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Tuesday, June 7, 2016

The Honourable GEORGE J. FUREY
Speaker

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Debates Services: D'Arcy McPherson, National Press Building, Room 906, Tel. 613-995-5756
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THE SENATE

Tuesday, June 7, 2016

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

Prayers.

SENATORS' STATEMENTS

RAMADAN

Hon. Salma Ataullahjan: Honourable senators, I rise to speak to you today about the holy month of Ramadan, which began yesterday. Ramadan is a time of great importance in the Muslim faith because it was when the Quran was revealed, one chapter per day, for each of the 30 days of the month.

Ramadan is a time of contemplation, for prayer and for trying to be closer to the Creator. It is a time for self-reflection and a time to consider those less fortunate. It is a time to reconnect with family and the community, to give of yourself and to care for people who are suffering both physically and emotionally.

Ramadan is also a time of abstinence — abstinence from food and drink, but also abstinence from anger, pettiness and judgment.

Over 1.7 billion Muslims worldwide will abstain from food and drink each day from dawn until dusk. Fasting is something that Muslims do quietly and without a fuss. And those who are unable to fast are encouraged to give to charity the equivalent of what one would spend on food for a month.

Charity is an important part of Ramadan. It is incumbent upon each Muslim to donate a portion of their savings to charity. During Ramadan, Muslims are encouraged to give generously.

In my home city of Toronto, through donations and tireless efforts of the Muslim Welfare Centre and Project Ramadan, many Muslim families will benefit from this spirit of sharing. This year, over 4,000 specially prepared food baskets will be distributed throughout the community, with enough food to feed families, including Syrian refugee families, for the month of Ramadan.

During Ramadan there is always a spike in donations, which I witnessed first-hand last year as I helped pack food baskets for distribution at two events in Toronto. This year, I will do the same on June 18 with the Muslim Welfare Centre's Project Ramadan.

Ramadan is a special time of contemplation and prayers for all Muslims, to look inward, to focus on self-improvement, to think of their communities and empathize with those who do not have enough to eat. Through personal sacrifice, they develop patience, humility and spirituality.

Honourable senators, with over 1.3 million Muslims in Canada, we should be aware that a significant number of Canadians are celebrating Ramadan in this country. Join me in wishing them a happy, peaceful and blessed month. *Ramadan Mubarak*. Thank you.

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Mr. John Nuraney, former British Columbia MLA. He is the guest of the Honourable Senator Jaffer.

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

Hon. Senators: Hear, hear!

RAMADAN

Hon. Mobina S.B. Jaffer: Honourable senators, I too rise to speak on Ramadan.

Yesterday marked the first day of the Muslim holy month of Ramadan. It was during this auspicious month that the Holy Quran was first revealed to the Holy Prophet Muhammad. May peace be upon him.

As a proud Ismaili-Muslim Canadian senator, I'm honoured to be marking and celebrating this auspicious occasion with my fellow Canadians and with my Muslim brothers and sisters in Canada and around the world.

During Ramadan, over 1.5 billion Muslims worldwide will abstain from food and drink from dawn to dusk as part of the practice of their faith.

Honourable senators, Ramadan, however, is not simply a time when Muslims abstain from food and drink. For Muslims worldwide, Ramadan is also a time for spiritual reflection, self-improvement, forgiveness and charity.

For Canadian Muslims observing this month, Ramadan can mean abstaining from food and drink for up to 18 hours per day. I know that I speak on behalf of all Canadian Muslims when I say that Canada's Muslim community truly cherishes the constitutional right bestowed upon all Canadians to practise their faith freely, free from interference and discrimination, and in a spirit of mutual respect.

Indeed, it is Canada's unwavering commitment to this value of pluralism and Canada's value for its diversity which makes Canada such an incredible nation.

Honourable senators, I also want to reach out today to my Muslim brothers and sisters and to Muslims around the world and to humbly and respectfully state that most of the conflicts taking place in the world today are in Muslim countries. So I respectfully ask all Muslims, including myself, to reflect on the real message of the Holy Quran and Ramadan. Our actions today have the potential to hurt or help us, our children, our grandchildren and, most importantly, our great-grandchildren.

Honourable senators, I ask all Muslims, especially in conflict zones, to say that the time to act is now. I give all of you my commitment to help stop the conflict. I hope I can count on yours.

Ramadan Mubarak. Thank you.

THE LATE WALTER JOSEPH MANNING

Hon. Fabian Manning: Honourable senators, on May 19 I announced here in the Senate Chamber my plan to share the stories of people, places and events of Newfoundland and Labrador. At that time, it was not my plan, nor did I know, that my first installment of telling our story would be to tell you about the passing of a very special Newfoundlander.

Walter Joseph Manning was born in the small community of Cuslett on the Cape Shore of Placentia Bay on March 17, 1930. No stranger to struggle from a young age, Walter's mom passed away when he was six years old, leaving his father to care for and raise him and his five brothers and one sister.

Like many Newfoundlanders, Walter moved to Knob Lake in the mid-1950s, for the start of the Iron Ore Company of Canada's expansion into Labrador. After eight years, the call of home and entrepreneurship caused him to return to the Cape Shore. In February of 1963, he and his wife Julia opened a grocery store in St. Bride's.

With the incorporation of Walter Manning & Sons Ltd., Walter began building his business, his family and, in turn, his community. Over the ensuing years, the business expanded from the grocery store "on the corner" to include a gas station, home heating fuel delivery, wholesale product services, a pub, a lounge and a recycling depot.

In addition and perhaps the crowning achievement of Walter's entrepreneurship was the construction and operation of the Bird Island Resort, which, while under his stewardship, was awarded the Orchid Award by Hospitality Newfoundland and Labrador for setting a standard for aesthetics at an international level.

• (1410)

In addition to serving the people of St. Bride's and the Cape Shore through his economic enterprises, Walter was an active citizen and a pillar in the community at large. Owing to Walter's

strong convictions, he has been recognized in the area for his commitment to growing his community in all aspects of life, including education, faith and community services.

A champion for education, Walter served as a member of the Placentia-St. Mary's Roman—Catholic School Board for 14 years and was a central figure in lobbying for and realizing the construction of Fatima Central High School. Following its opening in 1967, Walter continued to be a strong supporter of the school community, exemplified by the continued presentation of the Manning Award for Academic Achievement, named in his honour.

A proud and dedicated member of the Roman Catholic Church, Walter was a founding member of the Sacred Heart Parish Council and was recognized for his parish volunteer activities at the grassroots level. His endeavours facilitated the creation and development of a new community cemetery and the construction of a new parish house.

Parlaying his appetite for hard work into community advocacy, Walter was instrumental in the subsequent incorporation of the Town of St. Bride's in 1972, and served in various capacities on council over the next 20 years, serving as mayor for the majority of his terms.

As a regional thinker and leader, Walter was a key player in the formation of the Cape Shore Rural Development Association, where he served for over 20 years in various leadership roles.

Walter would also dedicate years of his time to serving on the Cape Shore Seniors Housing Committee, the culmination of which was the realization and construction of Meadowbrook Villa in 1992, a 14-unit seniors housing facility which continues to operate to this day.

In recognition of his significant contribution to his province and community, in 2002 Walter Manning was awarded the Queen Elizabeth II Golden Jubilee Medal, and in 2012 was once again recognized for his achievements by receiving the Queen Elizabeth II Diamond Jubilee Medal.

Post-retirement, Walter turned his attention to the ocean environment and, until compromised by recent mobility limitations, could be found most days walking the beaches of St. Bride's, cleaning refuse and ocean debris from the landwash.

Walter Manning passed away on Saturday, May 21, 2016. Pursuant to his wishes, he peacefully passed on "the corner" in his beloved St. Bride's home.

There is no doubt that Walter Manning made a difference in his community, his province and his country. He was very proud to be part of all three.

Growing up without the opportunity to feel the warmth of his mother's embrace was quite difficult. He was never the huggy type — he often told us that he saved all his hugs for his 21 grandchildren. Walter had many strong convictions, but none was stronger or more profound than that creed he lived by every day: family first.

Dad showed us each day what unconditional love was all about. From his 59.5 years of marriage to our mom, Julia, who passed away in May of 2011, to his constant daily presence in the lives of his eight children, he was our anchor. In my 52 years there has not been one day that I felt he was not in my corner. He was indeed my North Star.

I want to express my sincere gratitude to my colleagues who called or sent a note or a card since my dad passed away. I appreciate each and every one. Thank you.

I would be remiss if I did not thank you, Your Honour, for your attendance at dad's funeral. He would have been honoured to know of your presence.

For the past two years, dad had been confined to his bed. While it was a difficult journey, we are so grateful for his 86 years and all the wonderful memories. We know now that he is happily reunited with our mother.

I want to close with the words of the chorus of an old Irish ballad entitled "The Old Man." The song was written by Phil Coulter and first sung by The Fureys — no relation to His Honour. It says:

I never will forget him
for he made me what I am.
Though he may be gone
memories linger on
And I miss him,
The Old Man.
Rest in Peace, dad.

THE LATE MUHAMMAD ALI

Hon. Wilfred P. Moore: Honourable senators, I rise today to pay tribute to the late Muhammad Ali, who departed this life last Friday evening, June 3, at Phoenix, Arizona. He died of septic shock resulting from respiratory problems caused by decades of battling Parkinson's disease, which was as a result of the punishing blows he took to his body and head over his career as perhaps the greatest heavyweight boxer of all time.

Cassius Marcellus Clay, Jr., was born on January 17, 1942, in Louisville, Kentucky. Descended from slaves, he was named after his father, who in turn was named after a staunch Kentucky abolitionist politician. He began boxing at age 12. His six-year amateur career led him to the light heavyweight gold medal in the 1960 Olympic Games in Rome.

He turned professional and began working his way up the rankings. On February 25, 1964, he defeated Sonny Liston to win the world heavyweight title. He proclaimed to all that he was "The Greatest," that he could "float like a butterfly and sting like a bee."

Within months, he shocked the boxing world by announcing that he was embracing Black Muslim leader Malcolm X, that he was a member of the Black Muslims — the Nation of Islam —

that he was rejecting his "slave name" and that he would be known as Muhammad Ali.

This was at the height of the civil rights movement in the United States, a time of great racial strife in America. Black Americans had had enough.

Ali tried to claim exemption from the U.S.A.'s military draft, saying that, as a Muslim, he was a conscientious objector, proclaiming, "I ain't got no quarrel with them Viet Cong." Many Americans became embittered towards Ali, and on April 28, 1967, he was convicted of draft evasion, stripped of his title and banned from boxing. Although in 1971 the U.S. Supreme Court overturned his conviction on an 8-0 vote, he had sacrificed his best professional boxing years for his beliefs.

Muhammad Ali went on to fight all challengers. He lost a title for the first time in 1971 to Joe Frazier. In two follow-up bouts he defeated Mr. Frazier. In all, Ali won the heavyweight title three times — the only boxer ever to do so.

Among the fights that Ali was taken to the distance in rounds were his two with Canada's George Chuvalo, whom Ali said was "the toughest guy I ever fought."

With the boxing hits taking their toll, Ali retired in 1981, with 56 wins — 37 by knockout — and 5 losses. He then set about becoming the greatest missionary for Islam, travelling the world and meeting heads of state. Indeed, he travelled to Iraq in 1990 and returned with 15 American hostages after speaking to Saddam Hussein. He also gave his time to assist social causes and to help Martin Luther King, Jr., in his work to advance the plight of Black Americans.

Muhammad Ali was "The Greatest" in so many ways, whether in boxing or in pivotal social or political activities. He was one of the most recognized people in the world. We may not see his like again.

MONTREAL'S JEWISH GENERAL HOSPITAL

Hon. Judith G. Seidman: Honourable senators, I rise to advise the Senate of the significant achievements of Montreal's Jewish General Hospital and to congratulate the hospital on the recent opening of its new and innovatively designed acute-care wing, Pavillion K.

Pavillion K is the largest, most complex and most ambitious expansion project in the 81-year history of the hospital, also known as the JGH. During a single day of intense activity this past January, 203 patients were efficiently and carefully moved from the legacy building into Pavillion K, the new JGH home for Adult Intensive Care, Neonatal Intensive Care, Coronary Care, the Family Birthing Centre, the operating rooms and numerous other units and services.

Two years earlier, the ground floor of Pavillion K was launched as the new site of the hospital's ultra-modern emergency department, one of the busiest such facilities in Quebec.

The opening of Pavillion K is the latest chapter in the evolution of the JGH, one of Quebec's largest, busiest and most renowned health care institutions. Launched in 1934, the 637-bed JGH is the McGill University teaching hospital, the site of one of Quebec's top regional cancer centres and one of Canada's leading research facilities.

With a staff of more than 5,100 — including 697 attending doctors and 1,636 nurses — the JGH annually handles more than 706,000 outpatient visits, over 84,000 emergency visits, nearly 12,000 surgical procedures and delivery of approximately 3,700 babies. In addition, it benefits from the activities of at least 1,000 volunteers.

The JGH was founded by Montreal's Jewish community and was inspired by Jewish values, including a deep reverence for life, an emphasis on treating the patient as a whole person rather than as a collection of symptoms and involving family members in the patient's physical and psychosocial well-being. To complement this Jewish heritage, the hospital has always welcomed patients and staff of all religious, ethnic and cultural backgrounds. In fact, the JGH was among the earliest public health care institutions in Quebec to officially adopt a non-sectarian, non-discriminatory policy.

• (1420)

Initially, the hospital served the many immigrant Jewish families who settled nearby in the first half of the 20th century. Over the coming decades, through new waves of immigration, the hospital has continued to safeguard the health and well-being of a multitude of newcomers. It has been estimated that more than half of all immigrants who come to Montreal from other countries settle in the vicinity of the Jewish General Hospital.

Although French and English are the primary languages of this officially bilingual hospital, a recent survey found that at least 90 languages can be heard in the JGH over the course of a typical year.

In conclusion, I would like to extend my warmest congratulations to the Jewish General Hospital on its latest expansion and its history of excellence. Thank you.

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of His Excellency Josef Saller, President of the Federal Council of the Republic of Austria.

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

Hon. Senators: Hear, hear!

[Translation]

ROUTINE PROCEEDINGS

COMMISSIONER OF LOBBYING

2015-16 ANNUAL REPORT TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table, in both official languages, the 2015-16 annual report of the Commissioner of Lobbying.

[English]

ACCESS TO INFORMATION ACT AND PRIVACY ACT—2015-16 ANNUAL REPORTS TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table, in both official languages, the 2015-16 Annual Reports of the Office of the Commissioner of Lobbying, pursuant to the Access to Information Act and the Privacy Act.

COMMISSIONER OF OFFICIAL LANGUAGES

AIR CANADA: ON THE ROAD TO INCREASED COMPLIANCE THROUGH AN EFFECTIVE ENFORCEMENT REGIME—SPECIAL REPORT TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table, in both official languages, a special report to Parliament entitled *Air Canada: On the Road to Increased Compliance through an Effective Enforcement Regime*.

