workers — who accused one of the union leaders of using union money inappropriately.

When that type of behaviour is exposed in public, we are not talking about constitutional musings. We are talking about real life, criminal acts even. However, all these organizations give their members access to their financial statements.

Before all these events were brought to light, our government was fully aware that the key to an effective tax system is a foundation of tax fairness. Bill C-377 is part of the modern rules intended to protect unionized workers. We also believe that taxpayers deserve to know how unions spend their money in order to decide for themselves whether the generous tax breaks given to the unions are justified.

Through the legislative measures contained in Bill C-377, labour organizations will be required to file with the Canada Revenue Agency an annual information return containing the financial statements for the year in question, the balance sheet and statement of revenues and expenditures, and other requested financial information, including how much is spent on political activities and lobbying, as well as the salaries paid to the members of the executive and the staff. The bill also requires the Canada Revenue Agency to publicly post the information contained in the return on its website in a searchable format.

This is one of the new basic principles of an effective tax system that produces fair results. This is essential if we want Canada to remain an attractive place for workers, investors and business people.

Bill C-377 reflects our philosophy that everyone should pay their fair share and contribute to keeping taxes low for Canadian families and businesses.

Taken together, these measures will help maintain public confidence in our country's tax system.

[English]

Tax fairness is a basic principle that our government is committed to upholding. We make no apology for doing so. In fact, we are proud of our record, and we are building upon it.

[Translation]

The bill we are talking about today extends the principles of transparency and openness to labour organizations.

The government gives these organizations significant advantages through the tax system because they pay no tax on their income and their members are entitled to deduct any dues paid. Our openness to unions is such that many have now acquired the title and power of banking institutions.

Despite these generous financial advantages, labour organizations are not currently required to report their financial activities in detail. Although certain disclosure requirements apply to these organizations, there are gaps in the existing system and disparities with respect to how they are treated across Canada.

• (1910)

Moreover, there are concerns about the quality of information on labour organizations. Even when disclosure requirements exist, these requirements often have a limited scope. Furthermore, while labour organizations are required to disclose basic financial information to their members in most provinces, they are not required to do so publicly.

Honourable senators, our government fully supports transparency and openness within institutions like labour organizations, as these qualities are essential to the functioning of our democracy. I believe that a workers' democracy involves respecting workers and their financial contributions, which must be used to improve their working conditions.

Since we came to power we have taken exhaustive and broad measures to make the Government of Canada one of the most open and accountable governments in the world.

[English]

I believe that there should be a framework under which Canadians, including dues-paying members of labour organizations, can have access to quality information about how labour organizations are putting their hard earned dollars to work.

[Translation]

Honourable senators, I also want to point out that registered charities are also required to provide information to the Canada Revenue Agency, which is posted publicly. Registered charities do not have to pay tax on their income. Donors can lower their taxes by claiming the charitable tax credit, in the case of individuals, or the charitable donation deduction, in the case of businesses. What Bill C-377 asks of unions is the same thing that the Income Tax Act has required of charities for 36 years.

I now want to talk about our Constitution, since I know that some of you will bring it up. On the issue of constitutionality I share the opinions of former Supreme Court of Canada Justice Michel Bastarache, who took a hard look at Bill C-377 and understood the scope that the legislator wanted to give to it. Not everyone is able to take a hard look at the bill and understand it, but I think he grasped the essence. According to former Justice Bastarache, Bill C-377 is constitutional and in no way prevents unions from operating and spending their money. As a result, because its scope is limited to the Income Tax Act, this bill complies with the Constitution, does not create any jurisdictional conflict with the provinces when it comes to labour relations, and complies with our Charter of Rights and Freedoms.

I am concerned about what I heard on this subject from some who oppose the bill. I suppose that such negative opinions led some people who did not take the time to carefully read and understand Bill C-377 to speak out against it. I am telling you this because I believe that this chamber took the time needed to weigh the pros and cons of this bill. Before saying that we need to throw it out, we should all look at the main goal of this bill, which is to protect the interests of unionized workers.

Honourable senators, I would like to close by saying that our government respects labour organizations and their primary objective, which is to serve their members.

[English]

Honourable senators, our government fully supports transparency and openness in institutions such as labour organizations. It is essential to the functioning of our democracy.

[Translation]

By improving the well-being of workers, we can ensure that Canadian workplaces continue to be efficient, innovative and productive, which supports the government's commitment to promote long-term growth and prosperity. As a result, we need to stand behind unionized workers, not behind union leaders and those who would take advantage of workers.

Honourable senators, I am therefore asking you to join me in supporting the principles of this bill.

Hon. Pierrette Ringuette: Will the Honourable Senator Dagenais take a few questions?

Senator Dagenais: Of course.

Senator Ringuette: Senator, you spent over half of your speech making a connection between criminal elements and Bill C-377. Can you explain, in concrete terms, how Bill C-377 is related to the Criminal Code?

