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OFFICIAL REPORT
(HANSARD)

Wednesday, June 22, 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
Publications Centre: Kim Laughren, National Press Building, Room 926, Tel. 613-947-0609

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THE SENATE

Wednesday, June 22, 2016

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

Prayers.

THE SENATE

TRIBUTES TO DEPARTING PAGES

The Hon. the Speaker: Honourable senators, we have tributes to three more of our departing pages.

Caitlin Salvino, from Ontario, has just completed her third year of an Honours Bachelor Degree in Human Rights and Transnational Law. Caitlin plans on returning to her position as a summer camp counsellor at Camp Kennbec, a residential summer camp for children and young adults with special needs.

This spring, Caitlin was honoured to be named a recipient of the Killam Fellowship, a scholarship program that supports cross-cultural exchanges between Canada and the United States. She is excited to be attending American University in Washington, D.C., this fall. Upon her return, she hopes to seek professional opportunities on the Hill and in the National Capital Region.

In the future, Caitlin plans to go to law school and to practise human rights law with a focus on women's, children's and disability rights.

Hon. Senators: Hear, hear!

The Hon. the Speaker: Maryse Piché Bénard, Deputy Chief Page, from Saskatchewan, has just completed, "with distinction," her Honours Bachelor Degree Social Sciences in International Studies and Modern Languages and minoring in Latin American Studies in both official languages. She is looking forward to staffing a Children's International Summer Villages Camp this summer.

As of September, Maryse will continue her studies in the French Juris Doctor Program at the University of Ottawa for the next three years. She is honoured to be able to follow in the same footsteps as the great legal minds of our country. Maryse tells me she has learned so much from her experiences over the last three years in the Senate and is extremely honoured to have been able to work as this year's Deputy Chief Page.

She would like to thank all honourable senators and members of the administration for having enabled her to fully benefit from all the opportunities that were presented to her while working in this chamber.

Hon. Senators: Hear, hear!

The Hon. the Speaker: Ali Boussi, our Chief Page this year, is from Windsor, Ontario, and has dedicated the past three years to the Senate Page Program. He was honoured to receive the Senate Leadership Award this year as part of the Senate Staff Recognition Program after being nominated by his colleagues. In the last year he has completed his Bachelor in Biomedical Sciences with a concentration in neurosciences at the University of Ottawa, all while leading the Senate page team.

In the future, Ali hopes to continue his studies at l'Université Louis Pasteur in Strasbourg, France, and then continue on to medical school. During his time at the Senate, Ali has developed a keen appreciation for parliamentary procedures and hopes to learn more in the future.

It was a pleasure, Ali tells us, to work with the Black Rod's Office and his team, and he wishes all his fellow pages and senators the very best in the future.

SENATORS' STATEMENTS

DELMORE "BUDDY" DAYE LEARNING INSTITUTE

Hon. Wilfred P. Moore: Honourable senators, I rise today to pay tribute to the Delmore "Buddy" Daye Learning Institute in Halifax, Nova Scotia. The institute, established two years ago, is a not-for-profit organization committed to improving the educational experiences and outcomes of African-Nova Scotian and African-Canadian students and educators.

The institute is named after Delmore "Buddy" Daye, late of Halifax. He was the Canadian Lightweight Boxing Champion from 1964 to 1966; in his 88 bouts his record was 81 wins — 71 by knockout — 6 losses and 1 draw. He was a founding member of the Black United Front, which sought racial equality in Nova Scotia. He was Canada's first Black Sergeant-at-Arms, serving in the House of Assembly of the Province of Nova Scotia from 1990 until his death in 1995.

Once, when boxing in the United States, a promoter told him to throw the fight and let his opponent win. He would not do that. Upon defeating his opponent, he hurriedly left the U.S. under threat of bodily harm. Such was the integrity of Buddy Daye, and it is that integrity of mission that is the cornerstone of the learning institute that bears his name.

The learning institute is dedicated to excellence in Africentric educational research and practice, with the aim being to advance the academic achievement of African-Canadian students and

educators. Its six key program areas are research, policy analysis, curriculum development, professional development, community education, resource and publishing.

The learning institute published its first book, entitled *The Times of African Nova Scotians*, in 2014. This book is now used extensively by educators and is part of the Grade 11 course in African-Canadian Studies across Nova Scotia. It was also one of the three finalists in the Atlantic Book Awards in April 2016, and we congratulate its editor, Tony Colaiacovo.

In closing, honourable senators, I ask that you join with my colleague, Senator Michael MacDonald, and me in commending the Delmore “Buddy” Daye Learning Institute and in encouraging it to continue its good work in improving the education and qualifications of African-Nova Scotian educators and students.

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 Dr. Mary Dyer Gordon. Originally from Newfoundland and Labrador, she is an internationally recognized child advocate and parenting expert, and a founder and president of Roots of Empathy, an international educational program dedicated to promoting empathy in elementary school aged children.

Dr. Dyer Gordon is a Member of the Order of Canada and a recipient of several prestigious awards for her contributions.

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

Hon. Senators: Hear, hear!

NUNAVUMMIUT

Hon. Dennis Glen Patterson: Honourable senators, today I would like to recognize two Nunavut Land Claims Agreement beneficiaries who have been working very hard towards establishing their medical careers. I would also like to recognize two people who were born and raised in the North who have also been successful in obtaining medical careers. Though they're not land claims beneficiaries, they were brought up in Nunavut, and I am equally proud of them.

Dr. Donna May Kimmaliardjuk's family is from Chesterfield Inlet in Nunavut, and she is here with us today.

Ottawa has been her home since her parents moved here. She completed an honours Bachelor of Science degree in Life Science in 2011. She graduated from the University of Calgary Medical School in 2014. She is now at the University of Ottawa training in cardiac surgery. She is nearly finished her second year of

residency in the six-year residency program. She has worked to be a surgeon since she was very young, and now she is going to be a heart surgeon. She likes to travel, is training for her first run marathon, enjoys yoga and is a motivational speaker for Inuit youth.

Dr. Elaine Kilabuk was born in Iqaluit, Nunavut, but her hometown was Pangnirtung. Her mum tells me Elaine first declared her desire to be a doctor when she was four years old. Her family moved to Florida when she was five. They stayed connected to her family in Nunavut and have been going back every year since moving back to Canada.

• (1410)

She attended college in Maine and studied Southeast Asian history and chemistry. After college, she worked in Boston doing public health research. Later, she moved to Montreal and completed medical school at McGill University. She was a delegated ambassador for prospective students and helped organize competency awareness workshops for medical students working in Aboriginal communities. She also received the John H. Burgess scholarship during her first two years of medical school.

She is currently doing research with Dr. Gonzalo Alvarez, respirologist at the Ottawa Hospital and consultant respirologist for Nunavut, on determining what the social determinants of health among high-risk population areas are for developing TB. She also has a contract to work in Iqaluit for four years after residency.

Dr. Sean Doherty was born in Kimmirut and grew up on Baffin Island living in Kimmirut, Arctic Bay, Nanisivik and Iqaluit. He did Grade 4 to Grade 12 in Iqaluit, graduating in 2002. He received his Bachelor of Science in Biomedical Sciences from the University of Guelph. He obtained his Bachelor of Medicine from Memorial University of Newfoundland in 2011 and Family Medicine Residency at McGill University from 2011-13.

He moved back to Iqaluit, Nunavut, in 2013, where he is working full-time at the Qikiqtani General Hospital. He is a family physician.

Dr. Fiona Main's hometown is Arviat, Nunavut, where she was educated from kindergarten to Grade 12.

After Grade 12 graduation, she spent a year between Alberta, Ontario and Quebec with the Katimavik program before going to St. Francis Xavier University in Antigonish, Nova Scotia.

After four years in nursing at StFX, Fiona moved to Ottawa in 2006 to nurse on a surgical floor at the Ottawa Civic Hospital, where she stayed until 2009. Having a grandmother who was a midwife and nurse, and her mom's sister a doctor, she always had medical aspirations on her mind.

After nursing in Ottawa, she enrolled in medical school at the Northern Ontario School of Medicine in Sudbury.

Dr. Main returned to Nunavut to work in Iqaluit in February 2016 and is currently a family physician there.

Honourable senators, please join me in applauding these fine young doctors for their hard work and accomplishments.

Hon. Senators: Hear, hear!

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of family members of the late Kew Dock Yip. Kew Dock Yip was the first Chinese lawyer in Canada. His family is accompanied by various members of the Chinese community. They are the guests of the Honourable Senator Oh.

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

Hon. Senators: Hear, hear!

GOVERNMENT'S APOLOGY FOR THE CHINESE HEAD TAX AND EXCLUSION ACT

TENTH ANNIVERSARY

Hon. Victor Oh: Honourable senators, I rise today to pay tribute to the Tenth Anniversary of the Government's Apology for the Chinese Head Tax and Exclusion Act, one of the darker moments in Canada's history. Let me take a minute to remind those who are not familiar with this period.

Due to a shortage of workers, thousands of Chinese men were brought to Canada in the 1880s. Their job was to help build the western section of the Canadian Pacific Railway, helping to connect our nation and Canadians from east to west.

Chinese labour was inexpensive and easily exploitable. In addition to long hours, Chinese crews were paid considerably less than other workers. They were also assigned to the most difficult and dangerous jobs. Hundreds were injured or died.

When the railway completed, the demand for foreign labour decreased. Shortly after, a period of legislated racism against Chinese migrants began.

In 1885, the federal government imposed a head tax of \$50 for any Chinese person entering Canada. The head tax aimed to restrict Chinese immigration altogether by making it difficult for individuals and families to come to Canada. As anti-Chinese sentiment grew, the head tax was raised to \$500 in 1903.

In 1923, the federal government replaced the head tax with the Chinese Immigration Act, also known as the Chinese Exclusion Act. This act virtually prohibited anyone from China legally entering the country.

While many Chinese immigrants returned to China, those who stayed in Canada were made to feel unwelcome.

Despite serving in the Second World War and numerous petitions against the unjust act, it was not until 1947 that the federal government repealed the Chinese Immigration Act. However, the restrictions on Chinese immigration to Canada were not removed. In fact, that same year, in a speech to Parliament, Prime Minister Mackenzie King stated:

... Canada is perfectly within her rights in selecting the persons whom we regard as desirable future citizens. ... Large-scale migration from the Orient would change the fundamental composition of the Canadian population.

These words reflected the widespread acceptance of discrimination against Chinese immigrants in Canada.

On June 22, 2006, the Government of Canada issued a full apology to Chinese Canadians for the head tax and Exclusion Act. This was an important step towards reconciliation that enabled our community to move forward as full and equal members of Canadian society.

Fellow colleagues, we are here to look out for the best interests of Canadians, especially those whose interests may be compromised or unrepresented. I encourage you to take the time to learn more about the history and contributions made by Chinese Canadians and immigrants to our great country.

Thank you.

Hon. Senators: Hear, hear!

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of a delegation of respected women human rights defenders from Mexico — co-hosted and accompanied by Mr. Alex Neve, Secretary General of Amnesty International Canada, and representatives of Nobel Women's Initiative and Carleton University's Latin America and Caribbean Studies Program. They are the guests of the Honourable senators Jaffer, Merchant and Cordy.

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

Hon. Senators: Hear, hear!

CLIMATE CHANGE

Hon. Nick G. Sibbeston: Honourable senators, climate change is real. You can see it now in the Arctic. On the Arctic coast, the community of Tuktoyaktuk is falling into the sea. It is really the sea against the people. Ultimately, if something is not done, the sea will win and prevail. Imagine your house by the sea, the land eroding and being threatened by storms.

Last week, people from Tuk were in my office telling me about their plight and that they have struggled with erosion by placing rocks offshore and building up the shoreline with wire mesh, huge rocks and gravel.

Arctic experts have long known that impacts of a changing climate would strike the North first, and Tuk is a prime example. Temperatures in winter and summer have risen dramatically and extreme weather events have become commonplace. Current measures to protect the community are inadequate.

Just as we have seen this summer in Fort McMurray how disastrous a natural phenomenon like a fire can be, a severe storm in the Arctic could very well threaten the community of Tuktoyaktuk.

There are 1,000 people living there. There are homes, municipal buildings, a long-term care facility and a community graveyard. All of this could be wiped out with the sea surging in a real way.

Some of you may not have heard about Tuk or wonder why it should matter. Tuktoyaktuk is a community of about 1,000 people on the coast of the Beaufort Sea. It was a hub of oil and gas activities in the Beaufort in the 1970s and 1980s and could potentially be so in the future.

This fall, an all-weather road connecting from Inuvik to Tuk will open. It was built at a cost of \$300 million, funded jointly by our government here and the Government of the Northwest Territories. It was meant to link Tuk to Canada and to provide a road to resources.

• (1420)

People often drive on the Dempster Highway to get to Inuvik. Now they will be able to go a bit farther and dip their toes into the Arctic Ocean, something a lot of southern people do.

According to a preliminary study done by the community government, replacing or relocating threatened infrastructure could cost more than \$90 million, not counting the secondary effects caused by such a massive disruption.

While such an extreme storm might not occur this year or the next, it is felt by the local community that it will inevitably occur, and probably sooner rather than later.

As senators leave to enjoy their summer, just think of the plight of the people up in Tuk and the threat that they face. I will be working on this and informing government departments in the ensuing months.

NEWFOUNDLAND AND LABRADOR TIME ZONE

Hon. Fabian Manning: Today, I am pleased to present Chapter 3 of "Telling Our Story."

Fellow senators, I have been asked on many occasions by my colleagues here in this chamber, and indeed from time to time by citizens all over our great country, "Why does the island of

Newfoundland have its own time zone? Why is everything half an hour later in Newfoundland?" I am honoured to stand before you today and attempt to clarify the history and rationale behind this unique distinction.

First, let me inform the chamber that this half-hour time zone distinction does not exist only in Newfoundland. It exists in other parts of the world, including India, Australia, Venezuela, Iran and North Korea, just to name a few.

As for the Newfoundland half-hour time zone, allow me to offer two clarifications, the first one more scientific than the other. Colleagues, you will have to choose which of the two you deem to be correct.

First, while most time zones differ from Coordinated Universal Time, UTC, by a number of full hours, there are also a few time zones with both 30-minute and 45-minute offsets. This is so because the world takes 24 hours to rotate and there are 360 degrees of longitude. So 360 divided by 24 equals 15. Thus, in one hour the sun moves across 15 degrees of longitude, so the local time in a time zone is defined by its difference from the Coordinated Universal Time, which is the world's time standard.

Now, for those of you who are less scientifically inclined, as indeed I am, I will now offer a much clearer and what I believe to be much more accurate explanation concerning this popular question. I fully understand how this situation can create confusion, as in the example of a doctor from Toronto who came to practise in St. John's. His dilemma was explained something like this.

A mainland doctor in St. John's was leaving on a call, but when he got to where he was going, there was no one sick at all. He became fighting mad and lost his cool, so we had to take him by the hand and say, "Cool it, doc. Watch that clock. You're in Newfoundland."

Newfoundland's time zone uniqueness was best explained and most easily understood with the assistance and talent of New Brunswick songwriter and Country Music Hall of Fame inductee Charlie Russell from the Miramichi region. He wrote the song *Half an Hour Later*. In my humble opinion, the refrain of Charlie's song tells the truth and leaves little doubt as to the origin of my island's half-hour time zone. In order to ensure this is completely and fully understood and appreciated by all my honourable colleagues, I will now share this refrain with you:

Half an hour later
On an island in the sea
She may be late, but she's still great
She means the world to me.
When God designed creation
And drew up His master plan
He spent half an hour more
Creating Newfoundland.

Hon. Senators: Hear, hear!

[Translation]

ROUTINE PROCEEDINGS

SPEAKER OF THE SENATE

PARLIAMENTARY DELEGATION TO PEOPLE'S REPUBLIC OF CHINA, JANUARY 4-8, 2016— REPORT TABLED

The Hon. the Speaker: Honourable senators, with leave of the Senate, I would like to table a document entitled, *Visit of the Honourable George J. Furey, Q.C., Speaker of the Senate, and a Parliamentary Delegation to the People's Republic of China, from January 4 to 8, 2016.*

Is leave granted, honourable senators?

Hon. Senators: Agreed.

[English]

PUBLIC SECTOR INTEGRITY COMMISSIONER

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 Public Sector Integrity Commissioner of Canada pursuant to section 72 of the Access to Information Act and section 72 of the Privacy Act.

STUDY ON THE FEDERAL GOVERNMENT'S RESPONSIBILITIES TO FIRST NATIONS, INUIT AND METIS PEOPLES

THIRD REPORT OF ABORIGINAL PEOPLES COMMITTEE TABLED

Hon. Lillian Eva Dyck: Honourable senators, I have the honour to table the third report, interim, of the Standing Senate Committee on Aboriginal Peoples entitled: *Border Crossing Issues and the Jay Treaty*, which deals with the federal government's constitutional treaty, political and legal responsibilities to First Nations, Inuit and Metis peoples.