[Translation]

BUDGET IMPLEMENTATION BILL, 2016, NO. 1

THIRD REPORT OF NATIONAL SECURITY AND DEFENCE COMMITTEE ON SUBJECT MATTER TABLED

Hon. Joseph A. Day: Honourable senators, I have the honour to table, in both official languages, the third report of the Standing Senate Committee on National Security and Defence, regarding the subject matter of those elements contained in Division 2 of Part 4 of Bill C-15, An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures.

The Hon. the Speaker: Honourable senators, pursuant to the order of the Senate of May 3, 2016, the report will be placed on the Orders of the Day for consideration at the next sitting of the Senate, and the Standing Senate Committee on National Finance is simultaneously authorized to consider the report during its study of the subject matter of all of Bill C-15.

[English]

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, before calling upon Senator Runciman to present the fourth report of the Legal and Constitutional Affairs Committee, Senator Runciman is asking for leave for a brief comment with respect to the presentation. Is leave granted, honourable senators?

Hon. Senators: Agreed.

Hon. Bob Runciman: Your honour and honourable senators, committee members felt it should be put on the record that although Bill C-14 will be reported back without amendments, it is not because members of the committee are content with the bill — quite the contrary. There was general agreement that, in this case, because the bill is of such interest to a great number of senators, it would be appropriate to hold off introducing amendments until the third reading debate, hopefully avoiding or minimizing repetition and giving all members of this chamber an opportunity to participate fully in the debate.

CRIMINAL CODE

BILL TO AMEND—FOURTH REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE PRESENTED

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

Tuesday, June 7, 2016

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

FOURTH REPORT

Your committee, to which was referred Bill C-14, An Act to amend the Criminal Code and to make related amendments to other Acts (medical assistance in dying), has, in obedience to the order of reference of June 3, 2016, 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 Harder, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.)

THE SENATE

MOTION TO AFFECT QUESTION PERIOD ON JUNE 7, 2016, ADOPTED

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate): Honourable senators, with leave of the Senate and notwithstanding rule 5-5(j), I move:

That, in order to allow the Senate to receive a Minister of the Crown during Question Period as authorized by the Senate on December 10, 2015, and notwithstanding rule 4-7, Question Period shall begin at 3:30 p.m., with any proceedings then before the Senate being interrupted until the end of Question Period, which shall last a maximum of 40 minutes;

That, if a standing vote would conflict with the holding of Question Period at 3:30 p.m. today, the vote be postponed until immediately after the conclusion of Question Period;

That, if the bells are ringing for a vote at 3:30 p.m. today, they be interrupted for Question Period at that time, and resume thereafter for the balance of any time remaining; and

That, if the Senate concludes its business before 3:30 p.m. today, the sitting be suspended until that time for the purpose of holding Question Period.

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

Hon. Senators: Agreed.

The Hon. the Speaker: On debate.

[Translation]

Senator Bellemare: Honourable senators, that goes without saying. Today's invitation is for the Minister of Small Business and Tourism. She was scheduled to come a while ago, but was unable to do so because of a vote in the other place that day. We had been planning to send the invitation a while ago, but with all the emotion around Bill C-14, the motion was not moved last week. That is why we are seeking leave today.

[English]

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

Hon. Senators: Agreed.

(Motion agreed to.)

NOTICE OF MOTION TO ADOPT A RESOLUTION PERTAINING TO THE FAIR RAIL FOR GRAIN FARMERS ACT

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That the Senate adopt the following resolution, established by Order of the Governor General in Council

on April 19, 2016, for the purposes of subsection 15(2) of the *Fair Rail for Grain Farmers Act*: [Translation]

“That, pursuant to subsection 15(1) of the *Fair Rail for Grain Farmers Act*, the coming into force of subsections 5.1(2), 6(2), 7(2), 8(2), 9(2), 10(2), 11(2) and 12(2) of that Act on August 1, 2016 be postponed for a period of one year.”

• (1430)

[Translation]

NOTICE OF MOTION TO EXTEND THIS WEDNESDAY'S SITTING

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate): Honourable senators, with leave of the Senate and notwithstanding rule 5-5(j), I give notice that, later this day, I will move:

That the provisions of the order of February 4, 2016, respecting the time of adjournment, be suspended on Wednesday, June 8, 2016; and

That the provisions of rule 3-3(1) be suspended on Wednesday, June 8, 2016.

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

Hon. Senators: Agreed.

[English]

INTER-PARLIAMENTARY UNION

GLOBAL CONFERENCE OF YOUNG PARLIAMENTARIANS AND ASSEMBLY AND RELATED MEETINGS, MARCH 16-17 AND 19-23, 2016— REPORT TABLED

Hon. Salma Ataullahjan: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Inter-Parliamentary Union (IPU) respecting its participation at the Third IPU Global Conference of Young Parliamentarians and the One-Hundred and Thirty-Forth IPU Assembly and Related Meetings, held in Lusaka, Zambia, from March 16 to 17 and 19 to 23, 2016.

SESSION OF THE UNITED NATIONS COMMISSION ON THE STATUS OF WOMEN, MARCH 15, 2016— REPORT TABLED

Hon. Salma Ataullahjan: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Inter-Parliamentary Union (IPU) respecting its participation at the Sixtieth Session of the United Nations Commission on the Status of Women, held in New York, New York, United States of America, on March 15, 2016.

TRANSPORT AND COMMUNICATIONS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXTEND DATE OF FINAL REPORT ON STUDY OF THE DEVELOPMENT OF A STRATEGY TO FACILITATE THE TRANSPORT OF CRUDE OIL TO EASTERN CANADIAN REFINERIES AND TO PORTS ON THE EAST AND WEST COASTS OF CANADA

Hon. Michael L. MacDonald: 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 Wednesday, March 9, 2016, the date for the final report of the Standing Senate Committee on Transport and Communications in relation to its study on the development of a strategy to facilitate the transport of crude oil to eastern Canadian refineries and to ports on the East and West coasts of Canada be extended from June 30, 2016 to November 17, 2016.

[English]

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, pursuant to the motion adopted in this chamber earlier today, Question Period will take place at 3:30 p.m.

QUESTION PERIOD

DELAYED ANSWER TO ORAL QUESTION

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the answer to the oral question asked by the Honourable Senator Martin on April 21, 2016, concerning the Pacific NorthWest LNG project.

NATURAL RESOURCES

PACIFIC NORTHWEST LNG PROJECT

(Response to question raised by the Honourable Yonah Martin on April 21, 2016)

The creation of a new LNG industry represents a significant economic opportunity for both Canada and Indigenous communities.

The Government of Canada recognizes this potential but we also understand that economic growth must go hand in

hand with environmental protection and public consultation.

The Government of Canada is strengthening the regulatory review process to ensure that proposed projects undergo a credible review that has the confidence of Canadians and that they are developed in an environmentally sustainable way.

Pacific NorthWest LNG Project:

The Government of Canada is committed to ensuring that all available and relevant science is gathered and considered in the context of environmental assessments to allow for informed decision-making.

The Canadian Environmental Assessment Agency recently held public consultation on the draft Environmental Assessment Report and potential conditions for the Pacific NorthWest LNG Project, with over 34,000 comments received.

The government recognizes the importance of timely decisions, while balancing the need for a fair and thorough process that is grounded in science.

This extension will ensure all available and relevant information and science is considered, including the public comments received to allow for informed decision-making.

participate fully in our society, yet there is a major shortage of books accessible for people who live with blindness or who are print-disabled. Of all the books published each year, only about 7 per cent are made available in formats that are accessible to visually impaired persons.

Accessible formats refer to published content that has been formatted to allow for use for a person with a print disability that prevents them from using conventional print. There are a number of different types of accessible formats. Braille is the international reading system for people who are blind. There are also large print or larger font sizes in books that help people who have low vision.

Audio format presents print material by having it read aloud by a reading device. There are also various assistive technologies that people with print disabilities may use to aid them.

While there are audiobooks and e-books on the market, these formats are not always accessible for someone who lives with blindness or a print disability. For example, many commercial audiobooks and e-books are not easily navigable by a person with a print disability. One reason for this shortfall is the fact that copyright laws are inconsistent between countries, making it difficult to share accessible books across borders.

The Marrakesh treaty was developed to address this problem. The Marrakesh treaty establishes international standards for exceptions in international copyright laws to permit the making, distributing, importing and exporting of books in accessible formats. The goal is to facilitate the global exchange of accessible materials for the benefit of Canadians and persons with print disabilities all over the world.

I am a proud sponsor of this legislation in this house and look forward to bringing our copyright laws in line with the Marrakesh treaty.

Allow me now to briefly describe the changes in Canada's copyright law proposed in this legislation.

Canada's Copyright Act was last modernized in 2012 to reflect the digital environment. Our Copyright Act also already provides for exceptions that allow for the reproduction of books in accessible formats. However, our current copyright law does not fully align with the obligations of the treaty. Therefore, a small number of targeted changes are needed to bring our existing exceptions in line with the Marrakesh treaty.

The legislation will make the following important changes to Canada's copyright law to ensure that we meet the requirements of the treaty. First, the bill will permit the making of large-print books, which are currently not part of Canada's existing exceptions to copyright.

Second, the bill will reduce the restrictions on importing accessible materials. There is currently a restriction in Canada's exportation provisions based on the author's nationality. Only a Canadian author's work or a work of an author who is a citizen of the destination country may be exported. The bill will remove these limitations with respect to the nationality of the author.

ORDERS OF THE DAY

COPYRIGHT ACT

BILL TO AMEND—SECOND READING—
DEBATE ADJOURNED

Hon. Peter Harder (Government Representative in the Senate) moved second reading of Bill C-11, An Act to amend the Copyright Act (access to copyrighted works or other subject-matter for persons with perceptual disabilities).

He said: Honourable senators, I'm pleased to rise today to speak about Bill C-11, as I indicated, An Act to amend the Copyright Act. This legislation will make targeted but important changes to Canada's copyright law. I would like to briefly describe these changes, but first please let me explain the problem being addressed.

Close to 1 million Canadians live with blindness or partial sight. Furthermore, around 3 million Canadians are print-disabled; that is, they suffer from impairments that make it difficult for them to read books. For example, people suffering from Parkinson's may have impairment in their ability to hold or manipulate a book. These numbers are expected to grow as the population ages. Canadians need to be able to read and access information to

Third, the bill will modify commercial availability limitations. The bill will ensure that publishers who choose to make their books available in accessible formats can sell these in the marketplace. For this reason, the bill recognizes that where a book is available in accessible format that meets the needs of the person with a disability, the market version should be procured.

For the international market there will also be a limitation. In the case of exports to Marrakesh treaty countries, the onus will be on copyright owners to demonstrate that accessible format copies of their works are already commercially available in those countries in order to prevent the export of copies there. Copyright owners are in a better position to determine whether their works are commercially available in foreign countries.

• (1440)

Another important change in the legislation is to reduce barriers to accessing digitally locked content. The Copyright Act includes prohibitions against circumventing technological protection measures, or digital locks, subject to certain user exceptions, including an exception for persons with perceptual disabilities. The Marrakech treaty requires that member countries ensure that the legal protections for digital locks and their laws do not prevent users from benefiting from exceptions for the print-disabled.

The proposed amendment would modify the digital lock exceptions for persons with perceptual disabilities in order to remove potential barriers, in particular a condition that the lock not be unduly impaired. Essentially, the bill clarifies that circumvention of digital locks is acceptable, so long as it is for the purpose of providing access to persons with perceptual disabilities and to permit persons with perceptual disabilities, or those helping them, to benefit from the exceptions for persons so disabled.

As a result of this legislation, Canada's copyright law will be clarified to indicate that non-profit organizations such as libraries can provide or provide access to accessible format copies directly to beneficiary persons outside of Canada. However, they may only do so on the condition that the beneficiary person has made the request through a non-profit organization in the destination country.

While the legislation will expand the exceptions for accessible materials for persons with perceptual disabilities already in our law, it will also include safeguards so that copyright owners will be encouraged to provide commercially available versions and continue to be available to enforce their rights.

Canada's copyright law as amended would include the following safeguards for copyright owners. As explained earlier, commercial availability limitations will ensure that the exceptions will not apply where copies in accessible format are already available in the marketplace.

Second, circumventing digital locks will be allowed only for the purpose of assisting persons with perceptual disabilities.

Third, additional protections for moral rights will ensure that users will respect the integrity of the work and the reputation of the creator when making and providing adapted copies.

Finally, remedies will continue to be available to copyright owners for enforcing their rights and combatting online pirates.

Once the Marrakech treaty is in force, organizations that make accessible format copies of books such as Braille and audio versions will benefit from resource sharing. These benefits would not just apply in terms of access to the arts. It will support access to a greater variety of books, including textbooks and research materials, expanding opportunities for people with perceptual difficulties.

Implementing the Marrakech treaty should be a priority for Canada because creating a more inclusive environment for Canadians with disabilities reflects our collective values and fosters greater opportunity for all Canadians.

Libraries, educational institutions and organizations that help persons with visual impairment or print disabilities will benefit and be better able to support the education and employment of persons with disabilities. Canada has an opportunity now to play a leadership role internationally by helping to bring the treaty into force.

The treaty will only enter into force once 20 countries have ratified or acceded to it. To date, the treaty has been ratified or acceded to by 17 countries. Although Canada did not sign the treaty before the deadline for signatures on June 2014, both the previous and current governments since then have openly expressed Canada's support for the treaty, as have all parties in the other place.

By becoming one of the first 20 countries to join, Canada could demonstrate its support in real terms by playing a critical role in bringing the treaty into force. To this end, the parliamentary process for Bill C-11, which would implement the treaty and enable Canada to formally join it, has been proceeding on an expedited basis with unanimous support in the other place. In view of the importance of this initiative for persons with print disabilities, the opportunity for Canada to play a positive role internationally, and the benefits that will flow to Canadians through the treaty entering into force in the short term, I urge all senators to support the swift passage of this important legislation.

Hon. Wilfred P. Moore: Would the honourable senator take a question?

Senator Harder: Certainly.

Senator Moore: This is a very interesting bill. To date we have 17 countries. You need 20 to bring it into force. I think about the language. Are most of the countries people we deal with in most of our trading, like the United States and England, or are we also covered off for our French artists, writers and so on?

Senator Harder: I don't have the list of countries that have acceded to the treaty. I can confirm that it was a treaty negotiated through the World Intellectual Property Organization based in Geneva, which has a multi-stakeholder, multi-language base to it.

Senator Moore: Do we have prospects, if we sign on, for the other two? Are we getting close to the finish line here?

Senator Harder: I am told by the officials involved that if were to approve, it would be seen as an added impetus to get over the finish line and encourage those who have not yet had their legislatures make the amendments necessary to do so.

Senator Moore: Have we got anything in terms of a timetable? I know this is second reading, but is this something we can hope to do in this calendar year? What's your government's position?

Senator Harder: That is a very good question, senator. It was dealt with in all phases in one sitting in the other chamber. It is the objective of the government to be able to bring Royal Assent to this legislation in the very near future, subject, of course, to the will of this chamber.

(On motion of Senator Enverga, debate adjourned.)

BANKING, TRADE AND COMMERCE

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO DEPOSIT REPORT ON STUDY OF ISSUES PERTAINING TO INTERNAL BARRIERS TO TRADE WITH CLERK DURING ADJOURNMENT OF THE SENATE

Leave having been given to revert to Notices of Motions:

Hon. Joseph A. Day: 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 issues pertaining to internal barriers to trade, if the Senate is not then sitting; and that the report be deemed to have been tabled in the Chamber.