Senator Dagenais: Thank you for your question, senator. What people need to realize — and I mentioned this with regard to the Charbonneau Commission — is that, unfortunately, most unions are telling us that they provide their members with financial statements that include all of the information available. Under the circumstances, how is it that the FTQ misappropriated \$63,000 when the unions claim that their members had transparent financial statements? How is it that the RCMP decided to investigate the president, vice-president and executive director of the Ontario Provincial Police Association when the union claims that it provides its members with transparent financial statements? Members found out in the newspapers that the leaders had misappropriated funds.

By filing the financial statements, in accordance with tax legislation, there will be true transparency and members will know how their money is being spent. Unfortunately, there have been examples, such as those I mentioned, of conduct that was linked to criminal activities and that was actually investigated by the police.

Senator Ringuette: I still do not see a direct link between Bill-377 and the Criminal Code, senator. If some individuals are now under investigation, it is surely because information was given to the police. To my knowledge, Bill C-377 contains no link of any kind to the police authorities or the Criminal Code of Canada. Therefore, I certainly do not agree with your comments.

As the head of a union bargaining unit for 28 years, could you tell this chamber who issues the official receipts or who authorizes a union bargaining unit to issue receipts and collect dues?

[Senator Dagenais]

Senator Dagenais: I would like to thank the honourable senator for her question. You mentioned that I was the president of a union bargaining unit, the Association des policières et policiers provinciaux du Québec. We became a union under the government's trade union legislation.

Senator Ringuette: The government of Quebec.

Senator Dagenais: Of Quebec. At that time, the employer calculated the amount of union dues deductions for tax receipts. I would like to point out that there were both provincial and federal tax deductions. It was the employer that sent in the union dues collected to the federal and the provincial governments.

Senator Ringuette: You had provincial certification. I asked the question to make the link. In your presentation, you spoke about charitable organizations. Did you know, senator, that charitable organizations are accredited by the Canada Revenue Agency and not the provincial government? Accordingly, the federal government has the authority to ask charitable organizations for information because it is the government, through a unit of the Canada Revenue Agency, that is responsible for accrediting charitable organizations, which are completely different from labour organizations.

• (1920)

Senator Dagenais: In response to the honourable senator, I will talk to you about dues.

Senator Ringuette: Certifications.

Senator Dagenais: Certifications, if you like. When I was vice-president of finance, I prepared the financial statements. Thanks to Bill C-377, union dues allow provincial and federal tax relief. In total, roughly \$800 million in union dues is deductible at both levels of government. I cannot understand how Bill C-377, which calls for labour unions to be more transparent, would not have the authority to require unions to file their financial statements. Unions get federal tax relief. Even though our association was provincial, we must never forget that unions get a federal tax deduction and the government is entitled to hold them to account.

Bill C-377 protects workers. As a union leader, would I have agreed to take members' money to campaign against the Conservative Party? I don't believe that every union supports the NDP; the Bloc Québécois, in Quebec; or the Liberal Party. I believe it is important to know what the union leaders are doing with the members' money.

Unfortunately, many union members called me to say that they could not come out and say that they disagreed — because of the code of silence — nor could they ask their union to be transparent about its financial statements.

I realized, in time, even within my own unit, that often the union bosses enjoyed better salaries and better working conditions than they had before and that they might be more interested in getting re-elected than standing up for their

members. They had forgotten why they were there, and Bill C-377 will require union bosses to be transparent. That is what we must consider. That is what I wanted to say.

Senator Ringuette: Those were some beautiful words on transparency. We will have the opportunity to talk about transparency again later this week. In the meantime, in every province and at the federal level, there are election laws. It is through these election laws that we manage to have some control over the money spent by certain organizations for political activities. The provisions in Bill C-377 will not help us solve any problems if the Conservative Party feels targeted by union organizations in this country, and, to crack down on them, as we say back home, the government will require that from now on, they publicly disclose any spending over \$5,000 for all activities combined. Furthermore, you said yourself that these are big organizations that are part of a democratic, transparent process.

Senator Dagenais, does Quebec have legislation governing the activities, commitments and political financing of bodies that are not political parties, but rather third parties?

Senator Dagenais: In response to your question, I must repeat that members' union dues must be used to defend the interests of workers. Consider, for example, a letter the longshoremen's union sent last week to a number of other unions indicating that they are going to provide training to political delegates. Training sessions will be organized by the union and paid for by workers' compulsory dues. The union did not ask its members for permission to do that. The union leaders decided to provide training to create political delegate positions. Union leaders often refuse or have often refused to disclose the portion of union dues that are used to engage in partisan politics.

During the 28 years that I spent working for a union, all of the political parties in Quebec — the Liberal Party, the Parti Québécois and the CAQ — approached me and asked me to support them. I always refused because it involved union members' money. I wasn't afraid to share my financial statements with the members of my union. I wonder whether unions' financial statements show money that has been spent on political activities. I wonder whether, when political activities are carried out with union members' money, they are really in the members' best interests. The answer is no. Bill C-377 will protect members' interests. It is as simple as that.