With leave of the Senate, and notwithstanding rule 5-5(f), I move that the report be placed on the Orders of the Day for consideration later this day.

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

Hon. Senators: Agreed.

(On motion of Senator Dyck, report placed on the Orders of the Day for consideration later this day.)

CANADA BORDER SERVICES AGENCY ACT

BILL TO AMEND—SIXTH REPORT OF NATIONAL SECURITY AND DEFENCE COMMITTEE PRESENTED

Hon. Daniel Lang: Honourable senators, I have the honour to present, in both official languages, the sixth report of the Standing Senate Committee on National Security and Defence, which deals with Bill S-205, An Act to amend the Canada Border Services Agency Act (Inspector General of the Canada Border Services Agency) and to make consequential amendments to other Acts.

(For text of report, see today's Journals of the Senate, p. 739.)

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

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

CUSTOMS ACT

BILL TO AMEND—FIRST READING

Hon. Bob Runciman introduced Bill S-227, An Act to amend the Customs Act (reporting requirements).

(Bill read first time.)

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

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

CANADA-AFRICA PARLIAMENTARY ASSOCIATION

BILATERAL MISSION TO THE REPUBLIC OF NAMIBIA AND THE REPUBLIC OF SOUTH AFRICA, FEBRUARY 28-MARCH 5, 2016— REPORT TABLED

Hon. A. Raynell Andreychuk: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canada-Africa

Parliamentary Association respecting its participation at the Bilateral Mission to the Republic of Namibia and the Republic of South Africa, held in Windhoek, Namibia and Cape Town, South Africa, from February 28 to March 5, 2016.

[*Translation*]

CANADA-EUROPE PARLIAMENTARY ASSOCIATION

WINTER MEETING OF THE ORGANIZATION FOR
SECURITY AND CO-OPERATION IN EUROPE
PARLIAMENTARY ASSEMBLY,
FEBRUARY 25-26, 2016—
REPORT TABLED

Hon. Ghislain Maltais: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canada-Europe Parliamentary Association respecting its participation to the 15th Winter Meeting of the Organization for Security and Co-operation in Europe (OSCE) Parliamentary Assembly, held in Vienna, Austria, from February 25 to 26, 2016.

• (1430)

[*English*]

THE SENATE

NOTICE OF MOTION RESPECTING SENATORIAL DESIGNATIONS

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

That, the Senate:

- (a) Recognizing the independence of all senators and acknowledging their right to choose their designation;
- (b) And that this precedent goes back to Confederation;
- (c) And that dozens of senators over time have chosen or changed their designations to or from political parties;
- (d) And that this decision cannot be determined by a committee without the express consent of the individual senator;

That the Senate examine the procedures used by the Standing Senate Committee on Internal Economy, Budgets and Administration to unilaterally and without consent change the designations of Independent senators.

[*Translation*]

NOTICE OF MOTION RESPECTING AUTHORIZATION TO CHANGE SENATORIAL DESIGNATIONS

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

That any change to the designation of a Senator as listed on any Senate communications requires the authorization of that Senator in written form to the Speaker's office. This applies retroactively to any changes as of May 1, 2016.

QUESTION PERIOD

FINANCE

CANADA PENSION PLAN

Hon. Claude Carignan (Leader of the Opposition): Honourable senators, my question is for the Leader of the Government, also known as the Government Representative. If he wants to give himself some other title, I am certainly open to that.

Over the past few years, small businesses in Canada have frequently expressed their opposition to any mandatory increase in Canada Pension Plan employer contributions because they know that payroll taxes kill the job market.

On Monday, the Canadian Chamber of Commerce stated, and I quote:

The announced agreement to expand the CPP will basically be a form of payroll tax that, when it is in full force, will put further financial strain on Canada's already struggling businesses and on the middle class.

The Canadian Federation of Independent Business, the CFIB, stated:

[This agreement will be] a devastating move for Canadian workers and the economy in general.

The CFIB said it was extremely disappointed that the finance ministers are, and I quote:

. . . putting Canadian wages, hours and jobs in jeopardy and . . . moving to make an already shaky economy even worse.

On Tuesday, Canadian Manufacturers & Exporters had this to say:

The reality is that each business only has so much money to invest. The more money that goes to governments, the less that is available to improve their operations to make them more competitive and grow.

The government is increasing Canada pension plan premiums in addition to cancelling the tax cut for small businesses and cancelling the employment insurance credit for hiring young people.

How does the Liberal government plan to foster economic growth if it continues to adopt policies that do the opposite?

Hon. Peter Harder (Government Representative in the Senate): I thank the senator for his question. Perhaps a more appropriate title for me would be “friend of the leader of the opposition.”

Senator Carignan: That will require your written authorization.

[English]

Senator Harder: I welcome the question. Indeed, the whole issue of pensions and pension reform is one that I’m sure we will be debating with greater intensity and focus in the months ahead.

The government welcomes the agreement reached with regard to pension reform. I would note that a broad collection of premiers have signed on to this, including the Premier of Saskatchewan, the Premier of Ontario and other premiers.

The government feels that this securitizing of Canada pension and expanding in the years ahead will give comfort to Canadian workers. It is certainly an issue that we look forward to debating, one that this chamber will ultimately at some point have to form a view on.

[Translation]

Senator Carignan: I have a supplementary question for my friend, the leader of the government in the Senate and government representative.

Why not improve the financial health of Canadians through voluntary contributions to the CPP? Why did the government want to add an additional payroll tax? Why did it do so little consultation with businesses throughout the process?

[English]

Senator Harder: It is a matter of public policy choice. In the view of the government and the provinces that have signed on to this, this is the best way forward in a workable and equitable financing of our pension obligations.

[Senator Carignan]

[Translation]

Senator Carignan: My esteemed friend, leader of the government in the Senate and government representative, in 2012, the current finance minister co-authored a book entitled *The Real Retirement*, which states that poverty among seniors is low, and that the majority of seniors have adequate retirement income and are well served by the existing system.

This book also points out that if we were to expand the Canada Pension Plan, we would be putting too many eggs in one basket. Why did the minister announce a significant expansion of the Canada Pension Plan earlier this week? How can the minister reconcile these points of view?

[English]

Senator Harder: First I would like to commend the honourable leader opposite for his reading of experienced advice-givers such as the Minister of Finance.

The Minister of Finance has answered this question in public, and indeed when he was here, some questions were being asked.

I would like to point out that the agreement that has been reached is for future retirees and that what we are seeking to secure is the future of retirees so that we can give assurance to the workforce and to those who are planning a retirement in the years ahead that there will be adequate pension availability for those retirees.

TRANSPORT

MANITOBA—AEROSPACE INDUSTRY

Hon. Donald Neil Plett: Honourable senators, my question is for the Leader of the Government in the Senate.

Leader, as you know, we have for the last week been quite actively discussing Bill C-10 at committee and here in this chamber, and we are probably going to be getting to third reading today. Of course you know, leader, that one of my main concerns on this file has been a commitment that a minister in Winnipeg, Minister of Employment MaryAnn Mihychuk, made to Manitoba during the last provincial election, a very specific commitment. Until now, the government has not honoured that commitment.

Leader, on behalf of Manitoba, I thank you for your intervention in this file.

Have we gotten at least closer to the very specific commitment that the Minister of Employment made to Manitoba?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for his question as well as for his earlier question in the chamber on the same issue and, indeed, for the conversations I have had the benefit of having with him, other senators from Manitoba and other senators on this subject.

I am happy to report today, to confirm as indicated by Minister Garneau on Monday during his committee appearance, that the Government of Canada has committed \$10 million over five years to fully fund phase 3 of the aerospace manufacturing program at Red River College.

As a result of further conversations and discussions I have had with honourable senators opposite, as well as other senators, I can confirm that the Government of Canada has now committed an additional \$5 million towards aerospace training in the province of Manitoba, with the details to be worked out over the coming days with the Government of Manitoba.

In addition, the government is actively pursuing further opportunities to strengthen and develop Manitoba's aerospace sector in collaboration with the Government of Manitoba.

Hon. Senators: Hear, hear!

Senator Plett: Thank you very much, leader. I certainly appreciate that response.

• (1440)

Let me, just by way of a supplementary question, ask this: The very elusive Minister Mihychuk — nobody seemed to be able to locate her or had her phone number, and they couldn't get a response from her. A *Winnipeg Free Press* reporter finally managed to track her down, leader, and in that conversation, she said that she had been involved in some early discussions that were confidential. Somehow that leaked. I'm not sure how. But it did.

She went on further to say that she is a little surprised that we are talking about this in the media. I'm not sure how she would expect that commitments that a minister makes would not be discussed in the media, especially if they are relevant to Manitoba. The commitment that she did make, in fact — and people are now admitting that she made that — was a commitment of \$20 million.

I know that my Manitoba colleagues in this chamber would be very interested and hoping very much that this commitment would come to fruition.

My question to you, leader, is: Would you commit to continue to work on this file to make sure that Manitoba gets the entire net benefit from this particular bill that they were very clearly promised during the last provincial election?

Senator Harder: I would like to give the honourable senator the assurance that I will work diligently with the honourable senator and other senators from Manitoba on this issue, going forward, as I will work with other senators on issues that will come before them and their provinces, and work with the Government of Canada for an appropriate response. Hopefully, we can work, in the future, in a fashion that brings credit to this institution and works for a better Canada.

With respect to the specific commitment that the honourable senator is asking with regard to Manitoba and this issue, I refer to my last point made in my first question where I reference that the

government is actively pursuing further measures and opportunities to strengthen and develop Manitoba's aerospace sector. I, like the honourable senator, look forward to those discussions unfolding in the weeks and days ahead.

Senator Plett: I will be brief. I will just take this moment not to ask a question, but simply to offer my appreciation to you for the work you have done and you will continue to do. It is clearly better than the work that has been done in the other place.

FOREIGN AFFAIRS

IRAN—JUSTICE FOR VICTIMS OF TERRORISM

Hon. Linda Frum: Honourable senators, my question is for the Leader of the Government in the Senate.

Recently, Iran publicly chastised Canada over an Ontario Superior Court ruling that awarded Iran's non-diplomatic assets in Canada to victims of terror attacks carried out by the Hamas and Hezbollah terror groups supported by Iran.

These victims and their families were able to bring forward their cases in Canada due to the Justice for Victims of Terrorism Act, which received Royal Assent in 2012.

This legislation, brought forward by the previous Conservative government, permits victims of terrorism to sue the perpetrators or supporters of these acts, including foreign countries that Canada has determined provide support to terrorism, such as Iran.

Honourable senators are aware that the Trudeau government has stated its desire to re-engage with the Iranian regime. My question for the government leader is this: Has the Government of Canada, in any way, responded to this public scolding by Iran's Foreign Ministry? Will the Liberal government continue to uphold the Justice for Victims of Terrorism Act, or will it accede to Iran's demand that the Trudeau government "radically revise" what it calls the extremist and wrong positions of the former Canadian government before Iran will consider any attempt at re-engagement with Canada?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question and, indeed, for her ongoing vigilance with respect to human rights abuses generally and in recent weeks, in particular, on Iran and the opportunity this house has had to focus on this issue as a result of the honourable senator's work.

I will take note of the specific question with regard to the Government of Canada's response, but I would like to add that re-engaging with Iran or other countries that have regimes or governments that are ones that we often differ with is not to suggest that we are cozying up to those governments or otherwise seeking to diminish our voice on human rights and appropriate concerns of the government and Canadians. It is to strategically re-engage, to advance our common interests where appropriate, and engage with civil society and other sectors of countries in which we are seeking a broader re-engagement so that Canada

can be a voice in advancing the collective interests and the interests of Canada that would be broadly shared by the honourable senator opposite.

NATIONAL DEFENCE

AIRCRAFT PROCUREMENT

Hon. Pamela Wallin: Honourable senators, I have a question for the Government Representative and of a friend of, I hope, the RCAF and all Canadians.

In choosing a new fighter plane for the defence of Canada and approaches to North America jointly with the U.S., a mandatory requirement is that an aircraft be seamlessly interoperable with the U.S. Failing to do so would force the U.S. to use our forward operating bases to defend North America alone, which would effectively mean a loss of Canadian sovereignty.

Can you ask that the government assure Canadians that it recognizes that its first responsibility is to defend Canada and its sovereignty, and will, therefore, reconsider and select an aircraft that is seamlessly interoperable with those of the U.S. in the long term? Currently, of course, only the F-35 meets that need.

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question and her friendship. Having given prior notice of the question is appreciated as well.

As the honourable senator knows and this house is well aware, the government is actively pursuing a review of its fighter aircraft needs. The minister has publicly spoken to his and the government's commitment to making sure that those needs are aligned with our defence policy objectives and prudent financial commitments that need to be made in the acquisition of such aircraft.

I would also note that this is a subject that has been broadly debated in Canada-U.S. circles, both official and unofficial, and it is good to have the input of senators and other stakeholders in the defence relationship as the government reflects and makes its mind up in the coming months.

HEALTH

YELLOW FEVER VACCINE

Hon. A. Raynell Andreychuk: Honourable senators, my question is to the government leader in the Senate also.

Yellow fever is one of the most horrific conditions that anyone can have. Recently, it has been noted that there is a shortage of yellow fever vaccine. It's normally good for 10 years. They are going to give reduced doses that should be good for one year.

Just this week, the Democratic Republic of Congo has indicated that there is an epidemic in its major city and two other cities, and it is rapidly growing.

In health advisories going to Brazil, it also states that it is not mandatory to have yellow fever vaccine, but it is recommended if you are going to certain areas of Brazil.

My question is: How is the government addressing this shortage of yellow fever vaccine, both for Canadian citizens but also on a world basis? We have just come through Ebola, and it's unfathomable that we would have a shortage of this vaccine worldwide.

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question.

I do not have with me today the precise answer to her question. I will inquire and report back.

I would like to assure Canadians, as we may be rising and the response may not be tabled for some weeks or months, that the Public Health Agency of Canada is renowned throughout the world for its vigilance in such matters as public health. I would give the assurance, as best I can, that this issue is one that will have their attention, and they will be working with their partners across the world in addressing this issue and other important issues around public health.

TRANSPORT

PRINCE EDWARD ISLAND—CONFEDERATION BRIDGE TOLLS AND FEES

Hon. Percy E. Downe: Honourable senators, I'm most impressed with the success Senator Plett had on his Manitoba issue, and I am also equally impressed with the work Senator Harder did in moving the file forward.

• (1450)

In that spirit, I would like to raise another concern that Senator Harder may have heard me speak about before in the chamber, and that's the incredibly high fee Prince Edward Islanders pay to leave on Confederation Bridge, which is currently \$46 for every trip.

There are a couple solutions the government may want to consider. I'm wondering if you would consider talking to them about extending the contract, which was originally for 35 years, even though the bridge was built to last 100. Extending the contract for at least seven years would reduce the tolls by half; extending it longer would reduce them to zero. Another solution is for Islanders to be eligible for a credit similar to northern credits or urban transportation credits for the number of times they cross.

I raise this for a host of reasons. The tolls hinder our trade and our economy. I hear from Islanders on a continuous basis that as a small province we don't have all the medical facilities that other provinces have. In particular, people who have to take their children to Halifax have to travel back and forth constantly.

On a more minor note, we are the only province in Canada without a passport office, so the cost of getting a passport is \$46 plus the gas mileage to get to Halifax. I had a recent encounter with an Islander who went to Halifax with her passport. They were going to Lebanon on a summer holiday. They had the documents reviewed at the office. Everything was fine. They returned to Charlottetown only to find out there was a mistake and they had to travel back to Halifax.

The tolls are a hindrance to a host of things.

Given your outstanding work with Senator Plett, I am wondering if you could work with your officials in government over the summer to see what possible solutions there are for Prince Edward Islanders.

Hon. Peter Harder (Government Representative in the Senate): In an effort to ensure that Question Period isn't unduly prolonged with other senators, I congratulate the senator on his diligence in pursuing these issues at every opportunity as ministers have appeared here for Question Period. As he has utilized Question Period with me, I would like to assure him that I will continue to raise this issue as appropriate.

REFUGEES, CITIZENSHIP AND IMMIGRATION

LANGUAGE TRAINING FOR REFUGEES

Hon. Salma Ataullahjan: Honourable senators, my question is for the Leader of the Government in the Senate.

As all honourable senators are aware, earlier this week we recognized World Refugee Day, and with that in mind, I would like to ask a question important to thousands of refugees who have arrived recently in our country.

The ability to speak in English or French is of absolute importance to all refugees in Canada as they strive to rebuild their lives in our country and find suitable employment to support themselves and their families. Language training for these refugees can be very hard to access, even in our big cities such as Toronto and Vancouver. Vancouver Community College stated earlier this month to a committee in the other place that it has over 800 people on a waiting list for English language training courses.

What is the federal government going to do to address the shortfall in resources for language training for refugees?

Hon. Peter Harder (Government Representative in the Senate): Again I thank the honourable senator for her question and for her ongoing work along with other senators on refugee issues.