BILL TO AMEND THE AIR CANADA PUBLIC PARTICIPATION ACT AND TO PROVIDE FOR CERTAIN OTHER MEASURES

SECOND READING—DEBATE ADJOURNED

Hon. André Pratte moved second reading of Bill C-10, An Act to amend the Air Canada Public Participation Act and to provide for certain other measures.

He said: Honourable senators, today we begin our study of Bill C-10, An Act to amend the Air Canada Public Participation Act and to provide for certain other measures.

During the course of our study, we will need to keep in mind the following questions: Do we want our national civil aviation carrier, Air Canada, to remain one of the best airlines in the world? Do we want hundreds of highly skilled jobs to be created in Quebec and Manitoba? Do we want Air Canada and Bombardier to form an all-Canadian partnership, enabling Air Canada to purchase, operate and see to the maintenance of C Series aircraft in Canada? I answered yes to these questions, which is why I agreed to sponsor the bill.

Bill C-10 is a very short bill, yet it would open up tremendous opportunities for Canada's aerospace industry.

A brief look back in time is necessary to understand the bill's significance. Passed in 1988, the Air Canada Public Participation Act paved the way for the privatization of Air Canada. The government of the day allowed the company to privatize on certain conditions: one, Air Canada had to comply with the Official Languages Act; two, its head office had to stay in Montreal; three, ownership and control of the company had to remain in Canadian hands; four, the provision of the act that interests us today, paragraph 6(1)(d), required the corporation to "maintain operational and overall centres in the City of Winnipeg, the Montreal Urban Community and the City of Mississauga."

Keep in mind that at the time, Air Canada used to perform all of its own aircraft maintenance in-house. That was the case for both line maintenance — maintenance performed on aircraft in the operating environment — and heavy maintenance, or activities requiring that the aircraft be taken out of service.

• (1450)

The landscape of aircraft fleet maintenance has changed radically since then, with aircraft becoming so sophisticated that heavy maintenance is required less often. Equipment, labour and R&D are all very expensive, so much so that only specialized companies with the ability to spread out costs over many clients — in other words, those providing services to many different airlines — can operate profitably. That is why most airlines today outsource their heavy maintenance work to those specialized companies, and that is what Air Canada does.

[Translation]

Honourable senators, you will remember that, in 2003, Air Canada filed for protection under the Companies' Creditors Arrangement Act. In order to avoid bankruptcy, it underwent restructuring and divested a number of its divisions, including its heavy maintenance services. These were sold to private investors who established a new company called Aveos, which continued to do the heavy maintenance on Air Canada aircraft. However, to ensure that it would be profitable, Aveos went after new clients, new airlines. Unfortunately, the results were mixed and Aveos was forced to declare bankruptcy and close its doors in 2012. Consequently, 2,600 workers, mostly in Montreal and Winnipeg, suddenly found themselves unemployed. These workers went through an extremely difficult time. We know that a few hundred were able to find jobs in the same sector. Some retired, but many others had to resign themselves to finding a job in another sector under much less advantageous conditions. Others still have not found a job. But what could be done?

Efforts to find buyers for Aveos were unsuccessful. The Government of Canada at the time realized that it could do nothing. Some wanted Air Canada to resume doing the heavy maintenance of its aircraft, but that would have created new financial problems for the company.

Out of concern for the plight of the employees put out of work, the Government of Quebec took Air Canada to court, accusing it of violating section 6 of the Air Canada Public Participation Act,

because it was no longer operating the maintenance centres as it had promised in 1988.

The Quebec Superior Court and, in November 2015, the Quebec Court of Appeal found in favour of the Quebec government. Air Canada decided to take the matter to the Supreme Court.

[English]

That's where things stood at the beginning of this year, when some major developments occurred — developments that were excellent news for Canada's aerospace industry, for the cities concerned, Montreal and Winnipeg, and, of course, for the workers. In February, Air Canada announced that it would be buying 45 of Bombardier's CS300 aircraft, with an option to purchase 30 more, representing a crucial order for the C Series aircraft. Then Air Canada reached an agreement with the Quebec government whereby it committed to having the heavy maintenance of those airliners performed in the province for a period of at least 20 years. This commitment opened the door to the creation in Quebec of a centre of excellence for the maintenance of C Series performed in Montreal or the province for aircraft purchased by a number of different airlines. If all goes well, the Quebec government expects the centre of excellence to generate 1,000 new jobs over 15 years.

In March, Air Canada and the Manitoba government signed an agreement requiring the airline to bring three of its maintenance suppliers and partners to Winnipeg to set up new operations. This move will result in 150 new jobs next year.

These developments will mean hundreds of future aeronautics jobs for Canada. However, there is one hitch. We need to free Air Canada of its 30-year-old shackles so that it can operate in a modern environment, not the world of 1988, not the world of DC-8s and DC-9s, but the world pre-WestJet and pre-Porter.

That's what Bill C-10 does. It does not remove all of the conditions imposed on the airline under the Air Canada Public Participation Act. The corporation will still have to keep its head office in Montreal. It will still have to comply with the Official Languages Act. As we know from the report published by the Commissioner of Official Languages this morning, Air Canada has more work to do on this count. It will also have to remain under Canadian ownership and control and ensure that some of its aircraft maintenance is performed in Canada.

Now, this is what the bill will do. By referring to the provinces of Ontario, Quebec and Manitoba, rather than the City of Winnipeg, the Montreal Urban Community and the City of Mississauga, the bill recognizes that Air Canada's maintenance activities extend beyond the city limits currently set out in the act; and second, Air Canada would no longer be required by law to maintain the operational and overall centres that existed in 1988.

Under the bill, the corporation would have to "... carry out or cause to be carried out aircraft maintenance activities ..." in the provinces stipulated, language less restrictive than the original. The bill also specifies that Air Canada will be able to change the type and volume of the maintenance activities it carries out, as well as the level of employment in these activities.

Those amendments will allow Air Canada to enjoy the same flexibility as its competitors and organize its maintenance activities in the best possible way in a changing industry. This is crucial, given the fiercely competitive nature of the airline industry.

All too often, we take Air Canada for granted and many frequent flyers jump at the chance to criticize the airline whenever they can. What we often seem to forget, however, is Air Canada's tremendous value to the country's economy. Together with its regional carriers, Air Canada employs some 33,000 people. Its operating expenses in Canada stand at nearly \$10 billion each year. Air Canada is financially healthy today, but, as we know, it has not always been so, even recently. Simply put, Canada cannot afford to cripple its national airline by forcing it to operate under conditions that do not apply to any of its rivals.

Further to the deals reached with Air Canada on the maintenance centres in Montreal and Winnipeg, the provinces of Quebec and Manitoba have suspended their litigation cases against the airline. Despite being critical of Bill C-10 after coming to power in April, Manitoba's new government was careful not to renege on the deal with Air Canada or to threaten renewed litigation against the airline.

[Translation]

Some people are saying that if we pass Bill C-10, we will be turning our backs on the former Aveos workers. This criticism is well intentioned, of course, because it would be a question of giving the Aveos workers their jobs back. However, the criticism is unfounded. Air Canada is not responsible for what happened. Rather, Aveos is responsible, because it wasn't able to remain competitive in the industry's new context.

We can't ask Air Canada, Bombardier, the Canadian aerospace industry and the thousands of workers they employ today and will employ in the future to pay for past mistakes made by Aveos. We must not prevent the creation of jobs in the future in the futile hope that we can bring back jobs from the past. It is unfortunate, but we need to face the facts. Those jobs will not come back.

I have also heard people say that there is no need to rush Bill C-10 through before the summer break. Quite the opposite is true. We need to act before the litigation before the Supreme Court resumes. Proceedings have been stayed until July 15. No one will benefit from this matter being resolved in the courts, because, regardless of the final ruling, the former Aveos workers will not get their old jobs back. In addition, if we leave this matter up to the courts, the agreements between Air Canada and the Quebec and Manitoba governments could be put at risk, and so could the hundreds of jobs that could be created at the new centres of excellence for maintenance in those two provinces. As long as this legal threat is hanging over Air Canada's head, there will be no centres of excellence.

[English]

Bill C-10 lifts the ever-looming threat of legal action upon legal action, clearing the way to a bright future for Canada's aeronautics maintenance sector.

• (1500)

Allow me to quote Mr. Jim Quick, President and CEO of the Aerospace Industries Association of Canada, who appeared before the Transport Committee in the other place. He said:

... coming out of the bill is an opportunity for the C Series as well as for centres of excellence.

For us, centres of excellence equate to jobs and to building Canadian capacity and innovation capability.

Honourable senators, I invite you to think of the future of hundreds of highly qualified jobs in Manitoba and in Quebec and to vote in favour of Bill C-10.

[Translation]

Hon. Claude Carignan (Leader of the Opposition): Would the senator take a question?

Senator Pratte: Of course, senator.

Senator Carignan: First, I want to congratulate you on your first official speech in support of a bill.

Senator Pratte, my questions could go over the time you're allowed, but I'll try to be concise.

With respect to competitiveness, you suggested that we need to amend the act to allow Air Canada to be more competitive and on an equal footing with other airlines.

You spoke about the privatization of Air Canada. I think that the conditions that were set when it was privatized are part of the company's DNA and *raison d'être*. If these conditions had not been enshrined in law, the company would not have been privatized. It's no secret that Air Canada's head office is in Montreal, but everything happens in Toronto.

In addition, you mentioned that Air Canada is the only airline subject to the Official Languages Act. It has often used this argument to avoid complying with the act. Just today, a report from the Commissioner of Official Languages revealed that official language commissioners have been fighting to get Air Canada to comply with the act for 45 years. Hundreds of complaints are received every year. If I accept your argument about competitiveness, will Air Canada's next request be to be exempt from the Official Languages Act?

Senator Pratte: Thank you for your question, Senator Carignan. Like you, I read the report of the Commissioner of Official Languages, as well as the many other reports on this matter. I believe that we really have to separate the two subjects, which are completely different.

I said that Air Canada must do much better in the area of official languages. The report released by the Commissioner this morning contains recommendations that should be closely examined by the government. I am not the government's spokesperson on this matter, but I believe that Air Canada

must do much more with respect to official languages. Air Canada must do better. It has a duty, as a national airline, and it must do much better.

With respect to the maintenance centres, as I explained earlier, the situation has completely changed since Air Canada was privatized. Therefore, I believe that we cannot take that situation into account. When Air Canada was privatized, all airline companies did their own maintenance on their aircraft. Today, that is no longer the case. Thus, requiring Air Canada to have its own maintenance services, as it did 30 years ago, would put it at a considerable disadvantage and result in significant costs. It would hurt its competitiveness, and Air Canada would inevitably find itself in an unfavourable financial situation.

You will recall that Air Canada was on the verge of bankruptcy not so long ago. We could put it back in that position, but I don't believe that would be the right thing to do.

I would separate the two subjects. The issue of official languages is one thing. Personally, if Air Canada one day asked to be released from its official languages obligations, I would not support it.

Senator Carignan: We often hear talk of an agreement on this matter. Some politicians have also been talking about it. However, we have never seen this agreement that we have heard so much about. Have you seen it? Has it been signed? Is there a firm, unconditional written agreement to keep the maintenance centres for the C Series aircraft in Quebec, Manitoba and Ontario?

Senator Pratte: No, I have not seen the agreements in question. To my knowledge, Air Canada has signed letters of intent with the governments of Quebec and Manitoba. The final agreements have not been signed. I trust in the good faith of the three parties — Air Canada and the governments of Quebec and Manitoba — which have all said that there is a letter of intent and that the intentions are clear. However, to my knowledge, the parties have not yet signed the final agreements.

Senator Carignan: These agreements concern many politicians, and I thought that you were wary of politicians. I hope that the committee will demand to see the agreements before moving forward.

I also understand that there is a case before the Court of Appeal. In fact, five Court of Appeal judges rendered a decision, which is very rare. They accepted the argument against Air Canada, and a motion for leave to appeal that decision is currently before the Supreme Court. Why is it urgent to interfere in a legal process before it reaches the Supreme Court? Obviously, the bill interferes with a legal process that is going to end up before the Supreme Court. The government wants to pre-empt the appeal to the Supreme Court. Why not let the Supreme Court rule on the issue?

Senator Pratte: In my opinion, there is no advantage to allowing this issue to be resolved by the courts. We can ask the courts to rule on this issue, but that could result in a lengthy court battle because we are talking about a declaratory judgment. We need to find out exactly what this means on the ground. What is

[Senator Pratte]

more, if the courts believe that Air Canada should resume heavy maintenance of its aircraft, the consequences could be catastrophic.

Instead of turning back time and recreating the jobs of the past, we have agreements that offer extremely promising job prospects for the future. That seems much better to me than waiting for a ruling that ostensibly would seek to recreate past jobs. It is more promising to create future jobs than to dream of past jobs.

Senator Carignan: On the issue of jobs, isn't Air Canada in the process of promising us something that we already have? It is buying brand- new Bombardier C Series aircraft with cutting-edge technology that are built in Canada. This type of aircraft covers short distances. These are not long-haul aircraft. Obviously, Bombardier will have maintenance centres close by, in North America and probably in Canada. When you say that Air Canada is committed to having accredited maintenance centres for the C Series models, isn't that a justification for getting out of the obligation to create these maintenance centres? Isn't that an easy argument?

These are short-haul aircraft equipped with modern technology; logic dictates that the maintenance centres would be located in Canada. Maintenance centres for this type of aircraft cannot be just anywhere in the world. These are short-haul aircraft that will fly in Canada and the U.S. Do you know where the maintenance centres are for the planes that have already been sold? Has Bombardier already determined where the maintenance centres will be located for the airlines that have purchased this aircraft?

Senator Pratte: I don't want to get into highly technical explanations that are beyond my ken, but what we are talking about here is heavy maintenance. In this case, as I was saying earlier, these are specialized maintenance centres. The centre of excellence we are talking about would be in Quebec. North American airlines, likely, and even airlines from further away would come to Montreal for heavy maintenance on their aircraft. This would help create 1,000 jobs, if not more, if the C Series aircraft are successful. That is a lot more than for the maintenance centres where maintenance is done at night. Highly specialized jobs would be created, which means new jobs on top of those related to the regular aircraft maintenance done at night.

• (1510)

Senator Carignan: In any case, those centres will be located in Canada. Air Canada is not giving us any more than that.

Senator Pratte: They could be in New York or anywhere at all. They don't have to be in Canada. Air Canada promised that they would be in Canada, which is really good news.

Hon. Paul J. Massicotte: I want to ask you a few questions to make sure I understand the bill correctly.

The purchase of C Series aircraft is very important to Quebec, Ontario and Manitoba. Congratulations! It is a very important economic factor.

From what I understand, the purchase of these planes has nothing to do with the flexibility the federal government and the provincial governments were looking for. Have I got that right?

Senator Pratte: I can't speak for Air Canada. My understanding is that the link to be made here is between Air Canada's decision to create the centre of excellence for the heavy maintenance of its planes in Canada and the flexibility we are looking for in Bill C-10. I think the company is making a link between the two.