The unions are the organizations in Canada that have demanded the most transparency from governments. I do not need to say so because you know it as well as I do. Today, we are asking unions to be as transparent with their members as they have demanded that governments be with them. Bill C-377 will ensure that they do just that. Oddly enough, many workers told me that they will finally find out what their union leaders are doing with their money.

Senator Ringuette: Honourable senators, Senator Dagenais seems to be having trouble answering my question, despite his 28 years as a union leader and the knowledge he gained of the Quebec Election Act, which restricts certain third-party activities. There are federal restrictions with regard to third-party spending during election periods on activities such as advertising.

As a Quebecer with 28 years of experience as a union leader, you should know what restrictions are imposed on Quebec unions when it comes to elections.

Senator Dagenais: Don't tell me, honourable senator, that I didn't understand your question. I am asking you whether workers' money should be used for political purposes or to support political parties. You are asking whether there is electoral legislation in Quebec that allows some unions to use their members' money for advertising. I say to you that as a union leader, I never would have done that. Members' money should be used to stand up for the members. Sooner or later, I would have been called on to negotiate with those governments. I preferred not to support them in order to maintain some freedom.

That said, Bill C-377 clearly explains to Canadian workers what their union dues are used for. If, for some reason, your union leaders don't want to tell you whether they ran ads under other provinces' electoral laws, then that is not transparency. We must always operate on the basis that the bill seeks to protect workers. An opportunity will come for it to play that important role.

Hon. Diane Bellemare: Honourable senators, as you know, the Standing Senate Committee on Banking, Trade and Commerce studied Bill C-377 from May 22 to June 13, 2013, and the Standing Senate Committee on Legal and Constitutional Affairs studied it quite recently on April 22 and 23 and May 7, 2015.

• (1930)

In total, the two committees studied the bill for 21 hours. The Standing Senate Committee on Banking, Trade and Commerce met for 14 hours and heard from 49 witnesses. This year, the Standing Senate Committee on Legal and Constitutional Affairs met for seven hours and heard from 23 witnesses.

As the Honourable Senator Runciman, Chair of the Standing Senate Committee on Legal and Constitutional Affairs, said, that is more than most government bills and much more than other private members' bills.

In its June 13, 2013 report, the Standing Senate Committee on Banking, Trade and Commerce raised a number of points. Principal among these concerns was the constitutional validity of the bill with respect to both the division of powers and the Charter. Six of Canada's 10 provinces spoke out against Bill C-377: Prince Edward Island, New Brunswick, Nova Scotia, Quebec, Ontario and Manitoba. Taken together, they make up more than two-thirds of Canada's population. Provincial government witnesses said that this bill violates their exclusive jurisdiction in labour rights matters. I would like to quote Ontario's Minister of Labour, the Honourable Kevin Flynn:

[English]

The bill, if passed, would have the federal government overstepping its constitutional bounds and stepping into the area of provincial jurisdiction. In Canada, labour relations legislation and the regulation of workplaces rest with the provincial government.

[Translation]

In its 2013 report, the Standing Senate Committee on Banking, Trade and Commerce raised other points about the protection of personal information and the vagueness regarding whom this legislation would apply to. This year, the Privacy Commissioner stated that if Bill C-377 is passed, he would be prepared to challenge it before the Supreme Court.

Based on the evidence heard by the Standing Senate Committee on Banking, Trade and Commerce and the Standing Senate Committee on Legal and Constitutional Affairs, I did some calculations. I tallied the opinions regarding whether Bill C-377 is constitutional or not. Eight legal opinions state that the law is *ultra vires*, that it does not respect the separation of powers between Parliament and the provinces. Only Justice Bastarache, a retired Supreme Court justice, was inclined to find that there was a “reasonable” separation of powers, but only if Bill C-377 was enacted into law. He assumes that its constitutionality would likely be upheld. I would like to remind senators once again that Justice Bastarache wrote an opinion as part of a study carried out by Heenan Blaikie LLP at the request of Merit Canada.

In my tally, Counsel Henri Brun, Professor Alain Barré, the Barreau du Québec, Professor Bruce Ryder, Privacy Commissioners Daniel Therrien and Jennifer Stoddart, and Counsel Paul Cavalluzzo all said that Bill C-377 was unconstitutional. Let us imagine that the eminent jurists we heard were on the Supreme Court. Bill C-377 would be declared *ultra vires* because in light of the legal opinions heard, Parliament, through the anticipated effects of this legal text, would interfere in private law and labour law, which are deemed provincial jurisdictions under the Constitution. In light of the opinions of the legal experts, Bill C-377 would be defeated eight to one. That gives us a good idea of the extent of the committee’s debate.

[English]

Your Honour and honourable colleagues, this bill will go before the Supreme Court. You can be sure of that. I believe it is clear that Bill C-377 will be deemed unconstitutional because it is *ultra vires*. In Russ Hiebert’s words, Bill C-377 is a piece of legislation that largely mirrors the U.S. requirements. He is referring to the Labor-Management Reporting and Disclosure Act of 1959, which regulates U.S. labour relations and is managed by the U.S. Department of Labor.