As you will all know, the Senate, through its special study, has done a good deal of work on Syrian refugees in particular. The government is seized with that report and the commentary around it. I will add to that review the concerns the honourable senator has raised.

The objective of the Government of Canada, and, indeed, all Canadians, is to ensure that the refugees who come to Canada are integrated into the economic and social fabric of Canada as quickly as possible and that the appropriate support is provided as needed.

The issue you raised with respect to language training is one that we have had pressure on from time to time and have addressed through creative means. I'm sure that can be done again.

Senator Ataullahjan: Refugee women often have the most difficulty accessing language training services as there are very few spaces, if any, set aside for women with small children or babies. Language training is vital for these women to reduce their isolation and to help them and their children integrate into our society. Does the federal government intend to support spaces targeted to these women?

Senator Harder: Again, I will take that specific question on notice but would like to reiterate the importance of integration of all refugees into the social and economic fabric. Language is a key facilitator of such integration.

INTERNATIONAL TRADE

FREE TRADE AGREEMENTS

Hon. Don Meredith: Honourable senators, my question is for the Government Representative in the Senate.

In light of the visit of President Obama and President Nieto to Canada hosted by Prime Minister Trudeau, can you potentially enlighten this chamber as to the possible areas of discussion pertaining to trade, security and investment in Canada?

As I take my seat, I would also like to join honourable colleagues in congratulating Senator Harder, Senator Mitchell and Senator Bellemare for their work in navigating legislation through this chamber. Thank you so much for the hard work that you have done.

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for the overwhelming applause on that one. I will reserve the applause until the end of the day.

With respect to the visit next week, the North American Leaders' Summit is an important opportunity for Canada and Mexico, in particular, to engage our partner, who often is engaged elsewhere in the world than in a North American focus. To have the opportunity to tend the local garden, in a sense, as George Shultz used to like to say, is important for Canada.

The list of cross-border issues includes economic issues because we do share a common economic space. This time in particular is a good opportunity for leaders to assert the need to resist local nationalisms and anti-free-trade sentiments. The leaders should also ensure that they take every opportunity to describe to citizens

in North America that we benefit from economic integration and that the workers and families of Canada are advantaged through free trade agreements in North America and beyond.

These are important occasions that we should be celebrating, and I'm delighted that the Prime Minister is hosting the leaders here, and I look forward to receiving President Obama in the other place next week.

MANUFACTURING SECTOR

Hon. Victor Oh: Honourable senators, my question is for the Leader of the Government in the Senate.

Data from Statistics Canada shows that employment in the manufacturing sector in our country has declined by about 25,000 jobs over the last year.

The Canadian manufacturing sector is looking to the federal government for leadership in setting the right conditions to help ensure their success.

The Canadian Manufacturers & Exporters association recently wrote an open letter to the Prime Minister regarding the upcoming North American Leaders' Summit. One of the areas they would like the Prime Minister to raise with President Obama is that of an exemption for Canada under Buy American policies — as a top priority.

Buy American provisions have been hurting our manufacturing sector for years now and continue to do so. For example, the Fixing America's Surface Transportation Act, signed into law last December, requires Buy American provisions for public transit rolling stock to increase from the current 60 per cent to 70 per cent by fiscal year 2020. This applies not only to buses, ferries and rail vehicles, but their parts and components as well.

Could the government leader please tell us what specific action the Liberal government has taken to counter Buy American policies? Does the Prime Minister intend to raise this particular matter with President Obama next week at the leader's summit?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for his question. He raises an important component of the bilateral agenda, and the cross-border agenda in particular.

• (1500)

Without being specific about the agenda that the Prime Minister will be engaging in with the President, this is the exact kind of list of initiatives that I am sure they will be reviewing in terms of cross-border efforts to streamline, reduce and make more competitive the common economic space of North America.

As the Minister of International Trade stated during Question Period here earlier this week, the work of senators in this regard is also part of the lobby tool kit, if I can put it that way, of making

U.S. congressmen — who have some authority in these matters — sensitized to the importance of “buy North American” in a way to ensure that we maximize the benefits of our economic neighbourhood.

FISHERIES AND OCEANS

SHRIMP QUOTAS

Hon. Dennis Glen Patterson: Honourable senators, it seems that northern shrimp are migrating north to colder waters off Nunavut in response to warming waters further south. This is happening at the same time as DFO is reviewing its policies around reducing shrimp quotas. My conviction is that the policy being reviewed by DFO which is fondly known as LIFO, Last In, First Out — I am not really fond of it — is contrary to Canada's solemn obligations under the Nunavut Land Claim Agreement to respect the principle of adjacency in allocating shrimp and other fisheries resources.

Very quickly: Will you advance my concerns expressed in my statement last week to the Minister of Fisheries?

Hon. Peter Harder (Government Representative in the Senate): Indeed, I will.

The Hon. the Speaker: I am sorry, honourable senators; the time for Question Period has expired.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, I have the honour to table answers to the following oral questions. I would note that some of the dates for these precede my arrival. I will be brief if I can.

There are 11 of these: February 3, a question of the Honourable Senator Cowan concerning shipbuilding and the Coast Guard; February 3, questions of the Honourable Senator McInnis concerning the salmon fishery; April 14, questions of Senator Munson concerning the selection process for judges; April 13, question of the Honourable Senator Meredith concerning airline competition; April 21, question of the Honourable Senator Dagenais concerning the allotment of time on Bill C-10; April 21, the question of Honourable Senator Carignan concerning allotment of time on Bill C-10; April 21, the question of the Honourable Senator Lankin concerning allocation of resources; April 21, the question of the Honourable Senator Martin concerning the Pacific Northwest LNG projects; and May 4, the question of the Honourable Senator Munson concerning the establishment of a national commission on children and youth.

I table these questions in the expectation that senators will be eagerly reading the responses.

[Senator Harder]

FISHERIES, OCEANS AND THE CANADIAN COAST GUARD

SHIPBUILDING—COAST GUARD

(Response to question raised by the Honourable James S. Cowan on February 3, 2016)

- Under the National Shipbuilding Procurement Strategy (NSPS), the Canadian Coast Guard's new large vessels will be constructed by Vancouver Shipyards. This includes three Offshore Fisheries Science Vessels (OFSV), one Offshore Oceanographic Science Vessel (Oceanographic Ship) and one Polar Icebreaker.
- The new OFSV will replace three aging Canadian Coast Guard ships on the east and west coasts of Canada that provide a platform from which critical scientific research and ecosystem-based management can be performed.
- The new Oceanographic Ship will replace Coast Guard's largest science vessel, CCGS *Hudson*. The new ship will help to achieve the Department's science mandate as well as mandates of other government departments and agencies. CCGS *Hudson* currently operates on the east coast of Canada.
- The new Polar Icebreaker will help strengthen Canada's Arctic sovereignty. The vessel will be able to operate in the Arctic in more difficult weather conditions and for a longer period of time than is currently the case (three seasons instead of the current two seasons).
- The delivery schedule for Coast Guard's vessels at Vancouver Shipyards is as follows:

Three Offshore Fisheries Science Vessels	Fiscal Year 2017-18
Offshore Oceanographic Science Vessel	Fiscal Year 2018-19
Polar Icebreaker	Fiscal Year 2022-23

SALMON FISHERY

(Response to question raised by the Honourable Tom McInnis on February 3, 2016)

- The report of the Advisory Committee on Atlantic salmon proposes a wide-range of recommendations, many of which require an engagement with impacted stakeholders, as well as a detailed evaluation of supportive scientific evidence.

- That having been said, many of the Committee's recommendations in fact form part of the normal on-going departmental business. Accordingly, their implementation is well underway. For instance, the Department has already proceeded with stock management measures such as: closing of rivers, catch-and-release requirements, engaging international partners to curb over-fishing, studies on predation, and the enhancement of conservation and monitoring.

- Other recommendations are slated for implementation in 2016-17. These include recommendations related to science, enforcement and protection, habitat, and review of the Wild Atlantic Salmon Conservation Policy. Yet others will be considered over the longer-term as we strive to rebuild these wild salmon stocks.

JUSTICE

SELECTION PROCESS FOR JUDGES

(Response to question raised by the Honourable Bob Runciman on April 14, 2016)

- The Government of Canada has committed to a review of the entire judicial appointments process, based on the principles of openness, transparency, merit, and diversity. This review will achieve a greater degree of diversity within the Canadian judiciary, so that it will truly reflect the face of Canada.
- The Minister of Justice will work with interested stakeholders, including the judiciary, and Canadians on these appointments.
- In the interim, the Government is moving forward on measures that will facilitate appointments to fill highly pressing judicial vacancies as soon as possible.

MAGDALEN ISLANDS—EXTENSION OF AIRPORT RUNWAY

AIRLINE COMPETITION

(Response to question raised by the Honourable Don Meredith on April 14, 2016)

- Like virtually all major aviation markets, Canada limits the ownership and control of domestic airlines. Like the United States, we limit foreign investment to 25 percent of voting shares.
- Generally speaking, countries do not allow foreign carriers to provide domestic service (a practice known as cabotage). To do so unilaterally would place Canadian

carriers at a severe competitive disadvantage, which could ultimately lead to an erosion of service for Canadians.

- The question of foreign ownership of Canadian air carriers was raised in the *Canada Transportation Act* Review. Federal officials are examining the Review's recommendations with a view to proposing policy options.
- **Blue Sky Policy:** Under the Blue Sky Policy, Canada has concluded new air and expanded air transport agreements covering almost 90 countries.
- Looking ahead, we will continue to negotiate new agreements and expand existing ones, which will allow Canadian and foreign air carriers to further connect Canada to the rest of the world.

TRANSPORT

ALLOTMENT OF TIME ON BILL C-10—RESPONSE ONE

(Response to question raised by the Honourable Jean-Guy Dagenais on April 21, 2016)

- Transport Canada cannot comment on the use of time allocation in the House of Commons.

ALLOTMENT OF TIME ON BILL C-10—RESPONSE TWO

(Response to question raised by the Honourable Claude Carignan on April 21, 2016)

- The Government of Canada has introduced legislation to modernize the maintenance provisions of the *Air Canada Public Participation Act* (ACPPA).
- The amendments to the Act would allow Air Canada the flexibility to be competitive in a constantly evolving air transport sector.
- The ACPPA continues to reinforce the Government's expectation that Air Canada undertake aircraft maintenance in certain parts of the country.
- Transport Canada cannot comment on the use of time allocation in the House of Commons.

ALLOTMENT OF TIME ON BILL C-10— RESPONSE THREE

(Response to question raised by the Honourable Claude Carignan on April 21, 2016)

- Transport Canada cannot comment on the use of time allocation in the House of Commons.

INFRASTRUCTURE AND COMMUNITIES

ALLOCATION OF RESOURCES

(Response to question raised by the Honourable Frances Lankin on April 21, 2016)

- Through Budget 2016, the federal government introduced the \$3.4 billion Public Transit Infrastructure Fund (PTIF) and the \$2 billion Clean Water Wastewater Fund (CWWF) to encourage economic growth and support sustainable, livable communities.
- The federal government has also improved the Provincial Territorial Infrastructure Component (PTIC) of the 2014 New Building Canada Fund to provide provinces and territories greater flexibility to commit remaining funding within the next two years, by March 2018.
- Under the PTIC, changes have been made specifically to investment categories. The requirements for minimum traffic volume for the Highways and Roads category were reduced for the PTIC-National Regional Project, and eliminated for the PTIC-Small Communities Fund in order to reflect varying needs in provinces, territories, and communities across Canada. Five new categories of investment were added, including passenger ferries, cultural, recreational, tourism and civic assets.
- Unincorporated areas, designated by the provinces and territories, are eligible ultimate recipients under the PTIF and CWWF, and they remain eligible recipients under the PTIC. The provinces and territories are responsible for prioritizing eligible projects under these programs. Additional information about this program is available on Infrastructure Canada's website.
- Finally, under the Gas Tax Fund, the federal government transfers approximately two million dollars per year to the province of Ontario for the benefit of its unincorporated areas to use, in particular, for road projects.

NATURAL RESOURCES

PACIFIC NORTHWEST LNG PROJECT—RESPONSE ONE

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

- The Government of Canada is working to ensure that the energy sector remains a source of jobs and prosperity, and will do so in a manner that values sustainable

practices and restores the faith of Canadians in environmental assessment of major resource projects.

- The Government is committed to providing Canadians, including Indigenous Peoples, the opportunity to express their views and meaningfully participate in Canada's environmental assessment processes.
- On March 11, 2016, during the comment period on the draft Environmental Assessment Report and potential conditions for the Project, Pacific NorthWest LNG Ltd., the proponent, provided new information to the Agency. After careful review of this new information, federal scientific experts determined that greater detail and clarity was required from the proponent in order to determine whether the project is likely to cause significant environmental effects. Therefore, at the request of the Agency, the Minister of Environment and Climate Change granted a three-month extension for a decision to be made on the Project.
- The Government recognizes the importance of timely decisions, while balancing the need for a fair and thorough process that is grounded in science. The Government will make its decision on the Project within three months from when the proponent provides the required information.

PACIFIC NORTHWEST LNG PROJECT—RESPONSE TWO

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

- The Government of Canada is committed to ensuring the energy sector remains a source of jobs and prosperity, and the Government will do so in a manner that values sustainable practices and restores Canadians' faith in the way we assess major resource projects. The Government of Canada will continue to demonstrate every step of the way that building a strong economy goes hand in hand with protecting the environment.
- In Budget 2016, the Government committed to the accelerated capital cost allowance which supports investment in new liquefied natural gas facilities. The decisions to be made by this Government on new facilities like Pacific NorthWest LNG will be based on facts, science and evidence, will be informed by meaningful Indigenous participation and will serve the public's interest. The Government of Canada recognizes the importance of timely decisions, while balancing the need for a fair and thorough process that is grounded in science.
- Pacific NorthWest LNG has stated that it will continue to work constructively with federal agencies through this rigorous process. Pacific NorthWest LNG is developing additional scientific information; once that information is provided to the Government, it will make a decision on the Project within three months.

FAMILIES, CHILDREN AND SOCIAL DEVELOPMENT

ESTABLISHMENT OF NATIONAL COMMISSION ON CHILDREN AND YOUTH

(Response to question raised by the Honourable Jim Munson on May 4, 2016)

- It is important to coordinate efforts in an effective way to meet our human rights obligations with respect to children. All Canadian children deserve a real and fair chance to succeed. Budget 2016 introduced the new Canada Child Benefit, targeted to families who need it most: low- and middle-income families. I have also committed to working with provinces, territories, and Indigenous peoples to create an Early Learning and Child Care Framework as a first step towards delivering affordable, high quality, flexible and fully inclusive child care.
- As part of the upcoming discussion with Provinces and Territories to build the national Early Learning and Childcare Framework, I will engage with Provinces and Territories and Indigenous Peoples on the best ways to a means to stand up at a national level for the needs, views and rights of children, including the creation of a Canadian Children's Commission.

ORDERS OF THE DAY

BUDGET IMPLEMENTATION BILL, 2016, NO. 1

THIRD READING

On the Order:

Resuming debate on the motion of the Honourable Senator Harder, P.C., seconded by the Honourable Senator Bellemare, for the third reading of Bill C-15, An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures.

Hon. Larry W. Smith: Honourable senators, as chair and on behalf of the members of the Standing Senate Committee on National Finance, I will speak on Bill C-15, Budget Implementation Act, 2016, No. 1, which creates legislative changes to implement the goals set out in Budget 2016. Bill C-15 was referred to National Finance as well as three other committees who have reported on specific sections of the bill.

On Wednesday, June 14, 2016, the order of reference was given to our committee. We have examined the said bill in our pre-study, where we had nine meetings and heard from 54 witnesses from seven federal departments and agencies, as well as nine organizations outside the federal government.

[Translation]

Bill C-15 is 177 pages long and is divided into four parts.

Part 1 makes changes to the Income Tax Act that do away with some tax relief measures for families, implement the new Canada Child Benefit and eliminate the reduction in the tax rate for small businesses, leaving the rate unchanged at 10.5 per cent.

[English]

Bill C-15 restores the Labour Sponsored Venture Capital Corporations Tax Credit for provincial funds to 15 per cent, even though it had been phased out by provinces such as Ontario in 2012 and continues to be phased out for federal funds by 2017.

Several witnesses told us that this is an unfair subsidy to citizens in certain provinces — B.C., Saskatchewan and Quebec — and that it is the most ineffective method to stimulate venture capital investment, to the point of having a negative impact by crowding out capital that could be directed to more innovative and productive investments.

The returns of these investments have been shown to be extremely low as compared to other venture-type investments, and the largest benefit comes from the subsidy provided by the government. Not one witness could justify any good reason for the restoration of this particular credit.

Bill C-15 makes consequential amendments to the Income Tax Act that would come into effect on the passage of Bill C-2 relating to the new increased individual tax rate of 33 per cent.

As an aside to support the potential implications, you were told that individuals earning \$200,000 will have more taxes to pay to support the middle class. Of course, when we had the minister before us in committee, we asked him about the definition of “middle class.” He came to an agreement that it is individuals earning \$45,000 to \$90,000.