Senator Massicotte: The bill removes all references to the cities of Mississauga, Montreal and Winnipeg and instead mentions the provinces in order to allow greater flexibility for getting the work done. That makes sense.

I understand that there is no guarantee in the agreement that a minimum number of jobs will be maintained at these three centres. In fact, the company could cut all of the jobs, and it has the right to transfer the work elsewhere in Canada, to the United States or anywhere. In that case, why name the three provinces if there is no commitment about how many jobs will be created?

Senator Pratte: The bill, as drafted, requires Air Canada to conduct aircraft maintenance in Canada, in the three provinces mentioned, but it's true that the company is not required to conduct a specific volume of work. The fact is that Air Canada already conducts heavy maintenance of its aircraft outside Canada. What it doesn't want is a legal sword of Damocles hanging over its head indefinitely that would force the company to revert to the heavy maintenance centres as they existed in 1988. This sword of Damocles is still hanging over its head. In exchange for freedom from this old-world restriction, Air Canada is committed to creating two heavy maintenance centres of excellence: one for C Series aircraft in Quebec and one for other aircraft in Winnipeg. That is the exchange we're talking about.

[English]

Hon. Wilfred P. Moore: Would you take a question, senator?

Senator Pratte: Yes.

Senator Moore: In regard to international sales, we hope that Bombardier does sell the C series internationally. You're answering for the government, but it's so intertwined with Bombardier that I'm going to put these questions to you anyway. Hopefully, you'll have an answer. Do you know whether or not Bombardier has selected bases or locations where it will serve airplanes that they sell internationally?

Senator Pratte: Senator Moore, you mean other maintenance bases?

Senator Moore: Outside of Canada.

Senator Pratte: No, I'm sorry. I don't know.

Senator Moore: That could be restrictive, obviously, in terms of sale prospects. With regard to North American sales, they could sell to airlines in the U.S. Do you know whether, as part of the sales package, there's a maintenance clause that requires that, to maintain the guarantee or the warranty, it must be serviced at the maintenance centre in Quebec or in Manitoba? Is that part of the pitch that Bombardier is making to help to secure maintenance business?

Senator Pratte: I could inquire about that, but I don't have the answer.

[Translation]

Hon. Percy Mockler: Honourable senators, I completely agree with the bill's approach. I still have some follow-up questions to what Senator Carignan asked about official languages.

As the sponsor of the bill, would you be able to get more information on Air Canada's vision regarding the application of the Official Languages Act?

Senator Pratte: In the response that Air Canada gave to the report today, the company is claiming that the situation is improving, given that the number of complaints has remained the same while the number of travellers has significantly increased. I personally think that the report of the Commissioner of Official Languages is scathing. There are quotes dating back to about 1972, so Air Canada has a rather appalling record in this regard. The report contains recommendations that call on the government to act, and I believe that the government should study this report carefully.

Senator Mockler: You are saying that the report is scathing. I find it sad to think that Air Canada has been performing so poorly for 45 years. I don't necessarily want to get into that, but it leads me to my next question.

Can you tell the chamber how many jobs would be at risk if Air Canada were to relocate? Also, how many new jobs will be created in Quebec, Ontario and Manitoba?

Senator Pratte: To date, there are two agreements, including one with the Government of Quebec. According to the Government of Quebec's assessment, the centre of excellence that would be responsible for the heavy maintenance of the C Series aircraft should create 1,000 jobs over 15 years in Quebec. They would not necessarily be in Montreal. They might be elsewhere in Quebec.

The agreement with Manitoba is a more short-term agreement because it involves moving current Air Canada suppliers to Winnipeg into hangars rented by Air Canada. We are talking about 150 jobs as of next year. That is approximately 1,150 jobs, but over a period of 15 years, and the time frames are different.

My main argument is related to the fact that if we keep hanging that legal threat over Air Canada, the creation of those centres of excellence will be in jeopardy, which means that we could risk losing those jobs.

Senator Mockler: Given that they are good jobs and that we have high-tech aerospace companies in the Atlantic region, could we not, as Senator Moore suggested, frame the Atlantic region as welcoming these industries to set up some of their operations there?

Senator Pratte: We would have to ask Air Canada about that, but I have to say that the subcontractors, the companies that do that kind of work, are generally gigantic corporations that I'm sure have subcontractors all over the country.

Hon. Serge Joyal: Would the honourable senator take another question?

Senator Pratte: Yes.

Senator Joyal: Senator Pratte, I listened closely to your arguments in favour of Bill C-10. You referred to the Official Languages Commissioner's report, which, I would remind you, is one of just two special reports ever published by the Official Languages Commissioner of Canada since the law was passed in 1969. That was quite a while ago.

• (1520)

Having taken Air Canada to court in Canada in 1976, I personally do not believe in its good faith. At the time, I was the MP for Maisonneuve-Rosemont. I forced Air Canada to comply with the Official Languages Act through a court order. I paid the legal fees for this case out of my own pocket. Jules Deschênes, who was the honourable chief justice of the Quebec Superior Court at the time, ruled in my favour and against Air Canada.

Today Air Canada is asking us to release it from a legal obligation that it agreed to when the Air Canada privatization act came into force and after two Quebec court rulings forced it to abide by this law. Wouldn't it be wise to sit down with Air Canada before passing this legislation and reinforce its obligations under the Official Languages Act?

In my opinion, Air Canada does not act in good faith, judging by the report I read briefly this morning when it was released. Air Canada is looking for our support in getting a favour when it has a legal obligation to Quebec and Manitoba, in particular. Accordingly, if it wants to get off on the right foot, isn't it time to review the conditions requiring Air Canada to comply with the Official Languages Act?

Senator Pratte: I believe that if it is possible to take measures in that regard, Senator Joyal, and meet the deadlines . . . I am not speaking on behalf of the government, but as an independent senator and the sponsor of the bill. I would certainly be open to looking at this proposal.

I completely agree with you. Bill C-10 demonstrates that Parliament has shown considerable openness to Air Canada's requests. Furthermore, the report of the Commissioner of Official Languages points out the mistakes made by Air Canada with respect to its obligations under the Official Languages Act. If we could encourage Air Canada to increase its efforts as we work on passing Bill C-10 as quickly as possible, which is vital, then I believe we should move forward. Otherwise, the government could no doubt find another solution to point Air Canada in the right direction as quickly as possible by the fall session.

Senator Joyal: Senator Pratte, I have another question for you. You say that we must proceed before mid-July because the court proceedings are stayed until then. Wouldn't it be preferable to wait for the court's ruling because the Quebec Superior Court and the Quebec Court of Appeal, which heard the case, ruled against Air Canada's obligations? We would have an additional argument for requiring it to accept conditions that it is refusing.

Air Canada acts in bad faith. Its treatment of Aveos workers when it divested itself of one of its responsibilities shows that it would be better to wait for the court's ruling to negotiate what it is asking for today. I don't follow this part of your argument. Why do you believe that we should hasten to give Air Canada an advantage in these negotiations?

Senator Pratte: I realize that you are finding it difficult to follow me because you are convinced that Air Canada acts in bad faith. I do not take the same position. I believe that there is an opportunity to create hundreds of good jobs, which will not be possible if we wait until July 15. Perhaps I am mistaken, but I am not prepared to risk losing good jobs that are desperately needed.

[English]

Hon. Donald Neil Plett: Would the senator accept another question?

Senator Pratte: Of course.

Senator Plett: Senator Pratte, I am from Manitoba, of course. First of all, Senator Pratte, I apologize that I had to step out and didn't hear the majority of your speech, but I certainly look forward to getting Hansard and reading all of this. Some of us have duties as official party whips, and we need to be out of the chamber every so often.

Some Hon. Senators: Oh, oh.

Senator Plett: Nevertheless, Senator Pratte, Manitoba, with the loss of Aveos, lost some 450 jobs, and I'm very concerned that they will be compensated.

I spoke to our new deputy premier, Minister Stefanson, and she assured me that Manitoba certainly was not happy with the bill as it is, and until Manitoba would receive some form of a gain in jobs other than just having Air Canada say, "We will give you some jobs," I think they want some kind of a commitment.

Senator Pratte, if you addressed this in your remarks, I apologize, but would you be able to tell me whether you have had discussions with the Deputy Premier of Manitoba and whether you would concur with my comments?

Senator Pratte: Senator Plett, I'm sorry you did miss part of my speech, because I'm sure, if you had been there, it would have been much better. You would have undoubtedly inspired me to be even better.

Yes, I did discuss the matter with Minister Stefanson, and I transmitted her requests or demands to the Prime Minister's Office, because I understand these discussions had been held prior to the election between the former premier's office and the Prime Minister's Office. So I transmitted those requests. I don't know if there have been talks or not.

I understand that the present government has no difficulty with Air Canada per se. They did not renege on the agreement between Air Canada and the Government of Manitoba, and they did not threaten any renewed litigation against Air Canada. I understand their difficulty is more with the Government of Canada.

Maybe there could be productive discussions between both governments so that they can have some kind of agreement and, therefore, maybe the Government of Manitoba would accept Bill C-10 in the end before we adjourn for the summer.

Senator Plett: I'm certainly happy, Senator Pratte, that I inspire people so much that their speeches would be better. I guess I need to apologize to the rest of the chamber for not having as inspiring a speech as they may have heard.

Some Hon. Senators: Oh, oh.

Senator Plett: Nevertheless, Senator Pratte, I appreciate the comments and certainly look forward to working with you and hopefully improving this bill down the road.

(On motion of Senator Plett, debate adjourned.)

QUESTION PERIOD

Pursuant to the order adopted by the Senate on December 10, 2015, to receive a Minister of the Crown, the Honourable Bardish Chagger, the Minister of Small Business and Tourism appeared before Honourable Senators during Question Period.

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, as was the case in past weeks, I ask members to limit their questions to one and if necessary only one supplementary question and this will allow as many senators as possible to ask questions.

I would ask the minister now to take her seat, please.

Minister, welcome.

• (1530)

[Translation]

SMALL BUSINESS AND TOURISM

SMALL BUSINESS TAX RATE

Hon. Claude Carignan (Leader of the Opposition): Madam Minister, last month, the Parliamentary Budget Officer released a report on the Trudeau government's decision to cancel the small business tax cuts that the previous government had enacted.

During the election campaign, the Liberals promised to maintain small business tax cuts. However, the Parliamentary Budget Officer estimates that by 2021, the decision to break that promise and cancel the tax cuts will result in the loss of 1,240 jobs and a \$300-million drop in the GDP.

The Parliamentary Budget Officer's report also indicates that cancelling the cuts will cost small businesses \$2.1 billion during that period while increasing federal revenues by just \$815 million.

Madam Minister, my question is simple. Why didn't your government keep its election promise to small and medium-sized businesses?

[English]

Hon. Bardish Chagger, P.C., M.P., Minister of Small Business and Tourism: To all honourable senators, I have to start off by saying it is a pleasure and an honour to be in this house among you. I sincerely appreciate the work that you do. As someone who was born and raised in the riding of Waterloo, I have looked always to this upper chamber and the work that you do within our communities.

I know, oftentimes, we'll speak about our elected officials, but anytime I had the opportunity to meet a senator, I always wanted my picture taken and I always wanted to shake your hand. I never thought that I would be here in Question Period with you. It sincerely means so much to me.

Hon. Senators: Hear, hear.

Ms. Chagger: Thank you for the work you do.

I'll tell you one other thing: I will always support the Senate — yes, even after today.

[Translation]

I understand French. I am bilingual, but because I don't have much time, I'm going to speak English.

[English]

I will switch to English, because I speak faster in English and we can cover so much more.

When it comes to the tax reductions, taxes were reduced on January 1, as we all know. This government really has a mandate and a responsibility to grow this economy. When it comes to small-business owners, I am engaging with them every single day. Since being put into this role, I have met with over 300 stakeholders.

One thing they will ask for time and time again is increased revenues. Within Budget 2016, the commitments we are making include the middle class income tax cut and the Canada Child Benefit. That's to empower consumers who are buying our goods and services and to help our small-business owners sell.

At the end of the day, a tax rate is great, but it is only one mechanism within the many things we can do. I work closely with the Minister of Finance. We will be reviewing to see where the best rate needs to be, but my first responsibility is to our stakeholders: our small-business owners who are our job creators. They drive the economy. These are not soundbites; they are facts. I myself have often worked in the not-for-profit sector, so I know the work they offer.

[Senator Carignan]

When it comes to the Parliamentary Budget Officer, I must say that, when looking at the single issue, yes, your comments are fair, but when the Parliamentary Budget Officer looked at our budget as a whole, he agreed that the measures we are taking will grow the economy and that these are investments. When it comes to our investments in infrastructure as well, our small-business owners really do benefit from the actions that we are taking.

When it comes to my role representing the riding of Waterloo, and when it comes to my role as Minister of Small Business and Tourism, I really need to see our nation grow. I know that we can do better.

[Translation]

TAX FAIRNESS

Hon. Claude Carignan (Leader of the Opposition): You mentioned how important small businesses are to Canada's economy. In 2013, an Industry Canada report pointed out that small businesses in Canada employ nearly 10 million Canadians. That's 90 per cent of private-sector jobs.

Nevertheless, during an interview with CBC, the Prime Minister said, and I quote:

We have to know that a large percentage of small businesses are actually just ways for wealthier Canadians to save on their taxes.

Does the minister share that opinion?

[English]

Hon. Bardish Chagger, P.C., M.P., Minister of Small Business and Tourism: Thank you, honourable senator, for the question.

When elected into government, I was one person who never said that I would run for office, because I know the job of an elected officer is not easy. We are not here, necessarily, to represent the majority; we are here to ensure that the voices of the few are also heard.

When it comes to our tax system, we know there are some people who take advantage of it. We need to ensure there is a fair tax system. I know the stakeholders that I represent are the ones I wake up for every single day: either the constituents of the riding of Waterloo or the tourism industry and my small-business owners. I know how hard they work and the hours they put in, day in, day out. When I say that they are our job-creators, I know that they are. When I say they are the backbone of this economy, I know they are.

As someone who has the privilege of sitting around the cabinet table, I can tell you that each and every single one of my colleagues around the cabinet table and in the house has the utmost respect for the work that our small-business owners do. We know how hard they work, and we want to ensure tax fairness for all Canadians, especially, for me, our small-business owners.

ONE HUNDRED AND FIFTIETH ANNIVERSARY
OF CONFEDERATION—PREPARATIONS

Hon. Serge Joyal: Would the minister entertain another question?

Hon. Bardish Chagger, P.C., M.P., Minister of Small Business and Tourism: Do I have a choice? I can go all day.

Senator Joyal: From me, it may be better to take it. It will be an easy one.

Next year will be the one hundred and fiftieth anniversary of Canada, and it will be a year whereby the attention of our neighbours could be drawn to the success that Canada has had after 150 years. What plan has your department put together in order to invest in the tourism industry that is so important for small businesses all over the country, particularly in the capital of Canada?

Ms. Chagger: Thank you, senator, for that excellent question.