[Translation]

The American law deals only with private institutions. In the U.S., the law is constitutional. In all countries that have similar laws — not entirely similar to the American law, which is extraordinarily invasive — these laws on accountability are administered by labour departments.

In the case of the American government, this invasive law, which is similar to Bill C-377, applies not only to unions, but also to individual businesses that are unionized, employer associations, as well as consultants in the context of labour relations. Thus, each of these groups has information in order to ensure a better balance.

[Senator Bellemare]

As an example, when you are playing poker and you ask the players to show their cards, everyone knows that the player who shows nothing will be the one to win. As for the American law, it is very clear that accountability has to do with labour relations, not taxation.

[English]

With that in mind, how can Bill C-377 find application within our Canadian Income Tax Act and within Parliament’s taxation power? How can Bill C-377, a bill that does not modify the Canadian fiscal framework and that doesn’t impose any fiscal penalty for non-compliant labour organizations, fall under federal jurisdiction concerning the raising of money by a system of taxation?

I think it is clear, honourable colleagues, that Bill C-377 is about disclosure and labour relations.

[Translation]

Many witnesses told us that this bill was going to have a significant impact on labour relations, to the detriment of unions and the benefit of employers. I repeat, this bill has to do with accountability, and that is the responsibility of the Department of Labour. In Canada, that is a shared jurisdiction; labour organizations registered in the provinces are governed by provincial labour codes, while those registered at the federal level are governed by the federal labour code. The labour codes of the various jurisdictions are where you’ll find important provisions on accountability.

That being said, Quebec has passed a new law regarding accountability in the construction industry. Under that law, unions and employer associations are required to complete forms.

MOTION IN AMENDMENT

Hon. Diane Bellemare: I would like to make an amendment to reduce the negative impact of this bill and make it slightly less unconstitutional.

I therefore move:

That Bill C-377 be not now read a third time but that it be amended in clause 1, on page 5,

(a) by replacing line 34 with the following:

“poration;” and

(b) by adding after line 43 the following:

“(c) labour organizations whose labour relations activities are not within the legislative authority of Parliament;

(d) labour trusts in which no labour organization whose labour relations activities are within the legislative authority of Parliament has any legal, beneficial or financial interest; and

(e) labour trusts that are not established or maintained in whole or in part for the benefit of a labour organization whose labour relations activities are within the legislative authority of Parliament, its members or the persons it represents.”.

• (1940)

In other words, honourable senators, I am proposing that an exemption be added to Bill C-377 in order to exclude from this bill any and all labour organizations that fall under provincial jurisdiction. Thus, the bill would cover only federal labour organizations.

Some Hon. Senators: Hear, hear!

Senator Bellemare: In closing, I would like to say that, at this difficult time when the Senate is being accused on all sides of not playing its role as a chamber of sober second thought, and of not taking the interests of the people it represents seriously, I urge you to vote in line with your constitutional obligations, the official positions of your respective governments, in other words, the provincial governments and the people they represent, and all of the emails you received that have criticized this bill as being too invasive.

Thank you.

Some Hon. Senators: Hear, hear!

[English]

The Hon. the Speaker: On debate on the amendment?

Hon. George Baker: Would the honourable senator permit a question?

Senator Bellemare: Yes.

Senator Baker: Relating to the amendment, is it the senator's understanding that the major problem that she wishes to correct is this? Is the senator of the understanding that this bill would cover all unions regardless of size in Canada and, that in the United States and other countries, there is a limit and they have to have 100,000 members? This bill will cover the tiniest of unions, including the city workers union, say the city maintenance workers in a small town in Canada. Every person in a position of authority, like the shop steward of the union, anybody in a position of authority, will have to once a year provide a statement to Revenue Canada of how many hours they spent on union activities, on political activities and on all other activities that the person was involved in, including the Boy Scouts, for example?

Could the honourable senator stand in her place and verify that this is what this bill would do and that's why she is trying to correct it through amendment?

[Translation]

Senator Bellemare: That is what I am trying to correct with this amendment. There will still be problems with this bill with regard to the Privacy Commissioner, because even if the bill covers only

federal organizations, the fact remains that it will still apply to all local labour organizations. In the United States, for example, there are three categories and each category has specific forms. Organizations in the local units category are required to disclose only a small amount of information, if any. However, the larger the organization, the more information they have to disclose.

As for my amendment, it would only cover federally regulated labour organizations.

[English]

Senator Baker: Would the honourable senator also verify that if this bill passes as it is, there will be no comparable legislation? It will not be comparable to that in the United States, as it's claimed?

[Translation]

Senator Bellemare: I confirm that that will be the case. Not only in the United States, but also in Great Britain, in France and throughout the world.

[English]

Senator Baker: Yes, throughout the world.

[Translation]

Senator Bellemare: — accountability bills also apply to the employer.