The \$1.8 million that will come from the 200,000 people who earn \$200,000-plus will be divided as follows. I thought senators would be interested to understand the breakdown. This was done for us by the Parliamentary Budget Officer. For those earning up to \$40,000 — or underneath that amount — there will be no benefit to taxpayers at that level. For those earning \$45,000 to \$60,000, there will be \$261.44 as an annual reduction; those earning \$60,000 to \$89,000 will receive \$696.44; and those earning \$90,000 to \$120,000 will receive \$766.37.

If the bracket goes from \$45,000 to \$90,000, you can see that people earning up to \$130,000 or \$140,000 will receive \$766.37, which is more than the people in the tax bracket that we wanted to help in terms of benefits. Those earning between \$140,000 and \$200,000 will receive between \$766.37 and \$820.43.

The point is that hopefully the government will have another look at the distribution of these funds and allocate the money to the group that needs the money the most, which hopefully will be defined as our middle class.

[Senator Smith]

I mention this not to create a commotion but to ask: What is the right thing to do, as a government, for the people of Canada? The old idea is that debt today means taxes tomorrow. This will clearly create another deficit of \$8.9 billion in five years.

Bill C-15 makes amendments to anti-avoidance rules regarding section 55 of the Income Tax Act. These are broad, sweeping changes intended to close a loophole. We received notice that this complex issue will cause considerable litigation for CRA.

Part 1 also closes loopholes regarding synthetic equity arrangements, makes adjustments for the changes to the treatment of Canadian Wheat Board shares for eligible farmers, and provides for some exemptions for withholding tax for non-resident employees that were received as positive news.

Senator Day, of course, discussed this the other day when going through Part 1 in terms of the tax.

A key concern with Part 1 is clause 47, which would allow taxpayers' information from CRA to be shared with the Chief Actuary. There is no provision in Bill C-15 to protect taxpayers' personal information or to require the Privacy Commissioner to enter into an agreement with CRA and the Chief Actuary to verify that citizens' privacy rights will be properly respected. We expect that action will be taken to address this issue.

[Translation]

Part 2 of Bill C-15 makes a few changes to the Excise Tax Act to abolish the GST on medical devices used in managing diabetes and permits the sharing of taxpayer information in respect of non-tax debts within the Canada Revenue Agency with regard to excise duties on tobacco and alcohol.

• (1510)

[English]

Part 3 of Bill C-15 makes further changes to the Excise Tax Act. There has been relief for taxes on diesel, heating oil and electricity generation. The new measure will now restrict tax relief on diesel for industrial purposes, aviation fuel, primarily impacting the northern regions of Canada.

Part 3 will also allow the sharing of taxpayer information within the CRA in respect to the collection of amounts owing related to the government under several acts, such as the Government Employees Compensation Act, the Canada Labour Code, the Merchant Seamen Compensation Act, Canada Student Loans Act, Canada Student Financial Assistance Act, the Postal Services Continuation Act, the Wage Earner Protection Program Act and the Apprentice Loans Act.

There were some important observations in Part 4, Division 7. Division 7 of Bill C-15 modified the Federal-Provincial Fiscal Arrangements Act formula with the Northwest Territories, Nunavut and the Yukon, which led to an \$88 million shortfall. We are pleased to see the government has since amended the bill. However, the territories still remain below funding levels established in original agreements. As two senators have given

me information, we should never use the word “small” for the territories in the North just because they have limited population; they are the largest land masses in our country.

Senator Patterson: Hear, hear!

Senator Smith: We heard from the Premier of the Yukon who expressed concerns about the practice of cutting transfer payments with short notice. Unexpected cuts to transfer payments that arise from the budget amounts unfairly constrain other levels of government. We suggest and hope the government will sit down and try to put the arrangements back to their former levels.

[Translation]

Division 8 has to do with the government's borrowing authority, and Senator Moore wants the Minister of Finance to get Parliament's approval before exercising this power.

[English]

Senator Moore did an excellent job, and of course Senator Day and I have been on the Finance Committee with other members and have heard the arguments of Senator Moore for three and a half to four years.

Under the change in the law, the government will have to, in extraordinary situations, recall Parliament and have a vote to get access to funds in emergency situations. However, the rule that had been modified, which gave extraordinary powers to the executive to take extraordinary means without the approval of the Governor-in-Council, will now have a two-pronged approach.

Our committee is concerned about one thing: Let us make sure that the exception does not become the norm.

Part 4, Division 9, changes the age of eligibility for Old Age Security from 67 years old back to 65. This is particularly troubling as evidence shows that Canadian citizens' life expectancy has improved. This move goes against demographic evidence and the trend of several countries that have made the change to 67 years old. In our report we encourage the government to reverse this decision and show that they are listening to parliamentarians and experts. This is all tied to debt growth and us paying the taxes for tomorrow.

Honourable senators, Budget 2016 is entitled “Growing the Middle Class,” and Bill C-15 is the first budget implementation bill used by the government for this purpose. The budget and Bill C-15 do not define “middle class.” Our committee would like to see the government clearly define this group so that Canadians can know whether budgetary measures are achieving intended results.

[Translation]

The National Finance Committee and three other committees examined the budget implementation act. Colleagues, I invite you to read the reports written by the Banking Committee, the Social

Affairs Committee and the Subcommittee on Veterans Affairs, which falls under the National Security and Defence Committee.

[English]

Briefly, the important findings are as follows: Under Part 4, Division 2, National Security and Defence evaluated changes to veterans' compensation and noted the proposed changes to the titles of programs have no effect until regulatory parameters can be articulated.

Also, the increase of the Earnings Loss Benefit from 75 per cent to 90 per cent, although positive, will have minimal impact for the lower ranked soldiers.

Under Part 4, Divisions 3, 4, 5, 6 and 10, the Standing Senate Committee on Banking, Trade and Commerce supported the changes that include providing protection for provincially regulated credit unions that are transitioning to federal credit unions and creating a bail-in regime to safeguard the economy in the event of a failure of banks that are systemically important. There are six major banks in Canada that would fall under this particular option or move, if you like.

Under Part 4, Division 12, the Standing Senate Committee on Social Affairs, Science and Technology evaluated the changes Bill C-15 makes to the Employment Insurance Act. The committee noted that there was insufficient clarity and transparency with respect to the criteria used to determine the specific EI regions that will receive special treatment.

Witnesses that came before us expressed concerns we were creating dangerous inequalities across Canada. The committee noted that small businesses might be negatively affected by having to incur additional payroll costs to support these changes.

As a committee, we are very concerned by the level of debt and the pressure that Bill C-15 and other measures in Budget 2016 that have not yet been articulated will put on Canadians. Witnesses that came before us reminded us that today's debt is tomorrow's taxes and that we should not be using stimulus spending when we are not in a recessionary period.

Honourable senators, I leave you to vote on the bill before you and would be pleased to answer any questions you may have.

Some Hon. Senators: Hear, hear!

[Translation]

Hon. Claude Carignan (Leader of the Opposition): Honourable senators, I would like to take a few minutes to put Bill C-15 in perspective. Just a few days after he was appointed Minister of Finance, Minister Morneau stated the following, and I quote:

The simple truth is that the economy has not performed as well as projected in the last budget.

He implied that the Harper government had drained the federal treasury. He said, “We now face a deficit of \$3 billion.” Political commentators added that, “The cupboard is bare.”

However, when we saw this bill, we knew immediately that the Minister of Finance had strayed from the truth. Honourable senators, the Minister of Finance is fortunate enough to have the support of some of the most learned and respected economists not just in the government but across the country, who are waiting for the opportunity to offer him expert advice.

Public servants clearly did not share their boss's take on the financial situation because *The Fiscal Monitor*, a prestigious Department of Finance publication, forecasted budget surpluses for November and December of 2015 and even for January and February of 2016. These surpluses far exceeded those forecasted by Conservative Finance Minister Joe Oliver in the 2015 budget.

The latest issue of the *Fiscal Monitor* indicates that Mr. Trudeau's Liberals dipped freely into taxpayers' money in March, transforming the \$7.5 billion surplus into a \$9.4 billion deficit in just 31 days.

The simple truth can be gleaned from the evidence: the economy is performing better than anticipated — in some provinces and territories it is booming — thanks to almost a decade of sound financial management by the Conservatives and despite enormous unexpected challenges faced by the markets.

Concerned by this latest round of political plays, Professor Gordon of Université Laval sounded the alarm in a recent article in the *National Post*:

The most generous explanation of the 2015-16 deficit puzzle is that the government knows something we don't, but this is just a polite way of saying that it's not being transparent.

The course set by the Minister of Finance in his 2016 Budget is based more on partisan politics than on a solid fact-based fiscal plan, and this does not bode well for the resulting legislative measures. The bill before us is chock full of initiatives dreamed up by an all-powerful government, and their implementation will increase bureaucracy, just like the budget bills of the 1970s and 1980s did.

This bill abandons accountability and does not indicate when and how this amount, which is now close to \$30 billion and growing, will be repaid. The Minister of Finance would be wise to listen to the comments made by Yves-Thomas Dorval, President and CEO of the Quebec Employers Council, who stated that:

There has to be a plan to return to a balanced budget.

• (1520)

Given that Bill C-15 fails to propose a fixed time frame, my fear is that the government will mushroom out of control and the public service will once again become ossified and archaic, as one of our colleagues in this chamber said.

[Senator Carignan]

Honourable senators will no doubt recall the infamous budget tabled in the other place in 1982 by our former colleague, the Honourable Alan MacEachen, the Minister of Finance at the time. The economic crisis it precipitated caused interest rates to skyrocket to 25 per cent, not to mention the unemployment rate, which was 13.1 per cent by the end of 1983.

I was a student at CEGEP at the time, and I remember it very clearly because it made quite an impression on me. I remember angry seniors protesting on the front lawn of Parliament after losing their life savings and young people like myself who had to borrow money at astronomical interest rates that they couldn't really afford.

It took Brian Mulroney's Conservative government nearly four years and a lot of hard work to get the economy back on track. The Bank of Canada had kept interest rates high in order to fight the inflation that persisted because of the measures taken by the previous government under Trudeau senior.

Canadians were working harder and harder, without seeing a noticeable improvement in their standard of living. Finally, on the backs of the provinces, which had been hit hard by huge reductions in transfer payments for education and health care, and by using the pension fund surplus for which the unions fought tooth and nail against the government, the Minister of Finance of the day, Paul Martin, managed to get Canada out of the red before he was unceremoniously kicked out of office a few years later.

Honourable senators, let us make no mistake about what Bill C-15 represents. Vision and courage have given way to a fictitious need to create a \$2 billion deficit at the end of the fiscal year to achieve the results that Minister Morneau is seeking.

There is no desire for transformation here. There is none of the bold leadership we would expect from a new government and a new Minister of Finance.

If we pass this bill and repeal the Federal Balanced Budget Act, it could take 50 years for the debt to disappear. Is it acceptable for the next generation to inherit our mortgage? In 50 years, my youngest daughter, Anne-Charlotte, will be 68 years old. She will have spent her life working to pay off the debt we are leaving her. That is unacceptable, honourable senators.

Esteemed colleagues, allow me to say a few words about the new Canada Child Benefit, which is on page 26 of this omnibus bill. All parliamentarians believe that we must do everything we can to help hard-working families and lift children out of poverty. If the Trudeau government finds a way to deliver more effective programs that produce better results for children and families, I'm on board.

However, we must not lose sight of the operative word here, which is "results." The Harper government achieved what seemed to be very promising results with the Universal Child Care Benefit, which the Trudeau government is so eager to replace. I'm not the one saying that; that was the United Nations.

You may recall that the United Nations was not always a big fan of the former government. However, in a 2014 report, UNICEF wrote that Canada had lifted over 100,000 children out of poverty since the 2008-11 recession. If I may, I would like to read directly from the report, which says:

Canadian government policies at all levels helped protect children from some of the worst ravages of the recent financial crisis.

The policies mentioned by UNICEF include the reduction in the GST from seven per cent to five per cent, the creation of the TSFA with the commitment to increase the contribution limit to \$10,000, and the introduction and subsequent increase in the child fitness tax credit.

In fact, all measures in the Conservatives' economic action plan announced between 2006 and 2016 resulted in tax cuts and higher benefits for families and individuals totalling \$37 billion. That represented \$6,600 for a typical two-income family of four people.

By comparison, this omnibus bill unwisely slashes many good tax credits for families, and introduces unproven programs with uncertain results, which gives us little reason to believe that they will be effective. Furthermore, it seems that the tax burden for working families will increase by \$1.3 billion this year and by another \$2.4 billion next year.

The minister, a former pension advisor from Bay Street, Toronto, knows that it makes no sense to give children benefits today that will have to be paid for tomorrow by their grandchildren. He knows that it makes no sense to lower the TSFA contribution limit. He knows that it makes no sense to abandon the age of eligibility for Old Age Security. He knows that it makes no sense to promise to increase contributions to the Canada Pension Plan, especially when it has been proven that the changes will not help the most vulnerable seniors. Nevertheless, he has chosen to establish the Canada Child Benefit on these premises.

Still, it's hard to imagine a segment of Canadian society that will suffer more because of this omnibus bill than small business owners. The only words that come to mind to describe the Trudeau government's approach are these: cold and calculated.

First of all, during an election campaign stop last summer, John McCallum, a member from Toronto and the former chief economist for RBC, promised that the Liberals would implement the Conservatives' small business support program, including our tax cuts. In a shameless effort to influence voters, the current Minister of Citizenship said, "On the small business tax cut, we will go along with the proposal in the budget, which is to lower it."

Then, just a few weeks later, the leader of the Liberal Party repudiated those words on television. Looking his interviewer straight in the eye, he 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.

When Budget 2016 was brought down in March, it became quite clear that the Prime Minister was about to deliver the coup de grâce to small business owners. Indeed, a tax measure included in the fiscal framework by the Conservative government one year earlier, one that was fully supported by a senior minister in the Trudeau Liberal government, was now being cancelled.

In its current form, the three-point amendment is hidden so well in Bill C-15 that even the Department of Finance officials had a hard time finding it during a committee meeting. It's no wonder that Canadian small business owners find our tax system too complex and hard to understand.

However, it doesn't stop there. Under the new employment insurance program, the hikes in employer and employee premiums will add up to billions of dollars. The elimination of the small business job credit will increase EI premiums by nearly 15 per cent in payroll taxes. Other costly regulations in support of these changes and a carbon tax are also on the books. Canada Pension Plan premiums are increasing again.

The Trudeau government is not concerned about small business owners or about fostering a climate conducive to their prosperity. We might say that this has been a consistent attitude across generations of Trudeaus.

This leads me to discuss the claims of a government that says it is "absolutely open and transparent with Canadians." It was the Minister of Finance who said that. He was talking about restoring Parliamentary approval of government borrowing at the time.

To demonstrate his government's commitment to greater transparency and accountability in the supply process, the minister need only ask the Senate to immediately pass Senator Moore's Bill S-204 on borrowing of money, which the leader of the government talked about last week in his speech at second reading. Senator Moore introduced this bill at the beginning of the session and it is still on the Order Paper. However, the minister insists that he has a better solution. He wants to give the Trudeau government 30 days to act without requiring pre-approval from Parliament — a delay he quietly added into Bill C-15.

• (1530)

This change will only restore the status quo. Senators know that it is nearly impossible to reverse a decision regarding money markets, given how quickly they move, especially if the parliamentary review takes place more than one month after the transaction. This is just one more example of the minister's bad faith.

I would now like to talk about what Bill C-15 tells us about the government's vision for innovation. Although the market fundamentals remained relatively strong throughout the first quarter, in spite of the low dollar and falling oil prices, Canada's chances for sustained growth are shrinking, and it will be increasingly hard for us to maintain our standard of living. Nevertheless, the government has not proposed any measures to market technology, promote new skills or expand innovative education programs.

The Minister of Finance put the cart before the horse when he went on about the billions of dollars in spending, without explaining how it will benefit our productivity or our workforce, which are the two main engines of long-term growth.

The theme running through the government's emerging financial policy is a reminder of how the economy was managed in the 1970s: the bigger the government, the better it is — see what a good job I'm doing?

The former government appreciated experts' input. It consulted with business leaders, such as Tom Jenkins, a pioneer in Canada's high-tech industry; Monique Leroux, a leader in Canada's financial industry; and Dr. David Naylor, President of the University of Toronto, in order to develop a clear road map based on the policy instruments required to foster growth. It would have been a good idea for Minister Morneau to read that testimony, instead of giving us a hodgepodge of commitments that do not have any clear objective other than to increase the size of the government.

Honourable senators, I have done my share of election campaigning, and I know that I can sometimes get carried away. However, as a candidate for public office, I always knew that there were specific groups that were above partisanship. The men and women who proudly wear the uniform of the Canadian Armed Forces make up one such group.

That is why, as I thumbed through the 2016 Budget, I was impressed to see that the government promised to host the Invictus Games in Toronto next year. This was just one of the promises. The budget contains about a dozen paragraphs setting out strong support measures for our veterans and their families.