The one hundred and fiftieth anniversary celebration is not only exciting for me, but what is really exciting is that I think this government has it right: We will be celebrating the one hundred and fiftieth every single day of 2017. As somebody who wants to see success for this nation, we are starting to look at 2017 and beyond, because we want to ensure that the people who come to Canada to visit keep coming back.

The Connecting America program is a \$30 million investment that this government has committed to maintaining. This will ensure that our cousins to the south, as I call our American neighbours, come and visit Canada so that they know about the signature experiences that exist from coast to coast to coast.

We are also doing a Millennial Travel Program. Our millennials are a generation who actually want to travel. They want to explore. We want them to explore our nation before they travel the world.

Something I say time and time again is that Canada is the only country in the world in which you can travel the entire world in one nation. You can eat food from around the world in one nation. You can hear languages from around the world in one nation.

So the investments from me working closely with the Minister of Canadian Heritage in our whole-of-government approach will be to ensure that the one hundred and fiftieth is celebrated way better than we've ever done before, because we only get to do it one time.

Ottawa will be a centre in which we will be celebrating. We are trying to also ensure that Canada is strong because all of our rural and remote areas are just as important as our urban centres and heavily populated areas. Celebrations will take place throughout the entire nation. All city centres will have activities taking place

so people do not feel that they have to come to Ottawa to celebrate, because our nation is strong from coast to coast to coast.

I'm sure the Minister of Canadian Heritage welcomes the opportunity to come and speak with you as well, but there will be four pillars, including diversity, innovation — and I should know the other two, but I don't. We will be highlighting these four areas and ensuring that we engage Canadians.

I will come back to my riding of Waterloo once again. I can never say the name of my riding enough times. We will also have festivities within my riding. The region will be working together with the province and the nation.

Senator Joyal: There is a dictum that says, "You don't choose your family, but you choose your friends." I'm not sure that Donald Trump is my cousin, but that's for another debate.

• (1540)

When you mentioned that you wanted to rally the whole of Canada behind the celebration, did you consider rallying the provinces through their various programs to support tourism in order to magnify the impact of the money that the federal government will invest in those programs?

Ms. Chagger: Thank you, honourable senator. That is a brilliant idea. When I came into this role, the first thing I did was to reach out to my counterparts in the provincial and territorial governments. There were two ministers that I had the privilege of speaking with, one of which has been around for a really long time. She said that it was the first time a federal minister had ever reached out to her.

Part of the mandate that we have been given by Canadians is to work closely with the provinces and territories. We would not have a nation without our provinces and territories; so, yes, the purchasing power will be stronger by working with them. Destination Canada is our Crown marketing agency. They are working with each of the provinces and territories to ensure that we can get further.

One of the spots I went to once I came into this role was Boston, for the Boston Globe Travel Show. It was interesting, because there was a Canadian pavilion — and this is a crazy concept, I'm sure you'll find — and the provinces and territories were under the Canadian pavilion to represent our nation. That was the first time that had happened in years. The only way I see my nation is with provinces and territories, so we have to work with them. We also have to work with our municipalities to ensure their voices are heard. That's part of why we're engaging with Canadians. Yes, I believe that's the only way forward.

TRADE CONTRACTORS—PROMPT PAYMENT

Hon. Donald Neil Plett: Minister, I believe my office forwarded to your office a question that I might be asking today. Hopefully, you've had a chance to look at it.

Minister, the single largest reason that trade contractors are going out of business in Canada is because of delayed payments for completed work. First, there are delays by federal authorities in processing valid invoices for completed construction work; secondly, there are substantial delays in remitting payments down the subcontract chain, even when there is no dispute that the work has been completed according to the contract.

As you know, minister, a trade contractor has to bear a substantial amount of cost up front, for example, regular wage payments, material, equipment, rentals and CRA payments, all of which have no deadline flexibility, meaning that delay in payments continues to put contractors out of business.

Delayed payment has become tolerated in the Canadian construction industry. There is no bargaining power for the subcontractors. Contractors force subcontractors to accept late payments as part of the costs of doing business. They can do this because they control the flow of work, and no trade contractor can afford to be struck from the bidders list.

Minister, virtually all U.S. jurisdictions, including the federal government in the United States, the U.K., Ireland, Australia and New Zealand, just to name a few, have enacted prompt payment legislation. Canada is the outlier. Quite simply, if you do the work, you should get paid.

As you know, minister, I have introduced a bill here in the Senate, Bill S-224, the Canada prompt payment act. I am pleased that this bill has received widespread support from provincial party leaders and from parliamentarians, including members of your own caucus.

Minister, can you assure the 1.25 million construction workers in Canada that the government will support this critically important initiative?

Hon. Bardish Chagger, P.C., M.P., Minister of Small Business and Tourism: Thank you, honourable senator. I believe this speaks to my earlier comments as well about the important work that you do, such as presenting a bill like this, so that we can have the conversations and dialogues we need to have; so I thank you.

When it comes to your bill, I'm sure you know — and I thank you for sharing it with my office — that the Department of Public Services and Procurement, as well as the Treasury Board, would be the ones primarily responsible for this.

With the whole-of-government approach, we all work closely together, so it's important that we all have this information. I was informed that in 2014-15, 90 per cent of all invoices were paid within 30 days and that our government is striving to do way better because 100 per cent of bills should be paid on time. When it comes to the stakeholders that I represent, which are small and medium-sized enterprises, they need those revenues. They need to be paid on time. I hear the comments that you are making. I look forward to having the conversation further, but it would be in the hands of Minister Foote and Minister Brison to really make a comment.

Senator Plett: Well, minister, I believe you're responsible for small business, and this would be small business, so I believe that certainly I am speaking to the right person.

You say that 90 per cent of invoices are paid within 30 days, but that's not the problem, minister. The problem is that after the government pays the contractor, the contractor does not pay the subcontractor. The federal government at this point has no control over that. You can only have control over that if we enact prompt payment legislation that will force contractors to pay subcontractors the money that they have received, and if they don't do that, the subcontractor is entitled to terminate work until that has happened.

Minister, it is not the federal government paying the contractor. It's down the chain. I know that you're somewhat unfamiliar with this. In the spirit of cooperation, as we always do in the Conservative Party, I will allow you to take this back to your cabinet and ask Minister Brison and whomever else you choose to ask. I would ask you to give me a written response as to what the federal government is prepared to do about enacting this important piece of legislation.

Ms. Chagger: Thank you for the question, honourable senator. I always knew "cooperation" was what the "C" stood for.

Some Hon. Senators: Oh, oh!

Ms. Chagger: I'm just waiting for the rest of Canada to find out as well. I think that's a mission we can take on together.

I thank you for your information and your expertise. Not only are you more knowledgeable, you are definitely better looking. I will make sure we get back to you and that you have the information you need. We will be working closely together. All jokes aside — sorry, but I was excited to come here and to see you, honourable senators. I knew that would increase my heartbeat a bit!

We'll work together. I think cooperation is important. We need to ensure our Canadians are represented. As the Prime Minister says all too often, a better Canada is always possible. You and I are both here to work on that. I look forward to working with all honourable senators.

Senator Plett: And I look forward to having a photo taken with you.

YOUTH PROGRAMMING

Hon. Jim Munson: Minister, thank you for being here. I know this may not be part of your portfolio, but you seem to be a very influential minister already in what you're talking about. You also have incredible enthusiasm for your job, and that's extremely important.

Minister, since we're talking about youth, youth are ambassadors across this country and around the world. I don't know whether this fits into the terms of tourism for our youth and

having programs for them, but I'm thinking particularly as well — and perhaps you could use your influence in your portfolio — of something we used to have in this country, namely, millennium scholarships. In my working in the Senate, we saw so much good being done with these scholarships, for example, with families who came from other countries to this country and didn't have an opportunity to get a scholarship to continue their education.

We also had a great program called Katimavik. The Prime Minister is the Minister of Youth. Since you are youthful; and since the young are young, and they have their own voices, is there some way, somehow, within your portfolio and with others, to use that influence to get the energy of this country back again — perhaps not back to the days of Bobby Gimby in 1967 singing *Canada*, though, which I remember very well. I'm sorry you missed Expo 67; it was a lot of fun. These are ideas that were good ideas at one time but seem to have disappeared off the political map, and I think they merit a review for Canada's 150 celebrations.

Hon. Bardish Chagger, P.C., M.P., Minister of Small Business and Tourism: Thank you for the question, honourable senator, and for the work you do. I did miss Expo 67, but I have socks to make it seem like I was there. The paraphernalia was great. Those are the times we need to reinvent and recreate, because people who were there in 1967 understand what Canada was all about. We have only become better.

We need to ensure that we are engaging our youth. Youth are our leaders of tomorrow, but they are also our leaders of today, and we need to ensure we are empowering them. Programs like the one you referred to have allowed for that success to take place.

Budget 2016 proposes the new post-secondary institution strategic investment fund to help support entrepreneurs and start-ups. We need to ensure that our youth are provided the resources and training that they need to succeed. Times have really changed. That's why this innovation agenda will be so important. We are getting ourselves online with our support for broadband in rural and remote areas as well so that we do not pick and choose where our youth can succeed. When it comes to programs and services, we are doing it slightly differently, but we are engaging closely with that population.

• (1550)

Millennials, I will tell them time and again, are the force that will take us forward. They remind me of our baby boomers, and I have never met a force like that. They have the capability of at least being able to compete. My generation was not able to. I think the millennials will be the next ones to come through. There are strategic investments being made.

When it comes to the Millennium Scholarships Program, it's not that time anymore, but we've made some changes when it comes to the summer jobs program. On the scholarships, the repayment for student loans is what we have reshaped. That commitment in the platform came from the youth. The Prime Minister launched the platform within my riding of Waterloo. I am blessed to have two universities and a college that work closely together.

In the riding and the region of Waterloo, we don't pit university against college. We talk about post-secondary institutions. We talk about the trades. We talk about education being lifelong because we know that not only are our youth important, but the education and skills they have to succeed are also essential.

AIR TRANSPORTATION

Hon. Nancy Greene Raine: Thank you for being here. Welcome.

I want to go back to tourism, because I've been involved with tourism for the last 40 years, and I'm very pleased that you're enthusiastic about it.

In 2015 the industry accounted for more than 637,000 direct jobs, and tourism revenues in Canada were over \$90 billion. I'm sure you're familiar with those figures. More important, many of those jobs are in small family businesses located in rural Canada, where seasonal income has a very positive impact on their economy.

Minister, I hope you will read a report that was prepared in January 2015, funded not by government or by the tourism associations but those actual businesses who, to use an expression that fits, have "skin in the game."

As you probably don't know, the tourism advantage report is a really thoughtful presentation of the challenges facing tourism in Canada, and it outlines the tremendous potential that can be unleashed if government policies work in a proactive way.

I'm pleased that previous governments did begin the job of implementing some of the report's recommendations, including increasing funding for international marketing, for instance. I know you're aware of that, but there's much work that still has to be done. I'm thinking in particular of the need to reduce air transportation fees and taxes that are adding to our cost of travel, and there was a very good Senate study done on that subject a couple of years ago.

Will you work with the Minister of Transport to implement recommendations to make our air transportation more competitive?

Hon. Bardish Chagger, P.C., M.P., Minister of Small Business and Tourism: Thank you for the question, honourable senator. It was great to see you at the event last week; your presence meant a lot. I know you are a champion of the tourism industry. I look forward to continuing our efforts together.

Yes, I do look forward to working with Minister Garneau to ensure that transport is accessible. He entirely supports competition. These are conversations that we've been having and will continue to have, especially as we approach Canada's one hundred and fiftieth, we need people to come in and out of here.

When it comes to rural and remote areas, Waterloo was once a small town. We've become quite the city. That's something that we as a community have done. We have nurtured, cultivated and

grown, but we are not a major urban centre but our airport needs to have flights coming in and out of it. I need to get to Ottawa more often than I used to.

Yes, we will be working closely together. I have written down the name of the report, and I will definitely check it out.

TAX RATE FOR VISITORS

Hon. Nancy Greene Raine: Honourable senators, tourism dollars earned in businesses all across Canada are very important. It's the dollars that come from outside Canada that really help with our balance of trade payments.

Recent surveys showed that while Canada ranks number two or three as a destination that people want to visit, we are ranked somewhere between 15 and 20 as to where they actually go. Something is standing in the way. For the first time in a decade, last year our international tourism grew, but I think we can do much better.

Canadian holidays are sold in travel agencies all over the world. Unfortunately, the sales prices in those travel agencies include Canadian GST, which has been marked up by the wholesalers. When it's in the travel agency, it's probably adding 15 to 20 per cent to the cost of our products, and that's putting us out of the running in terms of competition.

Will you commit to looking at zero-rating GST for Canadian tourism packages that are marketed and sold outside Canada? I don't think there's another product that we sell overseas that's burdened with GST.

Hon. Bardish Chagger, P.C., M.P., Minister of Small Business and Tourism: Thank you, honourable senator. I definitely have a lot to learn, because I thought that would be your first question. Well played.

Yes, I recall our conversation the other day, and we can continue having that conversation. When it comes to our export market, we know tourism is our number one. As the Minister of Small Businesses, my primary mandate is to ensure that they are more innovative, productive and export oriented. Our trade relationships are very important when it comes to the work and business we do. I work closely with the Minister of International Trade. This year we launched the CanExport program to make it easier for small businesses to export. So I hear the challenge that you are giving to me. I will definitely take that into consideration.

If there's one thing I can leave this chamber with, there is nothing that I don't listen to and there is nothing that I do not consider, because I know that we can always do better. The Canada I leave behind will definitely be better than the Canada I live in, and the Canada I live in is pretty good. We have some work to do. Yes, I look forward to continuing that conversation. Thank you.

DESTINATION CANADA INITIATIVE

Hon. Don Meredith: Minister, welcome. I want to commend you for the work you are doing around inclusion and community building, as well as all the volunteer work that you're doing. Welcome to our chamber.

Minister, I've taken note of the Destination Canada and the \$50 million that's been invested by the government. What is being done to ensure that small- and medium-sized businesses are able to be part of this initiative with Destination Canada, as to how productive they will be in this innovative process, in terms of how they can get their products to market on the international stage?

Hon. Bardish Chagger, P.C., M.P., Minister of Small Business and Tourism: Thank you for the question, honourable senator, and for the kind comments. The visitor economy spends \$15.8 billion in Canada, contributing to the livelihood of over 190,000 small- and medium-sized tourism businesses in supporting, as your colleague stated, 637,000 jobs directly, over a million indirectly.

The people that Destination Canada works with — the tourism industry, the small- and medium-sized businesses — are the backbone of the tourism industry, so we have to work together. Our Canadian experiences are all small businesses. That's the reality of it. That's why I have such an instrumental job in ensuring Canadians understand where the work is being done. Oftentimes I will refer to the tourism industry as a \$90 billion industry so that Canadians can understand that this is not just for fun; this is what helps drive our economy. That's where the jobs are created.

The work that Destination Canada does, as we know, is our Crown marketing corporation. It is arm's length. I work closely with them. We have a great relationship. One of my first visits was to Vancouver to ensure that they knew that the minister was watching and would be listening and engaging.

As the child of immigrants I always remember that if you do everything right, you'll never have to hear from me. But the minute I hear a squeaky wheel, I will be the first one to pick up the phone and call. David Goldstein and I have regular conversations, and they work with the service very well. We have regular conversations to ensure that we know the work being done. I have full confidence in the work they are doing, and that they will represent us well.