This bill is essentially unique, and that is why the Fraser Institute — which is not a left-leaning research organization — which thoroughly studied the American law and compared it to the legislation of other countries, criticized the American law and concluded that it is not a good law for Canada because it is too invasive. Not only would it be invasive, but, even worse, it would only apply to unions.

Senator Baker: Thank you very much.

Senator Bellemare: You're welcome.

(On motion of Senator Cowan, debate adjourned.)

ECONOMIC ACTION PLAN 2015 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-59, An Act to implement certain provisions of the budget tabled in Parliament on April 21, 2015 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 Martin, bill placed on the Orders of the Day for second reading two days hence.)

[English]

• (1950)

CRIMINAL CODE

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-35, An Act to amend the Criminal Code (law enforcement animals, military animals and service animals).

(Bill read first time.)

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

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

COMMON SENSE FIREARMS LICENSING BILL

BILL TO AMEND—THIRTY-FIRST REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE PRESENTED

Leave having been given to revert to Presenting or Tabling Reports from Committees:

Hon. Bob Runciman, Chair of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Monday, June 15, 2015

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

THIRTY FIRST REPORT

Your committee, to which was referred Bill C-42, An Act to amend the Firearms Act and the Criminal Code and to make a related amendment and a consequential amendment to other Acts, has, in obedience to the order of reference of Thursday, June 4, 2015, examined the said bill and now reports the same without amendment.

Respectfully submitted,

BOB RUNCIMAN
Chair

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

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

RAILWAY SAFETY ACT

BILL TO AMEND—SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Plett, seconded by the Honourable Senator Fortin-Duplessis, for the second reading of Bill C-627, An Act to amend the Railway Safety Act (safety of persons and property).

Hon. Art Eggleton: Honourable senators, I rise to speak on Bill C-627, An Act to amend the Railway Safety Act (safety of persons and property).

Safety at railway crossings, as we all know, is a very important issue. With increasing amounts of goods shipped by freight and growing passenger rail, there has been an increase in rail-crossing accidents. There have been more than 2,300 crossing-related accidents since 2003 and, sadly, one third of those incidents result in serious injury, even death. Approximately 20 per cent of all rail accidents in Canada are at crossings.

This bill proposes increased powers for railway safety inspectors and for the Minister of Transport. They can better instruct an owner of a rail crossing or a railway company to fix problems when rail safety and the safety of persons and property are threatened.

Some concerns, however, were expressed in the House of Commons that this bill may be redundant and, in fact, could create some confusion. Michael Bourque, who is from the Railway Association of Canada, said:

Section 4 of the current Railway Safety Act already states that “regard shall be had not only to the safety of persons and property transported by railways but also to the safety of other persons and other property” in determining whether railway operations are safe, or whether something constitutes a threat to safety.

In addition, under section 31 of the current Railway Safety Act, railway safety inspectors, on behalf of the Minister of Transport, already have the power to order a rail line or crossing to be closed, or the use of railway equipment to be stopped, if they deem it to be a threat to safety.

So, he’s saying it’s already there. These issues of possible redundancy need to be addressed by committee.

I also have concern that these proposed changes are coming in the form of a private member’s bill, not a government bill. The Railway Safety Act is complicated and altering one section may impact another. We need to ensure that no unintended consequences will occur.

Honourable senators, as I pointed out in my speech at second reading of Bill C-52, ensuring rail safety is more than just regulatory changes and more than just giving new powers. It’s

also about capacity and resources. The government has failed in that regard and we have not heard a real commitment from this government to up the ante.

When it comes to level crossings, the government does have a plan. It's called the Grade Crossing Improvement Program, which provides a contribution of up to 50 per cent of the cost of a crossing improvement project. The maximum contribution to a recipient for a single project is \$550,000. Sounds good, doesn't it?

But there are increasing voices from municipalities saying that information on the program is scarce and that the money is hard to access. Because of this, \$3 million went unspent last year, honourable senators. These are important resources that could save lives and they were left unspent.

Further, the fact remains that the government has cut Transport Canada's rail safety budget by 20 per cent over the last few years. The government has admitted to hiring only one additional safety inspector since 2013. This is on the heels of the Lac-Mégantic tragedy and the Auditor General's scathing report on rail safety.

I will remind you what the Auditor General said. Only 26 per cent of all required safety audits were done, he pointed out — only 26 per cent. None were completed on VIA Rail, despite the fact that they transport over 4 million passengers a year. The AG also found that the inspections themselves were inadequate and that the inspectors' training was poor. This simply is not good enough. More resources are needed. More safety inspectors are required. More safety audits must be done. The stakes are too high and the consequences are too devastating not to do more; so I look forward to the hearing at committee on this bill.

Hon. Ghislain Maltais (Acting Speaker): Is it your pleasure, honourable senators, to adopt the motion?

(Motion agreed to and bill read second time.)

REFERRED TO COMMITTEE

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

(On motion of Senator Plett, bill referred to the Standing Senate Committee on Transport and Communications.)