If there is one thing I regret about my time as the Conservative Leader of the Government in the Senate, it is that my government did not properly express its support for those who put their lives on the line to defend our country. Not a sitting goes by that I don't catch myself looking at the murals that adorn our walls and thinking of the proud Canadians, the proud Quebecers, the proud members of my community and my family who served in the Canadian Armed Forces. Their sacrifices, which often go unrecognized, must never be forgotten.

During its terms in office, the previous government increased the National Defence budget from \$14.5 billion in 2005-06 to more than \$20 billion in 2014-15.

Therefore, it was reassuring to find in the Liberal election platform a commitment to continue moving in this direction, and I quote:

We will not let Canada's Armed Forces be shortchanged, and we will not lapse military spending from year to year. We will also reinvest in building a leaner, more agile, better-equipped military, including adequate support systems for military personnel and their families.

However, I was shocked to see in the 2016 budget that the government was continuing to mislead Canadians as Justin Trudeau's Liberals decided to cancel planned, vital investments in ships, aircraft and military vehicles during their term.

These investments are already on the books, were already approved by Parliament and have now disappeared. That represents \$3.7 billion in essential equipment that the men and women of the Canadian Armed Forces will have to do without as long as the Liberal government is in power, which, fortunately, is now less than four years.

For those of us who are older, this is déjà vu. For others who have been following this file for a short time . . . surprise! The Prime Minister's approach, which brings to mind the old expression "Let them eat cake!" was evident when the Senate received the Main Estimates and saw that the Trudeau government had axed another \$300 million from the military budget.

The Prime Minister may have changed his mind about the acquisition of new aircraft, but he did not hesitate to ask Department of Justice lawyers to resume legal proceedings against veterans who are trying to restore the pension benefits they lost. By the way, during the election campaign, the former government was constantly criticized by the Liberals for initiating these proceedings.

Honourable senators, we shouldn't be surprised at the government's lack of commitment or transparency on this file. Let's take another example: the changes to the Earnings Loss Benefit proposed in Bill C-15. There is a lot of confusion as to whether low-income veterans will be better off or worse off. The only clear thing — like the income tax changes proposed in Bill C-2 — is that this bill will do more for those who earn more than \$150,000 than for those who earn less than \$45,000.

If we look at Aesop's fable, I'm not sure that Prime Minister Laurier would agree with the current Prime Minister's interpretation of the "sunny way" and his concept of patriotism. It is clear that the government is not at its sunniest when it comes to supporting our Armed Forces.

In recent weeks, the poor Chief of the Defence Staff, General Jon Vance, was dispatched to the Senate Committee on National Security and Defence to explain Canada's new role in Iraq. Mr. Vance's comments left people rather perplexed when he said, and I quote:

We're not building an army; we're building an effect.

What a statement from one of the most eminent members of the Canadian Armed Forces, whose spotless career is anchored in years of service by his family.

I am not a military strategist, but having seen the recent media reports out of the Philippines showing the cowardly ISIS militants who brutally reminded us of our vulnerability as Canadians, I'm not convinced that an effect is what we need.

We seem to be taking a step backward. The government's proposal to allocate nearly \$600 million for the renewal of peace and security programs and \$100 million more for the International Police Peacekeeping and Peace Operations Program while investing just \$30 million in counter-terrorism capacity building suggests that it is out of touch with modern

warfare. Those amounts do not target the underlying causes of the problem, and terrorists will go on raping, enslaving and decapitating their victims.

While the Canadian government is trying to make its mind up about whether the killing machine known as Daesh is guilty of genocide or not, our allies, including France, are very clear on the subject. As we heard in the news recently, a French priest is working to expose the genocide being perpetrated almost daily in northern Iraq, which he compared to the actions of Hitler's death squads. He is calling for a swifter response from global partners such as Canada because the only way to put an end to this insanity is to defeat Daesh on its own battlefield.

Here we are, then: a \$30-billion deficit, a globe-trotting Prime Minister, a gracious but distant Minister of Finance and a Minister of Foreign Affairs whose preferred course of action is appeasement.

Honourable senators, when I think of Bill C-15 and the implementation of the government's new fiscal framework, I cannot help but think of the Honourable Jim Flaherty and the Honourable Joe Oliver and of how the current Minister of Finance has dropped the ball.

As I have said many times, I'm not an economist and I've never pretended to be one. However, if a contractor tells me that my renovations will cost \$10,000 but sends me a bill for almost \$30,000 a few months later, you would think me naive if I didn't question his math.

• (1540)

Honourable senators, the Trudeau budget is bad for Canada. The work of the Standing Senate Committee on National Finance proved that. I want to thank Senators Smith, Marshall, Eaton, Mockler, Neufeld and Andreychuk in particular for their hard work. Without those committee members, Bill C-15 would not have been studied.

I hope that the committee members on the government side are paying close attention. The work of a senator requires rigour and discipline. It is unacceptable that the Conservative members of the Finance Committee were practically the only ones in attendance throughout the entire session.

That being said, the Senate has a limited role when it comes to budgetary measures. The Conservative opposition will therefore act responsibly, while clearly expressing its dissatisfaction with Bill C-15.

[English]

Some Hon. Senators: Hear, hear!

Hon. Elizabeth (Beth) Marshall: Thank you, Your Honour. Senator Smith and Senator Carignan have given a thorough overview of the budget, but I would like to make a comment on a few areas. Specifically, I have five areas I want to make comments on and bring to the attention of my colleagues.

With regard to the budget bill, the first issue I would like to raise is the discrepancy between the Main Estimates and the budget — this happens every year — and also the necessity of having Supplementary Estimates (A), (B) and (C). There was a significant amount of discussion during the past year with witnesses regarding the differences between the total expenditures as indicated in the Main Estimates and the total expenditures indicated in the budget.

Now, this is an issue every year, but just to illustrate for the 2016-17 fiscal year, the Main Estimates indicate total expenditures for the year in the amount of \$251 billion, while the total expenditures, as per the budget, are \$317 billion. So that's a difference of \$66 billion. So this year, Treasury Board for the first time provided a reconciliation of the two amounts, and that was provided in one of the documents. They also made a commitment to address the issue, as well as hopefully reducing or eliminating the necessity of requiring Supplementary Estimates (A), (B) and (C).

The Finance Committee has spent a couple of hearings speaking with officials from Treasury Board Secretariat. The minister appeared before one of our meetings, and we also held a session outside of the meetings whereby he spoke about this initiative.

The members of the Finance Committee support this major initiative of the government, and we're looking forward to a more streamlined process where we can more easily follow the money as we go from the budget to the estimates and to the public accounts. So we're looking forward to the work that is going to be done by the government in this regard.

The second issue I wanted to raise is something that Senator Smith spoke about, and that's defining the middle class. If you look at the 2016-17 budget document, which I brought to the chamber here today, it's entitled *Growing the Middle Class*. The Finance Committee spent a significant amount of time discussing with witnesses what exactly the middle class is and how we could define it. We raised it not just with witnesses from outside government, but we also raised it with officials within government, the Treasury Board Secretariat, Department of Finance officials and also the Minister of Finance when he appeared.

Specifically, what we were looking for is what criteria an individual taxpayer or family has to meet in order to be considered the middle class. We were quite interested in that definition. It's important because the government has determined that one of its major objectives is to grow the middle class. The budget, of course, includes many initiatives which are intended to do exactly that: grow the middle class.

So in order to determine whether the budget initiatives have actually grown the middle class, we need to know who is currently in the middle class and what criteria they met to be included there. Then, once the budget initiatives have been implemented, we should be able to determine whether the middle class has actually grown, and exactly where they came from. Did they come from the lower class, or are people in the upper category going down into the middle class?

Unless we know that, how are we going to know whether the government has been successful with its budget initiatives, and whether they have in fact grown the middle class?

When Finance officials appeared before us, we actually asked them whether they track government initiatives to find out what is successful and what is not, and they said they do, so I think they are going to be challenged in determining whether this initiative has been successful. Despite raising the issue with a number of witnesses, we never did get a good definition of what the middle class is.

The third point I want to talk about is government's fiscal anchors. I spoke about this in the chamber before. The Liberal platform last year included a short chapter that was called "Our Fiscal Approach." Their platform indicated:

Our plan ensures that the government of Canada remains in a **sustainable** fiscal position.

Then the platform goes on to state — I think that's the end of the platform — the two anchors are:

In 2019/20, we will:

- Reduce the federal debt-to-GDP ratio to 27 percent
- Balance the budget

So that would be balancing the budget by 2019-20.

However, Budget 2016-17 indicates that the debt-to-GDP ratio, by 2019-20, will not be 27 per cent. Rather, it's projected to be at almost 32 per cent. The budget will not be balanced by 2019-20 as committed in their platform; rather, the deficit is projected to be \$17.7 billion in that year, and of course it's \$29.4 billion for the current year.

Effectively, the way I look at that is that the government has lost its two anchors, and we don't know when the budget will be balanced. I haven't been able to find any commitment by the Minister of Finance as to when the budget will be balanced.

So, recurring annual deficits over a lengthy period of time is concerning, and as Senator Smith said earlier — and I think Senator Carignan also said it — the deficits of today are the taxes of tomorrow.

The fourth area I want to talk about is something Senator Smith spoke briefly about, and that's the provision of taxpayer information to the Chief Actuary. There is actually a section in the budget implementation act which talks about that.

If you look at the Income Tax Act, section 241 as it exists now prohibits officials and other government representatives from communicating taxpayer information obtained under the act unless they are specifically authorized by the act. This is an issue for the privacy of taxpayers, and of course we're all taxpayers here, so our privacy would be of concern to us and other people, and also the security of that data, after it is provided to the Chief Actuary.

The budget implementation act includes a clause 47. That clause 47 is going to permit taxpayer information to be provided to an official for the sole purpose of enabling the Chief Actuary to conduct actuary reviews of certain pension plans. As I said, privacy issues are always a concern when taxpayer information is concerned and, of course, security of personal data is also an issue.

When the Finance Committee looked at this section, they decided they would refer this to the Privacy Commissioner to see what he thought about it, and also to determine whether this clause within the budget bill complies with the federal privacy legislation. And the Privacy Commissioner responded to us accordingly. I'm just going to share some of the comments, because we had a very lengthy letter from him and he pointed out some interesting things.

First of all, he said the budget implementation bill:

... as currently drafted would seem to allow for the sharing of personal information in circumstances where anonymized information would suffice. That is problematic from a privacy perspective since the sharing of personal information should be limited to only what is necessary for the Chief Actuary's purpose.

He said the Department of Finance officials have indicated that the information to be shared will be masked data in order to protect the privacy of taxpayers.

So it leads the Privacy Commissioner to understand that the government's intention is to mask, or de-identify, the information, but the Privacy Commissioner was somewhat concerned about whether the information could be re-identified once it's been de-identified.

• (1550)

He said the intention should have been made explicit in the bill. It is his position that, as a minimum, it should be confirmed in the agreement between the department disclosing the information and the Chief Actuary.

Once the budget bill passes, the Finance Committee will be writing to the Chief Actuary and making sure that the proper arrangements are in place. That would include a formal agreement regarding information sharing and privacy protection measures that will limit the collection of information, establishing retention times and providing for the destruction of information. The Privacy Commissioner in this letter concluded that if such an agreement were reached, then his privacy concerns about the bill would be attenuated.

The last area is program expenditures in general. When we looked at the budget, program expenditures are approved throughout government departments and agencies, but what we found was that certain initiatives are budgeted in a variety of departments and agencies, and it's very challenging to get a handle on exactly what the total program is costing.

For example, infrastructure spending is budgeted in 27 organizations in government. Funding support for First Nations, Metis and Inuit is also budgeted in numerous

organizations. I think the number was 50 there. Funding for Syrian refugees is budgeted in a number of organizations. I think it was about five.

Since estimates in performance reporting are provided on an organizational basis, it will be challenging and sometimes difficult to track overall spending and the results of initiatives. This is something the Finance Committee will be looking at when we return in September.

Thank you very much, honourable senators.

Some Hon. Senators: Hear, hear.

[Translation]

Hon. Percy Mockler: Honourable senators, the people I represent have some concerns about Bill C-15. They deplore the fact that the bill is incomplete.

[English]

With Bill C-15, I believe the new government missed an incredible opportunity to embrace Energy East's project as actively as the previous government did. It is a nation-building project. It would represent a much-needed economic boost in the construction phase and in the longer term with good-paying jobs for the people of New Brunswick.

Honourable senators, I have learned from my political career in serving the public that failing to prepare is preparing to fail. I agree with the previous speakers: our chair, Senator Smith; our leader, Senator Carignan; and Senator Marshall.

Today I want to comment on Bill C-15, the budget bill for 2016-17, and the view from New Brunswick after many discussions with the people that I represent. There is no doubt in my mind that if the Trudeau Liberal government, during the campaign of 2015, had told the people of Canada and the people of New Brunswick, "We want a mandate to increase the debt of Canada for the next four years by approximately \$30 billion every year," they would not have formed the government. They were never given a mandate to increase the deficit and transfer the payment of that deficit to our children.

Honourable senators, I was part of a ministry of the Government of New Brunswick under the leadership of Premier Bernard Lord, and we tabled seven budgets. Six of those budgets were surpluses, and, to remind this chamber, we applied the great majority of the surplus to the provincial debt because we knew the challenge we had to face. We said "no" to transferring the payment on to our children and our grandchildren.

We made tough decisions, but I know, as a democrat, we respected the will of the people. We were told not to transfer those debts to our children.

Today, what I see is that we are charting muddy waters. We are mortgaging the lives of our children and grandchildren. The Liberal fiscal plan of the day is a great concern for all Canadians

and New Brunswickers and the hard-working people that we all know. The budget bill 2016-17 is a grave concern to us all. When will it be balanced? That is the question to be asked. It seems that nobody knows.

[Translation]

I agree with Jack M. Mintz, who wrote the following in one of his articles, and I quote:

[English]

Evidence keeps calling for tax cuts, but politicians keep ignoring it.

I want to share with you some other concerns from New Brunswick. Like many members of the National Finance Committee who have sat through the testimony of over 50 different witnesses, I too have concerns about this legislation and what it represents. We need a plan to return to a balanced budget. Many witnesses, including extremely well-respected economists from coast to coast to coast, think tanks and universities, caution us about the size of this deficit and this Budget 2016.

I know this government understands how important it is to pay back what we borrow in a timely manner. As we have heard, they included it as one of the only two anchors in their election platform, and the reference can be found on page 75 of a document entitled *A New Plan for a Strong Middle Class*.

I would like to remind senators and the Honourable Speaker of the last time previous governments let the budget out of control, and the only way the debt could be paid off was on the backs of the hard-working people of New Brunswick and Canadians. Honourable senators, that was a time in our history that we do not want to return to and a lesson in economics that we do not want to forget.

On the administration side, another concern I have blends with what we have heard from witnesses appearing before us on the government's infrastructure program. Although we remain in the early stages of this study, I am concerned about departments and agencies like Canada Mortgage and Housing Corporation. Do these organizations have the capacity to manage the money we are approving in Bill C-15 and the two supply bills?

As we have discovered through our work here in the Senate, it's one thing to rubber-stamp budget bills, it's quite another to have confidence that the government has given their employees the capacity, whether with more staff, more training or technological support, to do what they need to do to ensure taxpayers' money is well spent from coast to coast to coast.

Finally, honourable senators, I am concerned with what is not in this bill. There is nothing in the legislation that supports agriculture and farmers. There is also nothing in this legislation that supports the forestry sector. Tree breeding is big business, and even bigger business for the hard-working people in Atlantic Canada.

• (1600)

At a time when jobs are scarce, we need to do all we can to support global leaders and tree development. As we all know, the forestry sector in Atlantic Canada is a world leader.

Honourable senators, it was only a few short weeks ago where we paid tribute in this place to Dr. Greg Adams and Dr. David Miller, two scientists recognized for their discovery of a toxin that will combat the negative impacts of spruce budworm. With billions of dollars being committed in the government's fiscal framework, which includes Bill C-15, more attention has to be given to natural resources and agriculture.

These are my concerns viewed from New Brunswick. I wish to thank you for giving me this opportunity to express them. Honourable senators, I will abstain on the vote for Bill C-15 for the people of New Brunswick.

Hon. Daniel Lang: Colleagues, I rise briefly to speak on the report of the Standing Senate Committee on National Finance regarding Bill C-15.

First, I would like to commend Senator Larry Smith and the other members of the committee, as well as the staff, for the work they did on the bill. It was a job well done.

The report, if you read it, is very thorough. I want to say that I appreciate the fact the committee took the time to hear from the regions of Canada, especially the North, which was negatively impacted by this budget.

Colleagues, I want to direct you to a quote from the report's observation:

While an official from Finance Canada told your committee that the department had received positive feedback on its changes, in a presentation by the Premier of Yukon, Darrell Pasloski, and written briefs from the Northwest Territories and Nunavut, your committee learned that the change would still leave Nunavut with a shortfall of \$7.7 million and Yukon with a shortfall \$6.5 million. . . . [and the Northwest Territories with a shortfall of \$8.6 million this year.]