On the \$50 million in Budget 2016, it's a step in the right direction. I'm not sure why we would cut tourism dollars when it is such a crucial industry. I was pleased to fight for that support and to see it there.

TEMPORARY FOREIGN WORKERS

Hon. Don Meredith: Small businesses in Canada depend on temporary foreign workers. Last week, minister, I met with the council corps of the Caribbean. A lot of these folks come here from the Caribbean to work on a temporary basis.

One of the challenges I'm told they face is issues with their visas, both travellers that want to come to Canada to experience this beautiful country, been here for 39 years from the Caribbean, enjoying Canada, and this is the best country in the world. People from other parts of the Caribbean and Mexico want to come here to enjoy Canada, but they're facing challenges in terms of visas to access the country. What are you doing, along with your

counterpart in CIC, to show that there is a flow of approval rates with respect to those who want to enjoy this country, especially our temporary foreign workers?

• (1600)

Hon. Bardish Chagger, P.C., M.P., Minister of Small Business and Tourism: Thank you for the question, honourable senator.

I work closely with Ministers McCallum and Mihychuk, and that's where the temporary foreign worker file fits into place. Not only do we need to ensure that people who want to visit Canada can come, but we want to make sure that people who want to come and work can do so as well. We do need to revamp and modernize the immigration system, so I do work closely with Immigration, Refugees and Citizenship Canada, the newly named IRCC, to ensure that our small and medium-sized businesses, especially, have the workers they need.

As we approach Canada 150 we've also made a commitment to have no admission fees for parks and marine conservation areas within Canada. These are some of the gems of our nation that need to be discovered, not only by people from around the world but by Canadians. I encourage you to go and check out the gems of our nation, which will be needing support through work.

That's where we have some work to do. It is on the radar, and steps are being taken in the right direction.

When it comes to Mexico, as you may know, in our election campaign we committed to remove the visa requirement for visitors from Mexico. Mexico is an interesting country in the sense that they've empowered their middle class, which we have not really noticed, but looking back at it you can see the work that they've done. They have become number nine when it comes to countries whose people are visiting Canada — and I'm talking about visiting Canada, spending money and leaving.

That's the best kind of revenue you can get and that's why we really need to increase that attention to ensure that not only are people coming to visit Canada, but they're spending money here and are helping support our small and medium-sized businesses, just as I challenge Canadians to do as well.

YUKON—TOURISM MARKETING CAMPAIGNS

Hon. Daniel Lang: Welcome Madam Minister. I want to let you know my heart is beating faster too.

I wanted to say this with respect to the constituency of Waterloo. Like you, I like to speak about my region, and that is Yukon, and the tourism destination that it has become over the years.

I want to ask you about your negotiations with the Government of Yukon, the outstanding question of Yukon Now marketing campaign and the financial contribution the Government of Yukon has asked for from the Government of Canada. As you

know, the Government of Yukon has allocated \$2.7 million and is waiting for a response from the Government of Canada in order to be able to proceed with an international marketing program, which is good for Canada, not just for Yukon.

Also, there is one other outstanding program which you just referred to — Destination Canada — with respect to the three territories and their application for the purposes of going into an agreement with the Government of Canada to enter into a financial arrangement that would make sense for the three territories in Canada.

Before I sit down, minister, I just want to say to you that in the past, these three programs have laid a very strong foundation for international tourism for the North and for Canada, and it would be a tragedy if these didn't go ahead. I'm hopefully you can report on how they're progressing.

Hon. Bardish Chagger, P.C., M.P., Minister of Small Business and Tourism: Thank you for the question, honourable senator.

I will assure you that you have some great representation not only within our caucus but within the government to ensure that those voices are heard.

My colleague MP Larry Bagnell is quite the advocate, and Yukon is one territory that I have met with twice, unlike others that I've barely been able to get to even once, because they know the importance of the tourism industry. We are also working closely with Destination Canada to ensure that the matching of programs will actually be successful.

Some of the work that Destination Canada is doing is quite impressive because we're able, with the digital economy, innovation, computers and the Internet, to see what areas people from around the world want to come to. We can target our dollars to those areas to ensure success and that those dollars go farther. Those are the kinds of commitments we are making to say that, "Your investment will result in this."

The results we are saying you will realize are actually proving to be greater than we anticipated, and that's due to the conversations that we've had with our counterparts in Yukon and so forth.

Another area that I would like just to highlight, again, is the support for broadband, which will also help the tourism industry by ensuring that people visiting the North are able to remain online.

Senator Lang: While we're on this subject, minister, could you give us a timeline as to when you will come to a conclusion on these agreements? Time is of the essence and is passing us by; every day that goes by is a day you're not advertising, and that subsequently affects the year following. Perhaps you could give us an idea of when you expect to come to a conclusion.

Ms. Chagger: I would say the advertising campaign in the Yukon is already going ahead, because I tweeted about it. They launched it right here in Ottawa. They are moving ahead and doing good work.

When it comes to an agreement with respect to the conversations that the Canadian government and Destination Canada are having with the Government of Yukon, they are progressing. If there are any concerns or if you feel there have been any roadblocks, I would look forward to taking it offline and having that conversation with you.

TEMPORARY FOREIGN WORKERS

Hon. Mobina S.B. Jaffer: Thank you, minister for being here today. I know you have tried to come here a number of times, so thank you for making that extra effort to be here.

Minister, further to what Senator Meredith was saying, I come from British Columbia, and the excellent produce that we are able to eat in our province comes to us on the backs of migrant workers.

Most of our migrant workers come from Mexico. Whenever I go and visit with them, one of the things that sadden me the most is how many of them suffer from not being taught how to use fertilizers and chemicals, and when they become sick, they're immediately sent back instead of being given care here.

Minister, one thing you cannot so much do as be my messenger and say to the Minister of Immigration that just as we have the live-in care program whereby, after a few years, we make it possible for live-in care workers to stay in our country, the same kind of program should be available to migrant workers.

More importantly for you, minister, my question is, what kind of leadership are you and your government showing to make sure that all workers, especially migrant workers, are safe in their workplace, especially when they're aiding small businesses?

Hon. Bardish Chagger, P.C., M.P., Minister of Small Business and Tourism: Thank you for the question, honourable senator.

This issue is close to my heart. Prior to being elected to the House of Commons, I worked in the not-for-profit sector with a multicultural centre.

My grandfather immigrated to Canada in the early 1970s, and at that time, yes, he came with status, but the work conditions were not always the best. Those dollars he earned allowed us not only to build a house but for me to be educated and be where I am today. I know the importance of our immigrant workers, and people in general.

I am looking forward to living in a country and a world in which people are treated as people just because they're people, regardless of status, and that's a commitment that our government is making.

Some Hon. Senators: Hear, hear.

Ms. Chagger: I assure you that when it comes to temporary foreign workers or migrant workers — whatever the case is — we need to ensure that we are representing Canadian values, and

that's part of why that modernization of the system is taking place, and that's why we are taking our time and having good consultations and discussions.

Good things take time, and that's one thing that I think is important. If we're going to do it right, we need to ensure that we take our time and do it right by talking to the right people and by sharing our experiences.

I remember one of the quotes one of my volunteers on my campaign gave me. He said, "What's popular might not be right, but what's right might not be popular." I am here to do what is right.

I commend the Prime Minister on his leadership in choosing a cabinet that represents the diversity of our country. I assure you that the conversations and the debates that we have are fruitful. I promise you that the perspectives that are shared have never been shared in that room before, and that's exactly how we will move ourselves forward.

Even coming from an area similar to yours when it comes to migrant workers, we have heard of some of the atrocities that have been committed on our soil, and I do not want to see them duplicated or repeated.

Senator Jaffer: Minister, thank you for your response. When you are next in B.C., I invite you to come with me to those farms and see the conditions.

I would humbly ask you to make a commitment that you will push for small business and workers compensation to at least, if nothing else, put in place national standards for how fertilizers are used on farms so that workers do not get hurt.

• (1610)

Ms. Chagger: I look forward to working with you on that issue and I thank you for bringing it to my attention.

Although not exactly the same, while I have the opportunity I'll say that I've been elected long enough to know that if you have a microphone, you can say what you need to say.

This year, Canada Summer Jobs 2016, as much as it has always served the not-for-profit sector in the past, will also benefit many small- and medium-sized enterprises. Also, youth will see some great benefits from the program.

However, when it comes to our migrant workers, I will definitely take that off-line. I look forward to working with you.

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, the time for Question Period has expired. I am sure you will want to join me in thanking the minister for being with us today. Thank you, minister.

ORDERS OF THE DAY

THE SENATE

MOTION TO EXTEND THIS WEDNESDAY'S SITTING ADOPTED

Hon. Peter Harder (Government Representative in the Senate) for Senator Bellemare, pursuant to notice of earlier this day, moved:

That the provisions of the order of February 4, 2016, respecting the time of adjournment, be suspended on Wednesday, June 8, 2016; and

That the provisions of rule 3-3(1) be suspended on Wednesday, June 8, 2016.

He said: Honourable senators, this motion will allow all senators to participate in the debate on Bill C-14 tomorrow. Given the importance of the debate, it is appropriate for all senators to be able to participate.

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

Hon. Senators: Agreed.

(Motion agreed to.)

CANADA PROMPT PAYMENT BILL

SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Plett, seconded by the Honourable Senator Martin, for the second reading of Bill S-224, An Act respecting payments made under construction contracts.

Hon. Grant Mitchell: Honourable senators, I would like to begin by saying that, in a sense, I am displacing Senator Fraser in whose name this bill was previously adjourned. I would ask that it remain adjourned in Senator Fraser's name once I'm finished.

The Hon. the Speaker: Honourable senators, is it agreed that the bill remain adjourned in Senator Fraser's name?

Hon. Senators: Agreed.

Senator Mitchell: I'm speaking to Bill S-224, An Act respecting payments made under construction contracts. Its more colloquial name is the proposed Canadian prompt payment act. It's been outlined clearly by Senator Plett. And it may come as a surprise to some that I am standing here in the reflection of the new emerging culture of cross-bench camaraderie. It's probably a surprise to most that Senator Plett and I would speak to the same bill, with the same position, in reasonable proximity to one another.

He has outlined clearly what this bill does and I will emphasize a couple of points. I like the bill in principle and I am standing to encourage members of the Senate to expedite its movement to committee. It addresses a very important issue that arose when I was first in the Alberta legislature in the mid-1980s. The overall issue addressed by this bill is how government funding, when it is utilized in contractual obligations and arrangements, can be spent with the greatest possible efficiency to further public policy objectives and ends. This bill addresses an important problem for businesses that deal with the government under government contracts, in particular small- and medium-sized businesses, which in many respects are the future of the economy of this country — jobs, families and livelihoods. The bill addresses specifically a problem that has two facets.

First, there is some suggestion that federal government contract responsibilities and liabilities are not always paid in as timely a fashion as they might be in the area of construction contracts. The minister said today that about 90 per cent of federal government contracts are paid on time. In committee, perhaps we can pursue that further to find out whether the unpaid 10 per cent are in one particular sector. Perhaps they're in the construction sector, which would emphasize the need for this bill. If not, the first issue that this bill addresses isn't as critical as the second issue.

Second, as Senator Plett laid out, once the major contractor is paid by the Government of Canada, then the contractor is under no pressure. There is no leverage on the part of government to ensure that subcontractors are paid in a timely fashion and that subcontractors to that contractor are paid in a timely fashion. This situation, this "pyramiding" as you might call it, is exacerbated or perhaps provoked by the fact that contractors can force subcontractors to accept late payments as part of the cost of doing business. As Senator Plett said, contractors can do this because, of course, they control the work. If you don't cooperate, you don't get more work, and that can become a problem.

• (1620)

There two fundamental reasons why I think that these two problems need to be addressed. One is that it is, of course, the responsibility of all of us and certainly the responsibility of government to pay its debts and bills in a timely fashion. Quite fundamentally, I think it's not fair not to pay them in a timely fashion.

The executive director of the Canadian Federation of Independent Business was before the Finance Committee today, and she made a very powerful point and stuck with me. It was that somehow people think that just because you're in business, you are rich and you have a lot of money. While that might be the case for large business, it certainly isn't the case for small subcontractors and it certainly isn't the case for individual subcontractors who aren't necessarily part of a business beyond the business of what they do themselves.

What it gets down to is at a very personal level these payments, as late as they may be, from contractor to subcontractor to subcontractor, more often than they should, actually affect people's livelihoods, their ability to take money home and feed their family. They also raise another problem and that is that

government can utilize its spending power, its contractual obligations, to promote business but not just business, small business.

In the Alberta case that I referred to earlier, the problem was cast in a slightly different frame, and that was that the contracts were often too big for small- and medium-sized business to participate in as the primary contractor. I expect this is the case in the federal government's situation, although it might be more difficult to break contracts down into smaller chunks.

What it does raise is the question of at least if the major contractor paid the subcontractor who paid his or her subcontractor in turn in a more timely fashion, there would be a greater efficiency in the processing and the promoting of small- and medium-sized business as a result of government expenditure.

So delays in spending reduce the impact and the efficiency of government spending through contractual, in this case construction obligations. And if that could be corrected, greater efficiency in spending in a way that improves Canadians' lives, individuals, small business and in stimulating economic development because small- and medium-sized businesses that can sustain cash flow, that aren't always on the edge because they're not being paid on time, can stimulate economic growth more efficiently.

The bill does four specific things to address this problem. First, it requires that the contracting government institution must make progress payments to a contractor for construction work at least on a monthly basis or on a shorter term basis that's called for in the contract.

Second, the contractor must pay the subcontractor, and the subcontractor must pay further subcontractors within 20 days of either the last day of the monthly payment period or the receipt of a payment application.

Third, unpaid contractors can suspend work if they are unpaid and not be penalized in some way by being declared in contravention of a contract. That would be provided for in this legislation.

Fourth, there is a comprehensive dispute resolution process provided for as well.

I ask colleagues to consider strongly advancing Senator Plett's bill to committee so that we can see whether the principles of the bill that he's outlined and I've tried to outline are supported by the detail and the technicalities of the bill. There are important questions that can be asked and resolved at the committee level.

In summary, I would simply say that people's livelihoods are at stake. The development of small and medium-sized companies into big companies are at stake. Employment is at stake. And if we do this properly we can make government spending efficient in achieving important public policy goals and objectives.

(On motion of Senator Fraser, debate adjourned.)

[Senator Mitchell]

[Translation]

CRIMINAL CODE

BILL TO AMEND—SECOND READING— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Hervieux-Payette, P.C., seconded by the Honourable Senator Day, for the second reading of Bill S-220, An Act to amend the Criminal Code (international fraud).

Hon. Claude Carignan (Leader of the Opposition): Honourable senators, this is an important bill sponsored by our honourable colleague and Acting Speaker, Senator Day. This bill would amend the Criminal Code regarding international fraud. This item is at day 14 on the Order Paper, and I would therefore like to adjourn debate for the remainder of my speaking time.

(On motion of Senator Carignan, debate adjourned.)