• (2000)

STUDY ON THE POTENTIAL FOR INCREASED CANADA-UNITED STATES-MEXICO TRADE AND INVESTMENT

TENTH REPORT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE COMMITTEE AND REQUEST FOR GOVERNMENT RESPONSE ADOPTED

The Senate proceeded to consideration of the tenth report of the Standing Senate Committee on Foreign Affairs and International Trade entitled: *North American Neighbours: Maximizing Opportunities and Strengthening Cooperation for a more Prosperous Future*, tabled in the Senate on June 11, 2015.

Hon. A. Raynell Andreychuk moved:

That the tenth report of the Standing Senate Committee on Foreign Affairs and International Trade, entitled *North American Neighbours: Maximizing Opportunities and Strengthening Cooperation for a More Prosperous Future*, tabled in the Senate on Thursday, June 11, 2015, be adopted and that, pursuant to rule 12-24.(1), the Senate requests a complete and detailed response from the government, with the Minister of Foreign Affairs being identified as the minister responsible for responding to the report, in consultation with the Minister of International Trade and the Minister of Natural Resources.

She said: Honourable senators, I rise today to underline the findings contained in the tenth report of the Standing Senate Committee on Foreign Affairs.

Since late September 2014, the committee has been examining the potential for increased Canada-United States-Mexico trade and investment. This was not meant to be an exhaustive study, but it was very timely.

In 2014, the North American Free Trade Agreement marked its twentieth anniversary. North American trade has grown 265 per cent over that period, and investment between North American neighbours has increased sixfold. Yet witnesses told our committee that there remains significant untapped potential in the North American relationship.

Part of the problem is our tendency to act according to a pattern described by experts as "dual bilateralism." Canada and Mexico each tend to work closely with the United States and to a lesser degree with each other, but the three North American countries have many mutual interests. Canada, the United States and Mexico could benefit significantly by pursuing those interests more frequently on a tripartite basis.

Moreover, certain events, most notably the terrorist attacks of September 9, 2011, have led to what some have termed a "thickening of borders." As Chris Sands of the Hudson Institute told our committee, one result was that new:

Border barriers clawed back market access for Canadians and Mexicans to the United States market.

Market access [that had been] negotiated with NAFTA and the Canada-U.S. Free Trade Agreement [was] now conditional on meeting new security arrangements.

Noting these challenges, our committee was interested in examining how a more trilateral approach to North American relations could benefit our collective prosperity and competitiveness. Our study included consideration of key resource manufacturing and service sectors. More particularly, we were interested in identifying key federal actions that could be taken to realize new opportunities in these key sectors.

A central finding of our study is that Mexico has undergone significant changes in recent years. Challenges with security and poverty in some parts of the country notwithstanding, Mexico is increasingly viewed as a developed country.

Mexico is now Canada's third-largest partner for trade in merchandise, with bilateral trade valued at \$32 billion in 2013, and there is potential for those numbers to grow.

Perhaps most significantly for Canadian interests is the recent reopening of Mexico's energy sector to private industry. As David Morrison, from the Department of Foreign Affairs, Trade and Development said, this could be "a potential game changer in the country." It also creates significant opportunities for Canadian firms to supply technology and expertise and to partner with Mexican counterparts.

Our committee recommends that the Government of Canada place a high priority on energy sector opportunities in Mexico. We urge the government to engage with Canadian businesses and associations with a view to exploring and connecting with key Mexican counterparts and potential partners.

Other sectors that stand to benefit from closer Canada-Mexico cooperation include mining, financial services, infrastructure, agriculture and manufacturing.

There is a need to support the Canada-Mexico relationship through greater people-to-people ties. As Mexico's ambassador to Canada, His Excellency Francisco Suarez, told the committee:

Although we share 20 years of North American Free Trade Agreement and 70 years of established diplomatic relations, it's clear we know very little of each other

Academic and research exchanges are critical for increasing awareness and understanding between peoples of different countries. They bring benefits well beyond the campus. They help create citizen ambassadors and business connections. That is why our committee recommends that the Government of Canada leverage these benefits as a key driving force in intensifying Canada-Mexico relations. Our report offers several suggestions as to the concrete actions through which this can be done.

Along with Canadians across the country, our committee was moved by the disappearance and killing of 43 students from the town of Iguala in September 2014. Several witnesses told our committee that Mexico continues to deal with governance challenges related to corruption, the rule of law and security. For the most part, we heard that the government is working to address these issues and that recent efforts have gone a long way to enact legal and judicial reforms. Moreover, our committee recognizes that building institutions capable of helping Mexico to overcome such challenges is a long process. As Carleton University's Laura Macdonald told us, "... it's a very slow process to switch from one legal system to another"

The committee views efforts to tackle its challenges in this area as an opportunity for Canada and Mexico to work together. As such, we recommended that the Government of Canada explore opportunities for Canada-Mexico cooperation on governance, security and rule-of-law issues of mutual interest.

During our study, Canadian visa requirements for Mexican nationals wishing to visit and do business in our country were continually raised as an impediment. However, the committee was encouraged to learn that 10-year visas, multiple-entry visas and other programs for low-risk applicants now apply to some Mexicans.