The report goes on further and states:

As these are small jurisdictions that rely on federal transfers, the shortfall has led to significant budgetary pressures. The key principles of territorial financing are predictability and stability. When technical changes have led to reductions in the past, the federal government always ensured the territories were made whole. The Premier of Yukon told your committee that consultation and dialogue is the appropriate thing to do; it is how governments get results for citizens. Your committee agrees and urges the federal government to return to negotiations with the territories in order to reinstate the shortfall in territorial financing.

Colleagues, losing \$22.5 million per year may not seem like much in the context of Ottawa spending, but to Canada's North, with its small populations and small tax bases, this is a lot of

money. Projected over five years, this budget amendment will mean the North will take a financial hit of over \$100 million, monies that are needed for health care, social development and services for our most vulnerable, including seniors.

The Yukon premier made the case before the committee that there is a need for continued positive and constructive dialogue between the federal government and the territories to correct this injustice.

I want to say on the record that I thank the Premier of Yukon for his appearance before the committee, as well as the two other northern territories that brought forward their observations to the Standing Senate Committee on National Finance to ensure all parliamentarians are aware of what is happening in Canada's North.

Colleagues, I urge the government to do the right thing: follow the recommendations from the Standing Senate Committee on National Finance "to return to negotiations with the territories in order to reinstate the shortfall in territorial financing."

The importance, colleagues, of this recommendation cannot be understated, because this gives a basis for the newly elected government MPs in Yukon, Nunavut and Northwest Territories to bring forward this issue to their colleagues, to their caucus and to the Government of Yukon to correct, once again, a very serious financial injustice.

I want to bring this clearly to the attention of all senators, namely the implications of this arbitrary decision taken by the Government of Canada, because it can happen to your province. This was an agreement that was in place on which there was clear understanding of what the transfer payments were going to be for the three territories, and there was an arbitrary decision taken by the Government of Canada to make these substantial cuts, I would add, retroactively.

Colleagues, this has been done in the past. If you remember when Canada was facing a recession, the country was suffering from major financial problems because of mismanagement by the Government of Canada, and the Government of Canada took the position that they were going to a balanced budget and cut back transfers to all of the provinces and territories. It was on their backs that the Government of Canada balanced the budget. That can happen again.

I would like to think that I have the support of all members in this house, recognizing that an agreement was broken, which should never have been broken, because there is a trust relationship among provinces and territories with the Government of Canada, and once the agreement is struck, both sides should carry out their responsibilities.

On an overall aspect of the budget and viewing what has been presented to the Parliament of Canada — both the House of Commons and the Senate — I want to express my serious concern about the deficit that is being projected this year. When you are looking at \$25 billion to \$30 billion, this is a substantial amount of money.

Quite frankly, I have to ask — and I think we should all ask, as Canadians — is it really necessary to put ourselves in this position

at this time, in view of the state of our economy? When I think about it, as one friend of mine said back home a number of weeks ago, "I think Canada is the only country I know of that is trying to spend their way into a recession." I feel we had better start thinking about that; it was a reasonable statement. Why are we going to expand the size of the expenditures of government and look at where those monies are being put to see the end result?

I think Senator Smith, Senator Marshall, Senator Mockler and others have already pointed out that the budget does not really look at economic growth. If you look at the projected revenues that will be coming in to the Government of Canada, there will be a significant shortfall. The risks and the assessment of those risks indicate that we will be in very deep financial trouble in the next couple of years if we do not get hold of the financial responsibilities and expenditures of the Government of Canada.

I think that this place, the Senate, is the forum where we can speak about these numbers in a much more non-partisan way than the other side. Why are we spending these monies? Are we getting a result for our dollars, as outlined by Senator Marshall, as we talk about the middle class? What is the middle class? Will we reap the benefits of some of the initiatives that have been taken?

I want to say, colleagues, that I am very concerned about the direction we are going. Anti-development positions seem to have been accepted by the Government of Canada through vested interests that have been brought forward to the point where we cannot build a pipeline because there are too many people saying "not in my backyard."

Senator Mockler talks about Energy East. Well, I want to talk about the West. What has happened to Pacific NorthWest LNG? What has happened to the oil pipelines to the West? Why can't Canada build a pipeline? How come, all of a sudden, after about 10 years of this constant barrage throughout the media, we all view a pipeline as something that we can't consider building? We all want to drive vehicles; we all have oil furnaces; we all use the services provided through the oil and gas industry, yet a pipeline can't be built.

• (1610)

Where I come from in the Yukon, 700 miles up the road is the Alaska oil pipeline. It has been in existence for almost 50 years. It has had one small spill on the pipeline itself. It empties into one of the richest fisheries in the world, and those tankers sail past the British Columbia coastline every day, yet we can't build an oil pipeline.

We can't reap the benefits of our resources because organizations that are, in good part, receiving funding from the American foundations are telling us that it is bad for Canada. Yet in the United States, they built 12,000 miles of pipeline last year.

Did anyone hear any negatives about greenhouse gas emissions? No, we didn't, because someone wasn't being paid to tell them it was a bad thing. But they come here and talk about greenhouse gas emissions in Canada.

I believe that it is not government spending that we need. We need some government common sense that, when it comes to these issues, we will make these decisions and say it's in the best interest of all Canadians. Until we do that, we will have a situation where government spending will be totally out of control, and eventually, we will have a 50-cent dollar. We will all reap the benefits of that, honourable senators.

I want to say to that I think that many of the premises in the budget are not based on reality. Therefore, I will be abstaining when it comes time to vote.

Some Hon. Senators: Hear, hear!

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

Hon. Senators: Question.

The Hon. the Speaker: It was moved by the Honourable Senator Harder, seconded by the Honourable Senator Bellemare, that this bill be read the third time.

All those in favour of the motion will please say "yea."

Some Hon. Senators: Yea.

The Hon. the Speaker: All those opposed to the motion will please say "nay."

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the "yeas" have it.

And two honourable senators having risen:

The Hon. the Speaker: Do the government liaison and the opposition whip have a time on the bell?

Senator Mitchell: Thirty minutes.

The Hon. the Speaker: The vote will take place at 4:42 p.m.

Call in the senators.

• (1640)

Motion adopted on the following division:

YEAS THE HONOURABLE SENATORS

Baker
Bellemare
Campbell

McCoy
Mercer
Merchant

Cools	Meredith
Cordy	Mitchell
Day	Moore
Duffy	Munson
Dyck	Omidvar
Eggleton	Petitclerc
Fraser	Pratte
Gagné	Ringuette
Harder	Sibbeston
Hubley	Sinclair
Jaffer	Tardif
Joyal	Wallace
Kenny	Wallin
Lankin	Watt—34

NAYS

THE HONOURABLE SENATORS

Batters	Martin
Boisvenu	Neufeld
Carignan	Ogilvie
Dagenais	Plett
Doyle	Raine
Eaton	Stewart Olsen
Enverga	Tkachuk
Maltais	Wells—17
Marshall	

ABSTENTIONS

THE HONOURABLE SENATORS

Andreychuk	Nancy Ruth
Ataullahjan	Ngo
Beyak	Oh
Black	Patterson
Greene	Runciman
Lang	Seidman
MacDonald	Smith
McIntyre	White—17
Mockler	

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

THIRD READING

Hon. André Pratte moved third 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, I rise to urge you to vote in favour of Bill C-10, An Act to amend the Air Canada Public Participation Act. What is at play here is the future of Air Canada — not its survival, of course, but its financial health, so it can remain one of the best, largest and safest airlines in the world.

Passed in 1988, the Air Canada Public Participation Act paved the way for the privatization of Air Canada. Among the conditions imposed on Air Canada at the time, it was required to “maintain operational and overhaul centres” — heavy maintenance centres — “in the City of Winnipeg, the Montreal Urban Community and the City of Mississauga.”

• (1650)

This is the clause that is modified by Bill C-10, to take into account the complete transformation of the aircraft maintenance industry over the last 30 years. Think of how the maintenance and repair of your car has changed since the 1980s, or of your television set. Well, the change has been even more radical for aircraft.

Thirty years ago, airlines did all the maintenance in-house, including the heavy maintenance that requires taking the plane out of service for weeks and disassembling it. Nowadays, heavy maintenance is outsourced to specialized companies that can spread the huge costs involved amongst many clients. Therefore, the requirement imposed by the act 30 years ago is completely outdated.

[Translation]

Honourable senators, after filing for protection under the Companies’ Creditors Arrangement Act in 2003, Air Canada divested itself of its heavy maintenance services, and that division of Air Canada became a separate company called Aveos. Aveos later became a specialized company whose clients included Air Canada and other airlines. Unfortunately, the venture failed and Aveos went bankrupt in 2012, putting 2,600 workers, most of whom were located in Montreal and Winnipeg, out of work.

In the hope of getting Air Canada to take these workers back, the Government of Quebec, with the help of the Government of Manitoba, took the company to court, arguing that Air Canada was violating the Air Canada privatization act by failing to keep maintenance centres in Montreal and Winnipeg. The Quebec Superior Court and the Quebec Court of Appeal ruled in favour of the Government of Quebec. Air Canada asked the Supreme Court for leave to appeal.

[English]

All that court case proved was that the model that the 1988 act sought to cast in stone had become obsolete. That is what Bill C-10 proposes to change. It will bring the Air Canada Public Participation Act into the modern age. It will free Air Canada from the constant threat of litigation based on obligations inherited from a past long gone. Moreover, when passed, Bill C-10 will put the airline on a level playing field with its competitors, both Canadian and foreign, none of which are bound by the same constraints.

[Translation]

First, by referring to the provinces of Quebec, Ontario and Manitoba rather than the cities of Montreal, Mississauga and

Winnipeg, the bill recognizes that aviation-related activities are also conducted in areas beyond these cities.

Some senators wondered why Bill C-10 refers only to these three provinces. The reason is that the 1988 legislation sought to preserve the maintenance centres that existed at that time in Montreal, Mississauga and Winnipeg. Obviously, there is nothing in the bill to prevent Air Canada from maintaining its aircraft in other regions of the country. Air Canada's partner, Jazz, has heavy maintenance done on its aircraft in Halifax. Air Canada does some of its line maintenance in Vancouver and Calgary. What is more, it is important to remember that Air Canada employs 4,000 people in British Columbia, 2,400 in the Prairie provinces and 1,000 in the Atlantic provinces.

[English]

Under the bill, Air Canada would no longer be required by law to maintain "the operational and overhaul centres" that existed in 1988. 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.

The unions representing Air Canada machinists worry that the flexibility provided to Air Canada by the new language will allow the company to outsource all of its maintenance outside of Canada. Twenty-four hundred people presently do the line maintenance for Air Canada. Those jobs will remain in Canada, because most line maintenance — that is, the daily maintenance of aircraft — will by nature always be done in the company's hub airports, namely, Toronto, Vancouver, Montreal and Calgary.

The union's concerns are legitimate but unfounded. Bill C-10 will not destroy jobs; it will create hundreds of jobs. That is because early this year, Air Canada signed deals with the Governments of Quebec and Manitoba to establish in those provinces maintenance centres of excellence.

In Winnipeg, 150 jobs will be created next year as three of Air Canada's current maintenance suppliers will move operations there and develop new business.

In Quebec, up to 1,000 jobs could be created as Air Canada's new fleet of C Series jets, as well as those bought by other airlines, will be maintained at the new facility. As you know, Air Canada has just ordered 45 CS300 jets, with an option for 30 others.

It is true that Air Canada has outsourced some of its heavy maintenance outside of Canada. It did so after the abrupt failure of Aveos, because that was the only option; no other company in Canada could do the job. It has also done so because, as I explained earlier, that is the way things are done nowadays: the heavy maintenance industry has become a global, specialized one. According to the International Air Transport Association, IATA, in 1990, 30 per cent of heavy maintenance was outsourced. Last year that proportion had increased to 65 per cent.

Now, Bill C-10 does not remove all 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 have to remain under Canadian ownership and control.

[Translation]

Air Canada will also have to continue to comply with the Official Languages Act. In my opinion, in light of the recent special report from the Commissioner of Official Languages, action will be needed to ensure that Air Canada does much better in this regard.

[English]

Manitoba's new government has asked us to delay passage of the bill until the province receives firm commitments from the federal government for funds dedicated to skill development in the aerospace sector. Negotiations have progressed between Ottawa and Winnipeg on that front. The Government of Canada has just agreed to finance Phase 3 of the Centre for Aerospace Technology and Training at Red River College. That's a \$10 million investment over five years.

I understand from Senator Harder's statement today that the government has committed an additional \$5 million for training in the aerospace sector. Thanks to the efforts of the Governments of Canada and Manitoba, to those of Senator Harder, Senator Plett and other senators, and thanks to the efforts of Air Canada, that's \$15 million, plus at least 150 jobs for the province of Manitoba.

[Translation]

The bill must be passed before we adjourn for the summer. The centres of excellence and the hundreds of related jobs are at stake. The Supreme Court's decision on Air Canada's application to appeal has been suspended until July 15. Regardless of what the court decides, this could turn into a legal saga.

In the brief she submitted to the Senate Committee on Transport, Quebec's minister of economy, Dominique Anglade, said that the Government of Quebec was asking that Bill C-10 come into force as soon as possible, by the end of the parliamentary sitting at the end of June 2016.

[English]

Think about this: The Government of Quebec, the one that initiated litigation against Air Canada in the first place, is now ready to abandon the judicial route and is asking us to pass Bill C-10 as early as possible. Why? Because they are anxious to eliminate the legal uncertainty that prevents Air Canada from finalizing their order of C Series aircraft and putting in place new maintenance centres of excellence in the provinces of Quebec and Manitoba.

Honourable senators, by voting in favour of Bill C-10, you will be voting for Canada's national air carrier to remain one of the best airlines in the world; you will vote for a unique, all-Canadian partnership between Air Canada and Bombardier; and you will vote for hundreds of new, highly qualified jobs in the aeronautics industry in Manitoba and Quebec. Thank you.

Some Hon. Senators: Hear, hear!

Hon. Frances Lankin: Would the honourable senator accept a question, please?

Senator Pratte: Sure.

Senator Lankin: I say this with respect: You are very persuasive, particularly in your closing remarks. There should be television, right? That should be the ad in support of Air Canada.

Unfortunately, I'm a little cynical about some things in terms of promises from Air Canada.

In the Air Canada Public Participation Act, the commitments that were there for jobs in Quebec and in Manitoba, the company has been in breach of those legislative commitments for some length of time. With respect to obligations and commitments to the Official Languages Act, they have not lived up to those for some length of time. The agreements that they have entered into and apparently concluded with the governments of the provinces of Quebec and Manitoba, we've been unable to see. Although the provinces have been able to share those, the corporation has refused those to the Senate committee even when the Senate committee offered to swear confidentiality around that. So we don't know the terms, the nature or the length of time for the commitment, although we know the bill takes away any long-term commitment for maintaining any particular number and that they can lower that number at any given time.

• (1700)

Given all of that, while I respect the point you make about the Quebec government being willing to withdraw litigation, I feel less than confident in the commitments that are being made.

Could you share with us why it is that you are so confident that Air Canada will live up to its commitments this time?

Senator Pratte: You have to trust at some point. The Government of Quebec is the one that initiated the litigation. If they were not confident, they could continue on that route. They won twice; they could continue and wait for the decision of the Supreme Court of Canada if they were so confident.

The truth is there are many possible interpretations of the current act. It is true that Quebec won twice, but they could lose in the Supreme Court of Canada. There is no guarantee that the Supreme Court of Canada will say, "Yes, Quebec is right in their interpretation of the act."

When we say Air Canada did not respect the act as it is now, it is according to what the Court of Appeal of Quebec has said, but we are not sure that is the final interpretation of the act. There is a possibility that the Supreme Court of Canada would say that the way the Court of Appeal has interpreted the act is not correct, and there we would find ourselves with nothing.

If we go in the way that the Government of Quebec has chosen, there is a very good chance that there will be centres of excellence and jobs in Manitoba and Quebec. The Government of Quebec and, as far as I know, the Government of Manitoba are satisfied with the guarantees they have received from Air Canada.

Of course, there is no foolproof guarantee. This is economics. If Air Canada is not in good financial health, and if the C Series, in the case of the centre of excellence in Montreal, does not perform as well as we all hope, obviously there will not be 1,000 jobs in Montreal; there will be far fewer.

Hon. Donald Neil Plett: Honourable senators, I rise today to speak to Bill C-10, An Act to amend the Air Canada Public Participation Act and to provide for certain other measures.

As I have said repeatedly, my concern with this legislation is not the principle, as the principle of this legislation is something that I can support.

Air Canada is likely not benefiting from the Crown to the extent that they should still be subject to the obligations that they agreed to in 1988. For that reason, I support another step toward the complete privatization of Air Canada's right to operate as a private company.

Some Hon. Senators: Hear, hear!