[English]

STUDY ON ISSUES RELATING TO FOREIGN RELATIONS AND INTERNATIONAL TRADE GENERALLY

SECOND REPORT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report (interim) of the Standing Senate Committee on Foreign Affairs and International Trade, entitled *Taking Action Against Human Rights Violators in Russia*, tabled in the Senate on March 24, 2016.

Hon. Raynell Andreychuk moved the adoption of the report.

She said: Honourable senators, on behalf of the committee, as chair, I want to put some comments on the record. The Standing Senate Committee on Foreign Affairs and International Trade has a strong record of examining issues relating to Russia.

This record has been built over a number of years and features reports such as those tabled in 2002, 2009 and 2010 on various aspects of Russia's internal dynamics and foreign policy.

Amidst their conclusions about the prospects for Canada-Russia cooperation, the committee's reports also raised concerns relating to Russia's weak democratic institutions such as human rights abuses, corruption and a prejudicial legal system, amongst others.

The basis for these concerns regrettably has not improved in the intervening years and I venture to add may have worsened. As confirmation, three high profile human rights advocates appeared

before the Foreign Affairs and International Trade Committee in March 2016 to provide credible testimony about how his or her particular case demonstrates Russia's weak rule of law and poor record of human rights.

The witnesses were Mr. William Browder, Head of International Justice Campaign for Sergei Magnitsky; Zhanna Nemtsova, daughter of the late Boris Nemtsov; and Vladimir Kara-Murza, Coordinator, Open Russia and Deputy Leader of the People's Freedom Party.

In light of their troubling testimony about the lack of progress in investigating their three cases and in achieving justice through the Russian courts, the committee tabled a report about which I would like to highlight two key elements.

First, the report emphasizes the individual circumstances of the three witnesses who are to be commended for their tireless advocacy, courage and commitment to furthering the principles of democracy, human rights protection and the rule of law in Russia.

William Browder's former colleague, Sergei Magnitsky, was a Russian tax lawyer who died in 2009 in a Russian prison after being denied medical care.

• (1630)

Mr. Magnitsky had been investigating the role of Russian state officials in the illegal and fraudulent acquisition of business assets from Mr. Browder's corporation when he was arrested and held without bail in October 2008 on charges involving millions of dollars in tax fraud. Mr. Browder informed the committee that, while in custody, Mr. Magnitsky was subjected to physical violence and torture, the aim of which was to force his recantation of evidence in the corruption case. Instead of receiving medical attention, Mr. Magnitsky was moved to other prisons before he succumbed to his poor health and injuries in November 2009.

Despite investigations, no one has been formally charged. Instead, Mr. Magnitsky was posthumously convicted of tax fraud, or more specifically "qualified swindling," by a Russian court on July 11, 2013.

In his efforts to achieve justice for Mr. Magnitsky, you may be familiar with Mr. Browder's ardent campaign in the European Union and countries such as the United States and Canada for legislation that would impose sanctions against key state officials implicated in Mr. Magnitsky's death.

Zhanna Nemtsova testified about the impact her father's death in February 2015 has had on the democratic movement within Russia. Boris Nemtsov, a former deputy prime minister under Boris Yeltsin, was among the country's most prominent opposition leaders. He was a vocal critic of Russian President Vladimir Putin and his involvement in high-level corruption. Mr. Nemtsov had also argued that President Putin was generating an economic crisis in Russia by having triggered Western sanctions in response to Russia's 2014 illegal annexation of Crimea, an autonomous region of Ukraine, and its role in the ongoing conflict in that country's eastern region.

It is noteworthy that Mr. Nemtsov was shot dead just before he was scheduled to lead a large anti-government march. Ms. Nemtsova stressed in her testimony that the true parties responsible for her father's death have not yet been identified, charged or brought to trial.

Mr. Vladimir Kara-Murza, another key member of Russia's democratic opposition, testified that many of the key elements of a functional democracy — namely, free media, free and fair elections, an independent judiciary and an active civil society — are under serious strain in Russia. There has been a growing trend of politically motivated persecution directed at opposition figures. Mr. Kara-Murza himself was a victim of such intimidation, having recently fallen ill under suspicious circumstances, likely as a result of his being targeted by pro-government figures who oppose his political activities and involvement in the Magnitsky campaign.

Accordingly, the committee's report noted with concern that there has not been any positive movement in strengthening democracy, the rule of law and human rights in Russia, and that any investigation into these three cases in particular has not resulted in justice for the victims.

Honourable senators, I wish to highlight the second key element of the report and, in doing so, remind you that this chamber adopted a motion in May 2015 that called for the Government of Canada to take action against the perpetrators of human rights violations in Russia. This motion was largely inspired by the case of Sergei Magnitsky, but it resonates beyond.

Having heard the testimonies of Mr. Browder, Ms. Nemtsova and Mr. Kara-Murza, the committee reviewed the motion adopted by the Senate in May 2015 and confirms in its report the motion's ongoing validity and urgency. Specifically in the report, the committee calls on the Government of Canada to condemn all foreign nationals implicated in the Magnitsky case and to impose sanctions against those individuals and others responsible for violations of internationally recognized human rights in a foreign country, particularly where authorities in that country are unable or unwilling to conduct a thorough, independent and objective investigation of the violations.

Honourable senators, as we know, the attention our committee work receives more often than not focuses on defined studies and reports they generate. This report, however, is an example of the important work we carry out under the general mandate that allows us to examine pertinent international issues and to take advantage of timely opportunities to hear from high-profile witnesses as they are available.

The hearing on which this report is based is one of the several the Foreign Affairs and International Trade Committee has held in recent months under its general mandate in this new Parliament, which collectively reinforce the value of such an activity and its subsequent reporting, particularly when the subject matter is as serious and grievous as this one.

Thank you for your attention, honourable senators.

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

Hon. Senators: Question.

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

[Translation]

RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT

MOTION TO AUTHORIZE COMMITTEE TO EXAMINE AND REPORT ON COMMITTEE MEMBERSHIP— MOTION IN AMENDMENT—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Wallace, seconded by the Honourable Senator McCoy,

That the Standing Committee on Rules, Procedures and the Rights of Parliament, when and if it is formed, be authorized to examine and report on Senate practices, and provisions in the *Rules of the Senate*, relating to committees, including senators' memberships on committees, in order to evaluate whether all senators:

- (a) are, in practice, treated equally, and with fairness and equity, irrespective of whether they sit as government members, as opposition members, as members of recognized parties or as independent senators; and
- (b) have reasonable and equal opportunities to fully participate in and contribute, through committee work and membership, to this chamber's role as a complementary legislative body of sober second thought, thereby enabling all senators to adequately fulfill their constitutional roles and responsibilities;

That in conducting this evaluation the Rules Committee pay particular attention to:

- (a) the process for selecting members of the Committee of Selection, so that all senators can be considered for membership on that committee, and so that the interests of all senators, whether they sit as government members, as opposition members, as members of recognized parties or as independent senators, are represented in the membership of that committee; and
- (b) the process whereby the Committee of Selection develops its recommendations for membership of the other committees;

That the Rules Committee also take into account the anticipated increase in the number of senators who are not members of a recognized party and how this emerging reality should be taken into account, including during the current session;

That the Rules Committee recommend necessary amendments to the Rules and adjustments in Senate practice based upon the results of its examination; and

That the Rules Committee present its final report on this study to the Senate no later than March 31, 2016.

And on the motion in amendment of the Honourable Senator Bellemare, seconded by the Honourable Senator Enverga:

That the motion be not now adopted, but that it be amended by replacing the paragraph reading:

"That the Rules Committee also take into account the anticipated increase in the number of senators who are not members of a recognized party and how this emerging reality should be taken into account, including during the current session;"

by the following:

"That the Rules Committee also take into account the anticipated increase in the number of senators who are not members of a recognized party so that they are able to form a group of independent senators with the resources and rights available to a party recognized under the *Rules of the Senate*;"

Senator Pierrette Ringuette: Honourable senators, I am pleased to rise today and speak in support of Senator Wallace's motion, tabled on December 9, 2015, and amended by Senator Bellemare. The motion is in regards to the full participation of independent senators in Senate committees. Once again we are debating the inevitable.

This chamber will have a majority of independent senators in the very near future. Why is there so much opposition to change? Why are we not moving forward when the road ahead is clearly known? There are already 23 independent senators, which is more than the Liberal caucus. There are another 19 vacancies, which would put the independents on par with the Conservative caucus.

None of us are getting younger, so I can only assume more vacancies will open up, to be filled with independents. There is no going back. This is not a dream that you can wake up from; this is reality. I'll tell you this is not a nightmare; this is a dream opportunity to forge ahead with a Senate that meets the will of Canadians and the intentions of the founders.

Senators, some of you can stand in the way for only so long. A recent Nanos poll showed that 74 per cent of Canadians preferred that senators be independent of political caucuses, while 14 per cent preferred that they be members of political caucuses. Yes, I said 74 per cent of Canadians. Even among partisan voters, the support for independent senators was

65 per cent. This is what the people want, and this is what we should want for the institution and for ourselves. We are here to work for Canadians, not against them.

• (1640)

[English]

Here are some other numbers from the poll that I find are very important. When asked how important some elements were to a strong democracy, Canadians responded by saying that giving voice to Canada's regions was important to 81 per cent. That is one of the five fundamental parts of our mandate.

The second important element: When asked, allowing more free votes was important to 74 per cent. Having government legislation and policies independently reviewed was important to 70 per cent, and that was for both chambers of Parliament.

What does this tell us? Canadians want a reformed institution. They want an independent institution with independent-minded senators. They want us to make the needed changes. However, we are not.

It is true that many of us come from partisan backgrounds. We were appointed by a partisan process to play a partisan role, but that has changed. At least, I believe that Canadians were well ahead of us in understanding that the institution was unwell and not able to meet their aspirations as a chamber of sober second thought. As Senator Cowan said in his remarks last week on Bill C-14, "the public are way ahead of the politicians."

The Senate changed in January 2014 when the leader of the Liberals, Justin Trudeau, removed all Liberal senators from caucus.

It changed again in October 2015, when he won the election on a promise of a more independent Senate.

It changed again just last March, when the first group of independent appointed senators was announced, and what a lovely group of people they are.

This change is happening and will happen for years to come. But we are dragging our feet, and to what purpose? So some of us, a select few, can maintain our little kingdoms for a bit more salary and rub elbows with party elites?

We work on behalf of Canadians, not party leaders. When your boss — Canadians — tells you you're doing your job wrong, you need to fix it. When your boss — Canadians — tells you to start making spoons, you do not keep on making forks.

So I support this motion.

According to the *Senate Administrative Rules*, page 1-3, the principles of parliamentary life that apply in the administration of the Senate:

... a Senator has the constitutional rights, immunities and independence applicable to that office and the carrying out of the Senator's parliamentary functions, free from interference or intimidation

Independent and free from interference.

The current interpretation and application of the *Rules of the Senate* do not match the principle that is cited in the *Senate Administrative Rules*. If you look at the Rules, for instance, the Committee of Selection is not specifically designated to be controlled by partisan caucuses. That has just been the developed practice. It is not within the Rules; it's a developed practice, due to the majority rule they hold, which, as I have noted, is rapidly changing.

Of course, this will change when the independents have the majority to effect change, but we don't have to wait. We can get the work done now. The rule regarding the Committee of Selection, rule 12-1, states the following:

At the beginning of each session, the Senate —

— not the party leaders, not the Leader of the Government, not the opposition leader —

— shall appoint a Committee of Selection composed of nine Senators.

These are the existing rules. There is no mention of partisan caucuses there. It is up to the Senate as a whole.

So, basically, the power of partisan caucuses to fill the committee membership is taken by the force of the majority rather than given by the *Rules of the Senate*.

The powers that be in the partisan caucuses have offered a few positions on committees — they're big hearted — two independent senators on each Senate committee. Of course, this is not remotely close to an equal representation, i.e., proper proportionality. Two spots out of a possible 12 members on each standing committee is 17 per cent. There are currently 86 senators, 23 of whom are independents. That's 27 per cent and not 17 — a quarter of the chamber. We have more members than the Liberals but are getting fewer committee spots.

Once the vacancies are filled, there will be at least 42 independents, or 40 per cent of this chamber, not to mention that the control over the committee membership still resides with partisan caucuses. That is not according to the rule for the Committee of Selection.

This is a deliberate attempt to control the independents in a partisan system, despite the will of the people and the changing demographics of the Senate. Notwithstanding the work of the ad

hoc Committee on Senate Modernization, this motion should have been dealt with in early February. This shows the need for real, substantive changes to the Rules to fix this problem and to facilitate the future of this institution.

[Translation]

Independent senators should have an equitable and proportional presence on committees and should be able to fulfil their constitutional mandate outside of the partisan caucuses, if they so choose; they are independents and for good reasons.

To be honest, the questions we are asking about modernization are all wrong. Currently the questions revolve around how the independents fit into the Senate. In reality, the question is increasingly becoming “How do the antiquated partisan caucuses continue to function within an increasingly non-partisan, independent Senate?” That’s the real question. That is the future. That’s the question we should be trying to answer.

• (1650)

Senator Wallace’s motion is legitimate, and this issue of committee membership for independent senators in the chamber is not a new phenomenon. It should have been resolved decades ago.

The fact that a senator does not submit to the will of a partisan caucus does not remove their constitutionally mandated role and obligations, which include, as per the Canadian parliamentary legislative process, participation at the committee stage. Independent senators must therefore be an integral part of committees, in a fair and equitable manner.

I support Senator Wallace’s motion and I certainly commend it for the future of this institution.

Hon Senators: Hear, hear!

(On motion of Senator Martin, debate adjourned.)

[English]

THE SENATE

MOTION TO URGE THE GOVERNMENT TO TAKE THE STEPS NECESSARY TO DE-ESCALATE TENSIONS AND RESTORE PEACE AND STABILITY IN THE SOUTH CHINA SEA— DEBATE CONTINUED

Leave having been given to revert to Other Business, Motions, Order No. 92:

On the Order:

Resuming debate on the motion of the Honourable Senator Ngo, seconded by the Honourable Senator Cowan:

[Senator Ringuette]

That the Senate note with concern the escalating and hostile behaviour exhibited by the People’s Republic of China in the South China Sea and consequently urge the Government of Canada to encourage all parties involved, and in particular the People’s Republic of China, to:

- (a) recognize and uphold the rights of freedom of navigation and overflight as enshrined in customary international law and in the United Nations Convention on the Law of the Sea;
- (b) cease all activities that would complicate or escalate the disputes, such as the construction of artificial islands, land reclamation, and further militarization of the region;
- (c) abide by all previous multilateral efforts to resolve the disputes and commit to the successful implementation of a binding Code of Conduct in the South China Sea;
- (d) commit to finding a peaceful and diplomatic solution to the disputes in line with the provisions of the UN Convention on the Law of the Sea and respect the settlements reached through international arbitration; and
- (e) strengthen efforts to significantly reduce the environmental impacts of the disputes upon the fragile ecosystem of the South China Sea;

That the Senate also urge the Government of Canada to support its regional partners and allies and to take additional steps necessary to de-escalate tensions and restore the peace and stability of the region; and

That a message be sent to the House of Commons to acquaint it with the foregoing.