We also heard that Budget 2015 includes provisions for an electronic travel authorization system. Effective as of 2016, if adopted, this would exempt several categories of Mexican travellers from requiring visas.

However, the committee recommends that the Government of Canada build on these announcements and that it work with the government of Mexico to remove remaining barriers with a view towards the full elimination of the visa requirement.

The committee believes that by partnering more closely with Mexico on issues of mutual concern and interest, Canada can help encourage a more trilateral approach to North American relations. This is important for a number of reasons.

We heard, for example, that products are increasingly not "made in Canada" but "made in North America." Unfinished products may criss-cross U.S. and Mexican borders several times before they are ready for retail. Yet, manufacturers continue to struggle with inefficiencies, delays and discrepancies in the ways in which the three North American countries manage shipments of goods and services across their borders.

Several witnesses therefore highlighted regulatory harmonization as an area requiring urgent attention.

The committee's report echoes this perspective, recommending that trilateral approaches to regulatory harmonization be pursued.

Another promising area for integration and cooperation through trilateral frameworks is the energy sector. As Graham Campbell of the Energy Council of Canada put it, "... the energy scene is changing so rapidly at the moment." This increases the need for the three countries to share information as they develop strategies in this area.

During its study, the committee was encouraged to hear about the creation of the North American Energy Ministers' Working Group on Climate Change and Energy. We believe there are further opportunities for North American energy ministers and others to cooperate trilaterally on energy policy issues. That is why our committee recommends that the Government of Canada undertake to initiate the establishment of a new North American Energy Task Force.

• (2010)

Composed of a range of stakeholders in an advisory capacity to the new North American Energy Ministers' Working Group on Climate Change and Energy, we recommend that this task force be assigned with the development of a continent-wide energy cooperation and competitiveness road map.

Each of these three North American countries is a federation, and much is being done at the level of provinces, territories and states to increase North American cooperation, integration and competitiveness. Many Canadians may be aware of initiatives linking their province or territory to a nearby American state. However, relatively few are aware of a growing number of initiatives linking Canadian provinces and territories with

Mexican states. The committee believes that such initiatives are instrumental toward the objective of closer North American trade and cooperation.

Toward that end, we recommend that the Government of Canada work with Canadian provinces and territories to leverage all existing trade and diplomatic representation and programs aimed at fostering commercial cooperation between Canada, the United States and Mexico.

Issues such as foreign investment facilitation, improved competitiveness frameworks and enhanced supply-chain integration stand to benefit particularly from increased coordination between various levels of government. That does not, however, eliminate the need for the federal government itself to continue its commercial diplomacy in Mexico and United States.

Our committee continually heard that Canada's embassies, consulates, trade commissioners, Export Development Canada and others provide invaluable service to Canadian businesses operating abroad. The same holds true for their work in the United States and Mexico. But the committee also heard, for example, from Colin Robertson of the Canadian Defence and Foreign Affairs Institute, who said that Canada could "do diplomacy differently."

In particular, we heard that there are opportunities to take new and innovative approaches to trade diplomacy that may better respond to business' needs. Toward this end, the committee recommends that the Government of Canada maintain an effective diplomatic network in the United States and Canada, and that it put particular emphasis on developing and applying innovative tools and emerging forms of engagement. In this way, we believe Canada can further leverage its diplomatic network in the United States and Mexico to respond to the needs of the business community.

Throughout its hearings and analysis, the committee was frequently reminded that the United States will remain our biggest and most important trading partner. The Canada-United States relationship must constantly be worked upon, fostered and improved. But we found that shifts in Mexico — and in North American relations more broadly — make it imperative that Canada also partner more closely with Mexico.

That is why our leading recommendation to the Government of Canada concerns the need for a stronger recognition that Mexico is not merely our other NAFTA partner. Instead, we must recognize Mexico as being of fundamental importance in our relations, both bilaterally and with neighbours across the western hemisphere.

As such, the committee recommends that the Government of Canada pursue closer ties and engage strategically with Mexico on issues of mutual concern. These may include challenges affecting the movement of goods and services in North America, North American competitiveness, and the advocacy of North American positions in international fora. We can only think of the recent COOL WTO ruling.

Witnesses told our committee that Canada and its North American partners would do well to act trilaterally when they can and bilaterally where we must. But, if there is one

overarching message to be drawn from the present report, it is that stronger Canada-Mexico bilateral relations can help elicit a more trilateral approach to North American interests. In other words, the pursuit of a stronger Canada-Mexico partnership today stands to stimulate the interest and engagement of our common neighbour, the United States.

While our committee acknowledges the steps being taken by our governments, we trust that our report will help the Government of Canada towards that end, to ensure that North America's potential as an economic and diplomatic partnership can be more fully tapped; to continue to build a North American partnership that leverages the common interests of Canada, Mexico and the United States; and that helps bring about a more integrated and globally competitive North America. Thank you.

Hon. Joseph A. Day: Could I ask the honourable senator a question?

The Hon. the Acting Speaker: Senator Andreychuk, would you take a question?