Senator Plett: And, hopefully, they will not be coming and asking for more money, in the next little while, from the taxpayers of Canada.

However, I am less impressed with the way the government has acted, the way Air Canada has acted and the very suspicious timeline with which this came about.

As I am sure most of my honourable colleagues are aware, Air Canada appeared at the Standing Senate Committee on Transport and Communications yesterday.

Air Canada prides itself on being a significant investor in the Canadian economy, and there is some merit to that. The corporation employs thousands of Canadians, and until recently there was no question that the corporation upheld their maintenance location commitments as set out in the Air Canada Public Participation Act. However, at committee, I was surprised to learn that their recent announcements of investment in the purchase of 75 Bombardier jets and the opening of the centres of excellence in Quebec and in Manitoba were entirely conditional on this bill.

At committee, I asked Air Canada whether they would open these centres in order to keep in line with their commitment to the Canadian economy, regardless of the bill's passage. Senior Vice President Kevin Howlett replied:

What I can tell you is if this bill does not go forward, we will not create the centres of excellence in Manitoba and we will not create the centres of excellence in Quebec.

I also asked why there was growing concern that the Bombardier purchase would be in jeopardy if this bill did not pass, and the Air Canada representative would not give us a straight answer. I asked if Air Canada was purchasing Bombardier C Series jets because they are a great aircraft or to appease Quebec. Again, we received no answer.

As of now, they have only given a letter of intent for the Bombardier purchase and have refused to turn this into a firm order. It is apparent now that the reason for the reluctance is because the contract is contingent on this legislation passing.

Senator McCoy asked if Air Canada would commit unequivocally to opening the centres of excellence if the bill were to pass, to which they responded yes.

Senator Boisvenu asked Air Canada whether they would support an amendment in the legislation committing Air Canada to the centres of excellence upon the passage of this bill. Senator Boisvenu attempted several times to get a straight answer. The executives finally confirmed no, they would not support that amendment.

All of this is a little disconcerting, colleagues. While I support the merits of another step toward privatization, threatening Parliament with the loss of Canadian jobs is not the way to encourage public policy.

Some Hon. Senators: Hear, hear!

Senator Plett: I also remain suspicious of the timeline in which this bill was introduced. First of all, I wish that the government had at least waited for the environmental assessment before making the decision that Billy Bishop airport in Toronto would not be permitted a runway extension, therefore barring the \$2 billion order to Bombardier.

We could have allowed free enterprise to take its course, which would have represented a major contract for Bombardier. But instead, because the government got involved, now the government is pressuring Parliament to quickly fix it through legislation.

I also believe that Air Canada made a terrible case as to how these amended provisions would be a financial benefit to their corporation. As Senator Mercer raised in committee, Air Canada was, in essence, put on notice about the specific financial questions that would be posed to them.

We had earlier asked some union representatives at committee how much money Air Canada is saving by doing their maintenance outside of the country. They, in fairness, did not have a precise answer, nor could they be expected to.

I told the executives of Air Canada, in a separate meeting the evening before, that the same question would be coming forward when they testified. So they knew the question was going to come. When I asked them at committee, they would not give an answer.

Senator Mercer: Shame!

Senator Plett: They made reference to a competitive bidding process but provided the committee with no information.

This lack of information, combined with the fact that Air Canada never once listed aircraft maintenance as a financial concern on its submission to the Canada Transportation Act review board leaves me with little impression that these provisions will alleviate financial pressure for the corporation.

With that said, colleagues, that does not take away from Air Canada's right to operate as a private corporation.

As my honourable colleagues know, my major concern was quite explicitly the government's failure to fulfil a clear commitment to my province, Manitoba.

The Manitoba government's support of this legislation was contingent on this, as without the fulfillment of this commitment, there would be a substantial net loss to the Manitoba aerospace industry, which would have a direct impact on jobs and the economy.

After aggravating and tireless effort on my part, as well as the Manitoba Progressive Conservative government's, I acknowledge that, as Senator Harder said, the government has now, to a degree, delivered on its promise. Manitoba is cautiously optimistic that even with the passage of this legislation, there will be a net gain for the province. I will comment on that more a little later.

I thank Senator Harder, the Leader of the Government in the Senate, for doing his best for Manitobans, while the Liberal MPs from Manitoba, including the minister who personally made the commitment, had no interest in doing so.

Minister MaryAnn Mihychuk, who personally made this commitment to the Manitoba government, has not been available for media comment until yesterday when she finally spoke to the *Winnipeg Free Press*. When asked about the \$20 million in aerospace training that she promised the Manitoba government, the minister's response was, as I said earlier, that she was "involved in some early discussions that were confidential," yet the minister refused to provide further details, now saying she was no longer on this file.

• (1710)

"I'm a little surprised we're talking about this in the media," she went on to say.

Colleagues, it is truly shocking that a federal cabinet minister is surprised that she has to talk to the media about her failure to honour a \$20 million commitment she made to her province, the Government of Manitoba. I would add that with this government's record on broken promises, it is critical that the media hold them to account.

The silence from the Manitoba Liberal members of Parliament on this is truly astounding. Where was Jim Carr on this file, the senior Manitoba cabinet minister? Why was my member of Parliament, Dan Vandal, not standing up for Manitobans? Why did Doug Eyolfson — the member of Parliament who, after acknowledging that this bill would negatively impact the number of quality jobs in his riding — vote in favour of this legislation at report stage? They have been silent.

Again, colleagues, where was Minister Mihychuk, the Minister of Employment, when it came to standing up for Manitoba jobs? She personally negotiated the deal with Manitoba, and when the government had not delivered on its commitment, what was her response? Deafening silence.

Senator Tkachuk: Shame!

Senator Plett: It took the intervention of this Senate, colleagues, to ensure that all of the commitments were honoured before this legislation would pass.

Some Hon. Senators: Hear, hear!

Senator Plett: Yes, please. My notes, colleagues, say that:

I am hopeful that the Trudeau government will deliver on the remainder of the committed funds, and I am confident that I can count on my Manitoba colleagues on both sides of this chamber to work hard to ensure that happens.

Colleagues, in the last 10 minutes, while I was listening to Senator Pratte's speech, I got an email from the Province of Manitoba that they are telling me they are that close to the other \$5 million.

Some Hon. Senators: Hear, hear!

Senator Plett: I expect every member in this chamber to hold that government to account. They made a promise and we expect them to keep it.

On that note, honourable senators, I want to thank all of my colleagues from Manitoba on both sides of this chamber. I want to offer my sincere gratitude to all of my colleagues on this side of the chamber for their constant and unwavering support throughout a difficult few weeks.

I want to thank you all on a personal note, and especially on behalf of the province of Manitoba, for your support.

Colleagues, I have some clear concerns with the origin and the impetus of this legislation and the lack of effort on the Trudeau government's part to honour their commitment to the affected provinces. However, I believe that it is time that Air Canada moves another step toward independence and privatization. For that reason, colleagues, I will not oppose this bill. Thank you.

Some Hon. Senators: Hear, hear!

Hon. Terry M. Mercer: Honourable senators, I wasn't going to speak on this bill at length, but something has been stuck in my craw since the last meeting of the Standing Senate Committee on Transport and Communications.

As a legislature, any time we can protect Canadian jobs with Canadian workers, we should be doing that. Period.

We are here and we are independent. We have opinions on legislation and we debate those opinions. Maintaining levels of service and jobs is important to me, and I know it is important to you.

In the Standing Senate Committee on Transport and Communications, representatives from Fédération des travailleurs et travailleuses du Québec and representatives from Air Canada appeared to talk about Bill C-10.

Senator Pratte made an important point. I believe it is a concern many of us share. He said:

The unions are not alone in having expressed concerns that if Bill C 10 is passed, practically all maintenance jobs remaining in Canada could be outsourced to outside of Canada.

I share that concern. The bill, as drafted, does not guarantee that jobs will remain in Canada. It only guarantees that facilities in Ontario, Manitoba and Quebec will remain.

From the bill, in clause (2):

Section 6 of the Act is amended by adding the following after subsection (3): Maintenance activities

(4) For the purpose of carrying out or causing to be carried out the aircraft maintenance activities referred to in paragraph (1)(d) in Ontario, Quebec and Manitoba, the Corporation may, while not eliminating those activities in any of those provinces, change the type or volume of any or all of those activities in each of those provinces, as well as the level of employment in any or all of those activities.

Maintaining the facilities but not maintaining levels of services does not jibe with me.

We also talked about the creation of centres of excellence and Air Canada's commitment to them. In committee I commented to the Fédération des travailleurs et travailleuses du Québec that:

We talked about having two centres of excellence, one in Quebec and one in Manitoba.

If we build it, they will come. That's the old baseball term. If we build a centre of excellence and it is indeed a centre of excellence where we do the best work at the best price and deliver on time, it seems to me that the world would be our oyster. Many airlines out there would love to get things done on time at the agreed upon price and by reliable maintenance people.

I went on to say:

If we do it right, we could attract airlines from around the world and be number one in aircraft maintenance because our location is so perfect. We're close to the American and European markets and not that far from the Asian market. It seems to me that we've got quality people doing work in this sector so we just need to create some way to increase this . . .

The testimony got interesting. Senator Plett asked the witness from Air Canada:

So if we don't do what you want, you will go out of country to buy your jets. Centres of Excellence in Winnipeg have already been shafted by the government. Are you telling me that if this bill doesn't go through, we'll get hit again and lose 150 jobs and a centre of excellence?

In response, Kevin C. Howlett, Senior Vice President, Government Affairs and Regional Markets, Air Canada, said:

Senator, I have no comment to make with respect to the relationship between the federal government and the Province of Manitoba.

What I can tell you is if this bill does not go forward, we will not create the centres of excellence in Manitoba and we will not create the centres of excellence in Quebec.

So, colleagues, in essence, the veiled threat to put pressure on us in the Senate to pass a bill we have concerns about is appalling. I certainly will not be intimidated by Air Canada to pass legislation that they want without talking about protecting Canadian workers and jobs.

I would be seriously remiss if I did not try to do just that. By protecting Canadian jobs and showing Air Canada, and indeed the country, that we can do the best job with the best Canadian workers, hopefully we can encourage Air Canada to create the centres of excellence that we deserve.

We can maintain the levels of service now. By showing that more workers will be needed because of the quality of the work that will be done in the future, hopefully more workers will be hired to staff the centres of excellence.

However, colleagues, as we know in today's society, bullying is a huge problem in schools. We have seen the tragic results of that all across this country. We had bullying yesterday in the Standing Senate Committee on Transport and Communications. Big Air Canada came in and said, "If you don't pass this, we are not going to have Centres of Excellence and, by the way, if you don't pass this, we are not going to buy planes from Bombardier."

• (1720)

I, for one, don't take bullying from anyone, and I'm certainly not going to take it from Air Canada. Bullying, the pressure, the arrogant attitude, the contempt of this Parliament, it's frustrating to deal with these people. The intimidation, browbeating, threatening, coercing and very condescending attitude by the corporation is unnecessary. They should be ashamed of themselves.

Some Hon. Senators: Hear, hear!

Senator Tkachuk: Tell us what you feel.

MOTION IN AMENDMENT

Hon. Terry M. Mercer: Therefore, honourable senators, I move:

That Bill C-10 be not now read a third time, but that it be amended

(a) in clause 1, on page 1, by replacing lines 16 to 20 with the following:

"Corporation shall maintain, in each of those provinces, the type and volume of all of those activities, as well as the level of employment in all of those activities, as they were at the coming into force of this subsection."; and

(b) in clause 3,

(i) on page 3,

(A) by replacing lines 4 to 8 with the following:

"Corporation shall maintain, in each of those provinces, the type and volume of all of those activities, as well as the level of employment in all of those activities, as they were at the coming into force of this subsection.",

(B) by replacing lines 20 to 24 with the following:

"Corporation shall maintain, in each of those provinces, the type and volume of all of those activities, as well as the level of employment in all of those activities, as they were at the coming into force of this subsection.", and

(C) by replacing lines 39 and 40 with the following:

"Corporation shall maintain, in each of those provinces, the type and volume of all of those activities, as well as the level of employment in all of those activities, as they were at the coming into force of this subsection.", and

(ii) on page 4, by deleting lines 1 to 3.

Honourable senators, take that, Air Canada!

The Hon. the Speaker: In amendment, it is moved by the Honourable Senator Mercer, seconded by the Honourable Senator Dyck:

That Bill C-10 be not now read a third time but that it be amended —

May I dispense?

Hon. Senators: Dispense.

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

Some Hon. Senators: Question.

The Hon. the Speaker: All those in favour of the motion in amendment, please say "yea."

Some Hon. Senators: Yea.

The Hon. the Speaker: All those opposed to the motion in amendment, please say “nay.”

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the “nays” have it.

Some Hon. Senators: Question.

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

It was moved by the Honourable Senator Pratte, seconded by the Honourable Senator Sibbeston that this bill be read the third time.

All those in favour of the motion please say “yea.”

Some Hon. Senators: Yea.

The Hon. the Speaker: All those opposed to the motion, please say “nay.”

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the “yeas” have it.

Senator Carignan: On division.

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

[Translation]

QUESTION OF PRIVILEGE

SPEAKER'S RULING

The Hon. the Speaker: Honourable senators, I am prepared to deal with the question of privilege raised by Senator Ringuette on June 16, respecting her “political” affiliation as it appears on the Senate’s website. Her complaint is that she is now shown as “non affiliated,” rather than “independent,” as was previously the case. This change, authorized by the Internal Economy Committee in May, was made without consultation with the affected senators.

[English]

Senator Ringuette only became aware of the change fortuitously. She had specifically chosen an “independent” designation earlier this year, and objected to the decision of Internal Economy made without her input, a concern that Senator Wallace shared. Senator Ringuette also noted how this designation is not consistent with other documents and publications produced by the Senate. Subsequently, several

other senators expressed support for Senator Ringuette’s complaint, although not all were convinced that the issue constituted a breach of privilege.

The chair of the Standing Committee on Internal Economy, Budgets and Administration, Senator Housakos, provided useful background. He indicated that the changes made by the committee were “in no way, shape or form . . . designed to offend or to denigrate anybody.” He apologized if some senators had been hurt by the committee’s action. He explained that the committee had acted in good faith and had sought to balance the needs of all senators. This included the many senators who are members of the recognized parties. As Senator Housakos explained, they feel no less independent than their colleagues who are not members of a party caucus. The committee had concluded that “non-affiliated” more accurately captured the current situation than “independent.”

Senator Ringuette raised this question of privilege under the provisions of rule 13-4.(a) which allow a senator to bypass the normal requirements for written and oral notices.

Because the senator raised this complaint as a question of privilege, I am obliged, as Speaker, to assess its merits on the basis of criteria provided in the *Rules of the Senate* to determine if on its face, *prima facie*, it may involve a violation of privilege, the fundamental rights and immunities of Parliament and its members needed to carry out the work we do here.

There are four criteria as stated in rule 13-2.(1). The first is that the matter must “be raised at the earliest opportunity.” Normally, any type of delay would mean that the senator raising the question of privilege would not have access to the “priority process.” As already noted, however, Senator Ringuette explained that she acted as expeditiously as possible once she became aware of the concern. I am satisfied that this criterion has been met.

The second and third criteria are that the matter must “directly concern the privileges of the Senate, any of its committees or any Senator” and must “be raised to correct a grave and serious breach.” It is certainly true that the concern raised by Senator Ringuette affects a number of senators. All the independent senators have had their affiliation changed. No less than 23 senators are involved, more than a quarter of the current Senate. This is troubling, and does not reflect the idea, set out in the ruling of May 19, that senators should, within reasonable limits, be allowed latitude in how they designate themselves. Does this, however, rise to the level of a breach of privilege? The affected senators can sit in the Senate, they can take part in debate, they can vote, and they can — subject to the Rules — serve on committees and participate in their work. None of these essential rights has been impaired, and so it is unclear how the senators’ privileges, as defined in our Rules, have been placed at risk.

The final criterion to assess the merits of a question of privilege is that it must seek a genuine remedy for which no other parliamentary process is reasonably available. In my view, it would not be difficult for Senator Ringuette to move a motion to provide direction as to how the subject of senators’ designation should be dealt with or to direct that the Internal Economy Committee or the Rules Committee study and report on the issue. Any subsequent decision of the Senate would provide clear

guidance as to how this subject should be managed in the future. Because reasonable alternatives are available, it is clear that this fourth criterion has not been satisfied.

As I have already noted, Senator Ringuette has raised an issue of direct interest to a large number of senators. Her complaint suggests that there was inadequate consultation and agreement before the decision was taken to change the designation of the independent senators on the Senate website and in certain Senate administrative documents. This decision also appears to be in conflict with the long established practice of allowing individual senators considerable latitude in how they designate themselves or their affiliations. Nonetheless, the claim that this is a question of privilege does not satisfy all the criteria of rule 13-2.(1). I must rule therefore that a *prima facie* question of privilege has not been established.

This ruling does not really resolve the difficulty raised by Senator Ringuette nor does it fully discharge my responsibilities as Speaker. More needs to be said.