Hon. Yonah Martin (Deputy Leader of the Opposition): Thank you for the accommodation, honourable senators, I was absent at the time when this item was called, due to a special sitting of the Selection Committee.

Honourable senators, I rise in this chamber today to speak to this motion as moved by Senator Ngo, as it is an issue that, if left unchecked, could have severe global consequences: The maritime territorial dispute in the South China Sea where tensions between rival countries have been escalating in recent years.

The South China Sea, located at the western edge of the Pacific Ocean, has been the subject of rival territorial declarations for centuries, but today China aggressively claims dominion over nearly all of the South China Sea while overtly ignoring overlapping claims from other countries in the region.

These disputes are over territory and sovereignty that have huge global implications, not only for the countries and the region but for the entire trading world.

The South China Sea is a major shipping corridor that links the Indian Ocean to the Pacific and where about half of the world's merchant ships pass through every year. Likewise, one third of the world's total goods are shipped through this region each year, and this represents about \$5 trillion U.S. in global commerce.

Clearly, this is a matter that concerns Canada, especially with ratification of the Trans-Pacific Partnership still in progress, and with other partner states, including Vietnam, Malaysia and Brunei, each claiming parts of the South China Sea.

Since this territorial dispute has never been successfully resolved through bilateral engagement, the matter was referred to the UN-appointed Permanent Court of Arbitration in The Hague when, in January 2015, the Philippines initiated legal proceedings against China under the United Nations Convention on the Law of the Sea, which China signed and ratified and is therefore bound by.

The court's ruling is expected in the coming weeks, and I remain very interested in that ruling and seeing whether all parties properly adhere to it. I fully acknowledge that Canada has historically not taken positions on maritime territorial disputes to which it is not directly a party, and as such it would not be appropriate to intervene in this one at this time.

The dispute over the South China Sea is a regional matter that should ideally be resolved by the countries directly involved. But if the countries cannot reach a resolution on their own, the next best scenario is for the countries in dispute to reach agreeable solutions through internationally recognized legal dispute settlement mechanisms, which in this case is the upcoming judgment from the Permanent Court of Arbitration.

Despite the South China Sea dispute being a regional issue, and one that does not warrant Canada's intervention, it does not mean that the consequences of the dispute affect only the countries directly involved. There are implications for Canada and our allies, so it is critical that Canada monitor the situation carefully and, if necessary, join our international partners in constructively engaging the countries involved to ensure that they comply fully with international law.

Encouraging multilateral consensus is a role that Canada has historically played effectively, and it is one that Canada should be prepared to play once again if tensions escalate even further following the judgment of the international tribunal.

Let us quickly examine the facts and some of the events that have led to this point. The South China Sea encompasses an area of roughly 1.4 million square miles and contains a collection of islands, reefs and atolls, notably the Spratly Islands, Paracel Islands and Scarborough Shoal.

As already noted, China, the Philippines, Malaysia, Vietnam, Brunei and Taiwan all claim at least parts of these territories.

Although these islands are largely uninhabited, they have been assessed as being potentially very rich in natural resources, particularly oil, gas and fertile fishing grounds. The U.S. Department of Energy estimates that there are 11 billion barrels

of oil and 190 trillion cubic feet of natural gas in proven and probable reserves. Moreover, some estimates indicate that up to 10 per cent of the world's ocean-caught fish come from this region. With such vast potential wealth and natural resources, it is no surprise that each of the countries involved is claiming its stake of the South China Sea, especially China, that has the highest energy demands to meet.

China's domestic oil reserves account for only 1.1 per cent of the world's total, while it consumes over 10 per cent of the world's production and over 20 per cent of all energy used on this planet.

As such, China claims by far the largest portion of the disputed territory, an area defined by the nine-dash line, which stretches hundreds of miles south and east from its most southern province of Hunan. Its expansionist activities also outpace all other nations in their efforts to claim their own stake of the region.

Beijing says its right to the area goes back centuries to when the Paracel and Spratly Island chains were regarded as integral parts of the Chinese nation. To which, in 1947, it issued a map detailing its claims. The map ostensibly shows the two island groups falling entirely within its territory. Those claims are mirrored by Taiwan but fiercely refuted by Vietnam and the Philippines.

Vietnam disputes China's historical account, saying China had never claimed sovereignty over the islands before the 1940s. Vietnam adds that it has actively ruled over both the Paracel and the Spratly Islands since the 17th century and has the documents to prove it.

Similarly, the Philippines heavily dispute China's claims by invoking its own geographical proximity to the Spratly Islands and Scarborough Shoal. The Scarborough Shoal is just over 100 miles from the Philippines, whereas its nearest point to China is 500 miles.

Malaysia and Brunei also lay claim to territory in the South China Sea that they say falls within their economic exclusion zones as defined by the UN Convention on the Law of the Sea, the same convention that forms the basis of the Philippines' legal challenge against China at the UN tribunal.

The United States does not recognize China's territorial claims, and the other regional claimants, including several U.S. allies, are alarmed by China's recent activity to militarize the islands in the region.

For example, in just two years, China has expanded these islands by 2,000 acres, the equivalent of 1,500 football fields. They have also built or expanded at least seven artificial islands in the sea, which the U.S. has since labelled China's "Great Wall of Sand." These provocative actions are causing other South China Sea nations to increase their military activities.

• (1700)

Last year the Philippines boosted its military budget by over 25 per cent due in large part to heightened tensions with China over fishing rights in the South China Sea. Part of this budget

included building airstrips capable of holding fighter jets as well as surveillance and cargo planes in the sea. Vietnam, Taiwan and Malaysia have also intensified their military presences in the region.

Increased militarization in the South China Sea is among the worst-case scenarios because it will openly grow tensions further, continue destabilizing the region and increase the potential for more military confrontations that have regrettably already led to lost lives in recent decades.

In 1974, China seized the Paracels from Vietnam, killing more than 70,000 Vietnamese troops. In 1998 Vietnam and China again clashed in the Spratlys, with Vietnam losing 60 sailors. Over the years, Chinese authorities have been arresting Vietnamese and Filipino fishermen in open waters. In early 2012, China and the Philippines engaged in a lengthy maritime standoff, accusing each other of intrusions in the Scarborough Shoal.

In July 2012, China angered both Vietnam and the Philippines when it formally created Sansha City, an administrative body with its headquarters in the Paracels, which it says oversees Chinese territory in the South China Sea.

In May 2014, the construction of a Chinese drilling rig in waters near the Paracel Islands led to multiple collisions between Vietnam and Chinese ships.

In April 2015, satellite images showed China building an airstrip on reclaimed land in the Spratlys, and in October 2015, the U.S. sailed a guided missile destroyer within 12 nautical miles of the artificial islands, the first in a series of actions planned to assert freedom of navigation in the region. This action drew an angry rebuke from China, which called it extremely irresponsible.

Unless the situation in the South China Sea is defused, whether voluntarily by all parties or through international arbitration, these conflicts are likely to escalate even further in the future as energy consumption in developing Asian countries is expected to double by 2030, with China accounting for half that growth.

It is therefore critically important that China and the world pay close attention to the South China Sea dispute because even small regional confrontations can cause devastating rippling effects worldwide, as history has demonstrated far too many times before.

While any military action should be off the table as a way to resolve this dispute, it is encouraging that the Philippines is addressing this matter through legal means, specifically through the Permanent Court of Arbitration in The Hague, which is an international tribunal that provides administrative support in arbitration cases involving various combinations of states, state entities and international organizations.

Since its cases span a range of legal issues involving sovereignty and territorial and maritime boundaries, it is perhaps the most appropriate authority to cast legal judgment on this matter. The international law at the centre of the Philippines challenge is the 1982 United Nations Convention on the Law of the Sea, which governs the access countries have to marine resources, including

fisheries, oil and gas, in the area up to 200 nautical miles from its shores. China, the Philippines, Vietnam and Malaysia are all signatories to this convention.

The UN tribunal does not have any enforcement powers. So whichever the way the ruling goes, either side could choose to ignore the judgment. This is particularly worrying because a legitimacy of the international rules-based system depends on the adherence to its rules by signatories fully knowing they are bound by them. China, for example, already signaled its unwillingness to recognize the authority of the tribunal by stating: "It will neither accept nor participate in the arbitration unilaterally initiated by the Philippines."

While either party could choose to ignore the will of the tribunal, it is sincerely hoped that once its decision is rendered, it will renew comprehensive bilateral negotiations among the claimant states in order to peacefully and diplomatically resolve this dispute. What the world does not want is a situation where one of the parties acts flagrantly against the tribunal's judgment only to deepen the dispute further.

If the situation in the South China Sea escalates further, like to the point of imminent violence, it could force countries, regional and otherwise, to pick sides and get involved in ways that they ideally should not.

The arbitration is not likely to solve the entire South China Sea dispute overnight, but it is a welcome progress that will hopefully foster dialogue among the claimant states and help keep diplomatic channels open so that they can work towards consensus and away from isolation. A peaceful settlement between China and the Philippines could also have a positive knock-on effect of opening up dialogue between China and the other claimant states that have not initiated legal proceedings but have the potential to do so.

In a few weeks' time, when the UN tribunal renders its decision on this matter, Canada needs to be prepared, if necessary, to join our international partners in positively engaging the claimant states to reach a peaceful and amicable solution.

Looking through a historical lens, it is the appropriate role for Canada to play if the situation warrants it. Canada has never been a world superpower or a former colonial master. Nowhere in our history can Canada be accused of having an aggressive expansionist agenda. Canada's history in international affairs is based on our standing as a constructive non-colonial middle power whose strength lies in our unique position as such. Canada can call on other countries to play fair without it sounding hypocritical.

We can help broker diplomatic solutions among countries in dispute because the world trusts us to do so. And with the verdict of the UN tribunal expected soon, Canada can play an appropriate role, if necessary, in urging compliance with international law since we played a key role in drafting the UN Charter and being one of its original signatories to bring it into force.

We hope that all parties in the South China Sea dispute adhere to the tribunal's decision, because breaching that decision would completely fly in the face of all the important work Canada did to

help build the international rules-based system, the system that the world depends on.

As I await the UN tribunal's decision with interest, I hope that the parties involved are actively prepared to alter their positions in order to defuse regional tensions. I'm encouraged that China has unreservedly shown willingness to compromise in the past. For example, in 2004 it agreed to a maritime boundary with Vietnam, in the Gulf of Tonkin, where China became entitled to just under 48 per cent of the region compared to Vietnam's 52 per cent. China has always maintained its preference for this dispute to be resolved through bilateral negotiations, and I agree that this is the way it should be.

When the UN tribunal issues its ruling, if the parties involved do not change their positions, and tensions reach a new and more dangerous level, Canada should show no reservations in joining our allies in urging the necessity of complying with international law. Canada has a proud history of being a fair and non-colonial diplomatic broker, and if called upon, we should be prepared to help negotiate a peaceful accommodation as we have successfully done many times before.

Honourable senators, stakes are too high and the potential consequence is too great for the world to leave the South China Sea dispute unchecked.

Thank you.

Hon. Tobias C. Enverga, Jr.: I would like to adjourn the debate under Senator White's name, please.

Senator Martin: Your Honour, I made an error, because it was adjourned in Senator Cools' name, and I forgot to mention that it should be adjourned in her name. May I ask leave of the Senate to do that?

The Hon. the Speaker: Senator Enverga, will you withdraw your motion?

Senator Enverga: Yes.

The Hon. the Speaker: The matter remains adjourned in the name of Senator Cools.

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

MOTION TO AMEND RULE 12 OF THE *RULES OF THE*
SENATE PERTAINING TO THE COMMITTEE OF
SELECTION—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Wallace, seconded by the Honourable Senator Bellemare:

That the *Rules of the Senate* be amended:

1. **by adding the following at the end of rule 12-1:**

“The membership of the committee shall, as nearly as practicable, proportionally reflect the number of all Senators who are members of each of the recognized parties, as well as those who are not members of recognized parties.”;

2. **by adding the following new rule 12-2(2):**

“Expressions of interest

12-2. (2) Before nominating Senators to serve on committees, the Committee of Selection shall invite expressions of interest from all Senators.”;

3. **by renumbering current rules 12-2(2) and (3) as rules 12-2(3) and (4);**

4. **by adding the following new rule 12-2(5):**

“Content of Committee of Selection reports

12-2. (5) Any report of the Committee of Selection nominating Senators to serve on a committee shall:

(a) identify the criteria used in developing its nominations;

(b) contain nominations such that, if the report is adopted, the membership of the committee would, as nearly as practicable, proportionally reflect the number of all Senators who are members of each of the recognized parties, as well as those who are not members of recognized parties; and

(c) nominate, as far as possible, every Senator who is eligible to attend the Senate, and who expressed an interest in being a member of a committee, to a minimum of at least one committee.”;

5. **by renumbering current rules 12-2(4), (5) and (6) as rules 12-2(6), (7) and (8); and**

6. **by updating all cross references in the Rules, including the lists of exceptions, accordingly; and**

That the Senate discharge the current membership of the Committee of Selection so that a new membership can be appointed, by substantive motion, in conformity with the changes made by the adoption of this motion.

Hon. Pamela Wallin: Honourable senators, I would very much like to speak to this issue of committee membership and the importance of proportionality, but I cannot do so today. I would like to adjourn this debate in my name for the remainder of my time.

• (1710)

MOTION TO INVITE THE GOVERNMENT TO MARK THE ONE HUNDRED AND FIFTIETH ANNIVERSARY OF CONFEDERATION BY STRIKING A COMMEMORATIVE MEDAL TO RECOGNIZE THE INESTIMABLE CONTRIBUTION MADE BY ABORIGINAL PEOPLES TO THE EMERGENCE OF A BETTER CANADA—
DEBATE ADJOURNED

Hon. Serge Joyal, pursuant to notice of March 10, 2016, moved that:

The Senate invite the Government of Canada to mark the 150th anniversary of Confederation by striking a commemorative medal which, with the traditional symbols of Canada, would recognize the inestimable contribution made by aboriginal peoples to the emergence of a better Canada; and

That this medal be distributed, among others, to those persons who contributed to improving the living conditions of all Canadians in a significant manner over the last 50 years.

He said: Honourable senators, I notice that the motion standing in my name is at day 14. As I have been caught by other debates in the chamber these last weeks, I would ask the concurrence of the house to adjourn the debate in my name.

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

Hon. Senators: Agreed.

(On motion of Senator Joyal, debate adjourned.)

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO EXTEND DATE OF FINAL REPORT ON STUDY OF ISSUES PERTAINING TO INTERNAL BARRIERS TO TRADE

Hon. Joseph A. Day, for Senator Tkachuk, pursuant to notice of June 1, 2016, moved:

That, notwithstanding the order of the Senate adopted on Tuesday, February 16, 2016, the date for the final report of the Standing Senate Committee on Banking, Trade and Commerce in relation to its study of issues pertaining to internal barriers to trade be extended from June 10, 2016 to June 30, 2016.

He said: Honourable senators will see that this is a request for an extension of two weeks to file the report of the Standing Senate Committee on Banking, Trade and Commerce because other pressing items over the last few days have resulted in a delay finalizing the report.

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

Hon. Senators: Agreed.

(Motion agreed to.)

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

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