Senator Andreychuk: Yes.

Senator Day: Thank you for your report. I will look forward to reviewing the report in due course, and I congratulate you and your committee for the work you have done on a very important subject.

My question is really a question of interest, and it is the add-on part, where you are asking the minister to get back to you within a period of time. I was quickly looking at rule 12 to see if I could find any precedent for this portion where you are telling the minister with whom he or she could consult. It seemed a little bold to me for you to say "minister" and "the minister in consultation with." It was the "in consultation with" I was wondering if you had received some guidance on.

Senator Andreychuk: May I ask for five more minutes to answer the question?

Senator Day: It won't take you five, will it?

Senator Andreychuk: No, it won't.

It has been done in the past. The difficulty was that, if you just say "the Government of Canada responds," it seems to fall between the chairs. Then, of course, if you have three ministers — in Human Rights, at one point, we had 10 ministers involved in our study on the Convention of the Rights of the Child. We have been directed to say "direct one minister," but understand he will have to consult with others.

It isn't intended as a directive. It is a suggestion that it is the Minister of Foreign Affairs because we're asking for a foreign policy intensification with Mexico, but we understand there are trade implications for the Minister of International Trade and there are natural resources issues that have to be addressed by that minister.

We have done that before in our reports as a signal to the minister of the approach we're taking. It has been checked with the rules and precedents that we have done it before. Whether you have a better suggestion for doing it a different way, it has been helpful in the past.

Senator Day: Well, I appreciate your answer.

No, I don't have a better suggestion. I have never seen it before. I thought it was somewhat bold of us to tell the minister with whom he should consult. On the other hand, you say if you just name one minister, that minister may come back and say, "This is all I know." You are saying, "Well, don't come back with that kind of an answer."

Senator Andreychuk: Just to supplement that, we have had problems. If we were doing a development study — in the old days, aid and CIDA were in different — you had to go to the minister in charge and that would be the senior minister, when really you wanted to deal with the minister in charge of CIDA, and it became difficult. This way it gives them a heads-up of whom and what we're after.

It was a trade study, but it has implications for foreign policy and, therefore, the minister is responsible for coordinating those ministries.

Senator Day: Thank you, senator.

Hon. Janis G. Johnson: Honourable senators, I rise with pleasure today and bring to the chamber's attention this outstanding report that our committee's chair, Senator Andreychuk, just delivered this evening and has presented for adoption.

I cannot tell you what an exceptional experience it was to work with Senator Andreychuk, the entire committee and Senator Downe to bring this extremely important report forward and get it finished on the twentieth anniversary of the NAFTA agreement.

Entitled *North American Neighbours: Maximizing Opportunities and Strengthening Cooperation for a More Prosperous Future*, the Standing Senate Committee on Foreign Affairs and International Trade undertook this study of the relations between Canada, the U.S. and Mexico, as Senator Andreychuk pointed out.

Last year marked the twentieth anniversary of the coming into effect of the North American Free Trade Agreement, so vigorously advocated for and pursued by former Prime Minister Brian Mulroney and his government. NAFTA transformed the North American trade relationship and has helped facilitate a tripling of merchandise trade between the three partners to over \$1 trillion.

• (2020)

As we approach the third decade of the 21st century, the world trade picture has changed considerably since 1994. Powerful trade blocs in Asia, the European Union and Latin America have emerged. The time has come to focus on building upon the North American foundation laid over 25 years ago.

Honourable senators, I am certain that many of you have read about the fundamental transformations taking place within the Federal Republic of Mexico. Key reforms in Mexico's energy sector, along with significant judicial reforms undertaken by President Peña Nieto's government, have given a new energy and sense of optimism to the country.

As Mexico's potential is unlocked, the opportunities for Canadians and Canadian businesses have flourished. Overall, it is the committee's belief that the time has come for Canadians and Mexicans to take their bilateral relations to a new level.

Colleagues, we are deeply aware of our most integral bilateral relationship, and that is with the United States of America. As significant progress has been made in recent years to ease the flow of people and goods across the border, this report sought to hear from those most deeply engaged in this relationship and hear of new ways and means of better engaging our neighbour to the south on all matters of mutual concern. As you know, we do that extensively, as well, through our interparliamentary group and the United States interparliamentary group, which are very much looking forward to receiving this report, as is the Ambassador of the United States, the Mexican Ambassador, policy analysts such as Colin Robertson and others — all very involved with the Canadian-American-Mexican trilateral relationship. We're most grateful for their contributions to this report, as well.

I thank all my colleagues on the committee for their contributions, and the excellent work done by the researchers of the Library of Parliament.

I encourage all honourable senators to obtain and read this insightful report because the trilateral relationship that has evolved in recent years and where it is going is critical to the future of our North American continent.

We should applaud Senator Andreychuk for bringing forward this subject and being so open about having this study done when she had so many things on her agenda.

Hon. Senators: Hear, hear!

The Hon. the Speaker pro tempore: Are 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 report adopted.)

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

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