• (1730)

As we know, the Senate is going through some significant changes. It has survived a difficult period of intense scrutiny that to many of us seemed excessive and even unfair. Nonetheless, the Senate worked past this and learned some important lessons along the way. It is doing a lot more to demonstrate its accountability to the public. Much of this is due to the great work of Internal Economy and its current chair and deputy chair, Senators Housakos and Cordy. The Senate is also improving its communications and this is allowing the Senate to publicize the important work it does more effectively.

At the same time, the membership of the Senate is changing. It now includes more senators than ever who prefer not to be part of a political group. There is every indication that this reality will only become more evident in the coming months as current and future vacancies are filled. Eventually, I suspect this will lead to adjustments in the traditional way the Senate conducts its business that is now based on a model that operates through a government and an opposition supported by party caucuses.

This significant shift from party allegiance seems to be creating tensions as the new paradigm becomes more established. The dispute about “independent” and “non affiliated” seems to be part of that tension. In the past, there was no trouble in identifying some senators as independents. It was easily accepted because there were relatively few of them. Now, however, there is a real prospect that they may soon be the majority. This seems to have aroused a kind of resentment, hinted at in one rebuttal comment to Senator Ringuette’s claim to a question of privilege. In a remark that is probably shared by more than a few senators, it was suggested that party allegiance need not impede the independence of a senator. This, in turn, seems to have been some justification to use the term “non affiliated” rather than “independent.” While I can appreciate this point of view, I also understand the objection as to the way it was used to implement certain decisions by Internal Economy without sufficient consultation among the affected independent senators.

The decision of Internal to use the term “non affiliated” was made at a public meeting on May 5 with respect to proactive disclosure of senators’ expenses which will be posted to the Senate

website in the coming months. As I understand it, directions were subsequently given to officers in administration to apply the term throughout the website in order to ensure consistency. This direction had an impact on numerous documents currently on the website. This is how Senator Ringuette and other senators discovered that they are now designated “non affiliated” rather than “independent.” I have since learned that many of these senators share Senator Ringuette’s objection to this. Hence the tension.

In reviewing the mandate of Internal Economy which is to be responsible for the financial and administrative matters concerning the internal administration of the Senate, it is not clear to me that it has the authority to determine and set the designation of senators as “non affiliated.” Certainly, as has been noticed, it is inconsistent with long established practice which has allowed senators themselves to choose their designation. Moreover, it is unlikely that Internal acting alone would be able to achieve total consistency since it does not have control over Senate parliamentary publications such as Debates and Journals; it can only order the structural layout of the Senate’s administrative documents and reports that fall under its jurisdiction. With respect to the parliamentary publications and information supplied by the Library of Parliament, senators can continue to identify themselves according to their declared preference. For example, in the printed edition of the Debates for June 1, 2016, some appendices list the senators as Conservatives, Liberals or Independents; none are identified as “non affiliated.” Presumably the same will be true on the websites of individual senators.

So the question arises, honourable senators: where do we go from here? Internal has taken a decision that has prompted objections from many senators who do not want to be described or designated as “non affiliated.” This is not a good situation and it is contrary to our usual and long-standing practice. Nor is it helpful to the maintenance of good relations among senators. This is what challenges us now, and it is up to the Senate itself to resolve it. However, I am concerned about the potential impact of any on-going tension among senators and how it can damage the conduct of business in this Chamber and in committees. What I would recommend for consideration of the Senate is that this issue of the designation “independent” versus “non affiliated” be referred to the Rules Committee as quickly as possible. The Rules Committee should be able to conduct a thorough examination of the subject, canvassing the views of senators, noting past practice, and soliciting information from other jurisdictions. In the meantime, until a decision is made by the Rules Committee, Internal Economy may wish to consider suspending its decision to use the term “non affiliated” for documents and records that are under its purview with respect to senators who clearly state a preference for the use of independent.

Thank you, honourable senators.

Some Hon. Senators: Hear, hear!

Hon. Pierrette Ringuette: Your Honour, I am really touched with the deep thought and research that you have put into my question of privilege. I believe that every senator should read it maybe once, twice or three times and understand that not only I but also 23 senators in this place identify and designate themselves as “independent.” It’s a question of respect. I hope that the summer break will provide more guidance to the issue.

Thank you very much, Your Honour, for an excellent ruling. I wish it would have concurred with my question, but it is an excellent ruling. Thank you.

**STUDY ON THE REGULATION OF AQUACULTURE,
CURRENT CHALLENGES AND FUTURE
PROSPECTS FOR THE INDUSTRY**

**FOURTH REPORT OF FISHERIES AND OCEANS
COMMITTEE AND REQUEST FOR
GOVERNMENT RESPONSE
ADOPTED**

The Senate proceeded to consideration of the fourth report of the Standing Senate Committee on Fisheries and Oceans, entitled: *Report on Aquaculture*, tabled in the Senate on June 21, 2016.

Hon. Elizabeth Hubley: Honourable senators, I move:

That the fourth report of the Standing Senate Committee on Fisheries and Oceans, tabled in the Senate on June 21, 2016, be adopted and that, pursuant to rule 12-24(1), the Senate request a complete and detailed response from the government, with the Minister of Fisheries, Oceans and the Canadian Coast Guard being identified as minister responsible for responding to the report.

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

• (1740)

**STUDY ON THE FEDERAL GOVERNMENT'S
RESPONSIBILITIES TO FIRST NATIONS,
INUIT AND METIS PEOPLES**

**THIRD REPORT OF ABORIGINAL PEOPLES
COMMITTEE AND REQUEST FOR
GOVERNMENT RESPONSE
ADOPTED**

The Senate proceeded to consideration of the third report (interim) of the Standing Senate Committee on Aboriginal Peoples, entitled: *Border Crossing Issues and the Jay Treaty*, tabled in the Senate earlier this day.

Hon. Lillian Eva Dyck: Honourable senators, I move:

That the third report of the Standing Senate Committee on Aboriginal Peoples, tabled on Wednesday, June 22, 2016, be adopted and that, pursuant to rule 12-24(1), the Senate request a complete and detailed response from the government, with the Minister of Indigenous and Northern Affairs being identified as minister responsible for responding to the report.

She said: Honourable senators, the Standing Senate Committee on Aboriginal Peoples has just tabled its report on border crossing and the Jay Treaty. I would like to make a few comments with regard to that.

First, I would like to acknowledge that this is the first in our special issues series. As a special issue we took on the issue of the Jay Treaty, and I would like to credit my colleague Senator Sandra Lovelace Nicholas, whose idea it was that we study this issue.

I would also like to thank all the members of the committee, especially our deputy chair, Senator Patterson, and Senator Tannas, who is a member of the steering committee.

In addition, I would like to thank the clerk of the committee and the analysts, who were able to bring in all the witnesses necessary for the study to be conducted.

I would also like to mention Senate Communications who helped draft the press release that has already gone out and has summarized it so the Canadian public can know what our committee is doing. They also drew up a nice little map so people could see an example of one of the communities that is directly affected by what is contained in this report.

For honourable senators to understand what the report is about, it addresses the Jay Treaty, signed in 1794 between the U.S. and Great Britain, which allowed Indians in what is now North America to freely cross the border between the U.S. and what was then Upper Canada and Lower Canada. All Indians, whether they were considered American or British, I guess, back in those days, could freely pass the border with no problems. They could bring trade goods across. That belief has continued to permeate throughout Canada. Canadian First Nations people consider that they still have the right to freely pass the border between the U.S. and Canada, and also to trade.

The Akwesasne First Nation Reserve is a uniquely situated reserve. There are approximately 13,000 people, and their people live in Ontario, Quebec, and the U.S.A. The U.S.-Canada border cuts right through them, which creates unique border crossing situations for them. Some of their people live in the southern part of the U.S.A. Those who live in the eastern part, in Quebec, have to go through the U.S. to get to the Ontario part of their reserve, where some of their relatives live.

For example, if you live in the Quebec side and you want to visit your relative who lives in Ontario, you would have to go through the U.S., into Ontario, in order to do that. Then what would happen is they would then have to check in with the border security people in Cornwall, Ontario, which requires them to go out of their way to check in at the border, get screened, go through and then go where they want. When they want to go home they have to do the same thing. They have to go back to the border and report that they are going through the U.S. again to get back to Quebec.

In addition, it affects the daily commute for people, for instance, who live in the U.S. side of Akwesasne and, for example, a mother dropping her children off to school from the U.S. has to report to the Cornwall border before she can drop her children off to the Ontario side of their community where the school is

located. Before she goes home, she also has to go back to the Cornwall border security before she can go back home. If she doesn't, she will be charged with not following the correct rules. In fact, several women have been charged for not following the correct procedure.

This is a serious inconvenience. The people of Akwesasne had the solution. They asked for a secure identity card so that it will facilitate them going back and forth. They already have a prototype that is similar to what is called the WHTI card. Senator Moore knows the WHTI card very well — the Western Hemisphere Travel Initiative card. It is secure and can't be tampered with. The card identifies the different members of that one community spanning the U.S. and two provinces so that border security knows they are actually legitimate members of that community. It would facilitate them getting through the border security crossing much more quickly.

They have proposed the solution to the Canada Border Services Agency numerous times. They have invited Indian and Northern Affairs Canada to jump on board and have met with resistance and lack of interest.

Our committee has looked at this situation. We have said that the Minister of Indian and Northern Affairs Canada should appoint a special representative by the end of this year to work with all the affected parties and come up with a resolution by the end of next year.

Now this should be easily doable for the people in Akwesasne because they already have the solution. They have already tried to engage Canadian Border Services Agency. They have already tried to engage the CBSA and INAC. They already have the card that would allow them to do what they want to do, which is travel freely just within their own community, their own nation.

Honourable senators, that is the intent of the report. We have identified the Minister of Indian and Northern Affairs Canada as the person responsible for this and expect her to report back to us by the end of next year.

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

• (1750)

BUSINESS OF THE SENATE

MESSAGES OF THANKS

Hon. Peter Harder (Government Representative in the Senate): Thank you, honourable senators. With leave of the house, I would like to just make a few comments at the end of this period of reflection and engagement.

My colleagues and I, the recent appointees, arrived here on April 12, and it seems perhaps a bit longer than that, at least to me, and perhaps even to you as you look on this side. But I want

to take the occasion, before we rise for the summer, to say thank you to all Senate colleagues; to staff; Your Honour, to you; and to the staff that we have in our offices — although not as many as some — for the work that they have done.

This is not the time for me to engage in a process or a discussion of the changes that the Senate is undergoing. It's a time merely to pause as we reflect and renew ourselves in the weeks and months ahead before we come back with perhaps a renewed commitment to this institution, to the work that we have done, and frankly, to say thank you for the accomplishments of this last 11 weeks in terms of doing, from my perspective, the government's business, Canada's business, and acquitting this institution at the highest level of esteem and doing our role in the best way possible, with the tools that we have.

I look forward to further changes that reflect the objectives of this institution, but I do want to sincerely thank everyone here for the kindnesses shown when otherwise they will be forgotten over the course of the summer. And I will have one last word, if I could, to Senators Cowan and Carignan. Senator Cowan, as leader of the independent Liberals over this period, was a colleague and a useful adviser to me, and I regret that he is not here to hear personal thanks to him as this leadership will end with this day, as I understand it, or the next day perhaps.

[Translation]

To my colleague and friend Senator Carignan, I would like to say that I really appreciated the open and professional way that you accepted my role. Thank you for your support.

[English]

Hon. Senators: Hear, hear!

Senator Harder: For those who stay for Royal Assent, you are invited to nibbles and perhaps a glass of liquid after in my office.

[Translation]

Hon. Claude Carignan (Leader of the Opposition): Thank you, Mr. Leader of the Government in the Senate. It is now my turn to recognize the outstanding work that has been done in the Senate over the past year. This year has been a bit of a roller coaster. There have been lows, as the Senate went through some very hard times, perhaps the most difficult in its history. However, there have also been highs, and the past few weeks in particular were exceptional, with all senators working hard on Bill C-14.

When the Senate was swept up in a storm, senators stepped up and examined their role, their functions, their constitutional role and their duty. They reviewed the Senate administration, the communications department and all of the rules. Today, we are beginning to see the results of the work done by the senators, their teams, their employees, the Senate staff, the administration, and you and your office, Mr. Speaker. I therefore want to pay tribute to all these people who helped to restore this institution's reputation.

I also want to thank the Leader of the Government in the Senate. Since he arrived in the Senate, he has worked with us to ensure that messages travel back and forth from the government

to the Senate and from the Senate to the government. This communication is very helpful, and we have seen some real results. I hope that we will be able to continue this excellent cooperation next year.

I would also like to commend Senator Cowan on his outstanding work. I found him to be an excellent leader, a learned lawyer and a distinguished parliamentarian. I am sad to see him leave his role, because in this man of many strengths I also found a friend. I want to salute him in his absence, but I am sure that he will get the message. A new day is dawning for us all.

I would like to add something before I conclude. In Quebec, we were sad to hear about the death of a great artist who left his mark on generations of francophones, especially Quebecers. One of Mr. Lalonde's most popular songs is *C'est le temps des vacances*. "Rum dum dum wa la do, summertime is here."

Hon. Senators: Hear, hear!

Senator Carignan: With this nod to Pierre Lalonde, an exceptional artist, I offer my condolences to his family.

Thank you to everyone. Have a great summer and enjoy the beach, as the song says.

Hon. Joan Fraser (Deputy Leader of the Senate Liberals): I would like to thank everyone on behalf of the Senate Liberals, and especially on behalf of Senator Cowan.

[English]

We will lose no time in telling him about the kind and entirely justified things that the two leaders have said about him this day in the chamber. In our caucus, we have particular reason, of course, to have profited from and appreciated his tremendous qualities of leadership in a time of great change, which began for us a little over two years ago. The rest of the Senate has only more recently begun its great voyage of change, and discovery.

I would particularly like to congratulate all the new senators who have taken their work so seriously and have plunged in and become senators, real senators, quickly and impressively.

Hon. Senators: Hear, hear!

Senator Fraser: I would also, particularly on behalf of the Senate Liberals, like to thank all the staff who have accompanied us on our incredible roller coaster, as Senator Carignan said. It has been a time of some difficulty for many of us, but I think it's probably fair to say more difficulty for many of them, at least as much difficulty and in some cases more difficulty.

We don't often enough take the time to thank all the extraordinary people who support us, people in this chamber — the table officers, the pages, the stenographers, the interpreters, the Usher of the Black Rod, the Mace Bearer — all the people we see every day. But then behind them there are hundreds, from the janitors to the people who work in the Journals, hundreds of people, security people. It is perilous to make lists because you always forget somebody very important. They are all important.

[Senator Carignan]

They have helped us all through this beginning of our voyage of change, and I really do wish to extend our thanks to all of them and wish everyone a wonderful summer.

• (1800)

Hon. Senators: Hear, hear!

Hon. Frances Lankin: Honourable senators, while I would echo all of the thanks that people have already given, I want to add special thanks to Senator McCoy, who has played an incredible leadership role — perhaps unrecognized in the chamber — in support of the organization of independent senators. Certainly she has helped the new senators who have arrived here to be welcomed, to be informed and to be able to play our role, and she plays an ongoing role in facilitating a discussion group for us. It would be a shame if thanks didn't go to her, along with other leaders in the Senate.

Hon. Senators: Hear, hear!

Hon. Elaine McCoy: That, my dear colleagues, is an example of independence at its best. I did not anticipate that at all. When Frances rose to her feet, I leaned over and said, "Are you going to give the independence message — I would be happy if you would — to congratulate Senator Cowan very much, and Senators Harder and Carignan, and all of us as well?"

Thank you very much for that sentiment; I appreciate it.

I think the goodwill that we have all seen in the last few weeks has been reflected amongst senators; it doesn't matter what designation we carry. I do see a commitment so often — every day, day after day — amongst staff who work for the administration, amongst senators' staff and amongst senators themselves.

I am very excited about the future. I think we are creating something that is new in Canada, something that has never been done before, and I have every confidence in working with all of you.

I am very glad to welcome Senator Harder with us, as well as the six new senators. In so many ways, you are reminding us of the best that all of us can be. I look forward to working with all of us and with you, Your Honour, as we move forward to a modern Senate.

Hon. Senators: Hear, hear!

[Translation]

BUSINESS OF THE SENATE

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

[English]

The Hon. the Speaker: Honourable senators, rule 16-1(8) provides that after the Leader or Deputy Leader of the Government has made such an announcement:

... no motion to adjourn the Senate shall be received and the rules regarding the ordinary time of adjournment or suspension, or any prior order regarding adjournment shall be suspended until the message has been received or either the Leader or Deputy Leader of the Government indicates the message is no longer expected. If the Senate completes the business for the day before the message is received, the sitting shall be suspended to the call of the Speaker with the bells to ring for five minutes before the sitting resumes.

These provisions shall therefore govern our proceedings today.

(The Senate adjourned during pleasure.)

• (1840)

[Translation]

ROYAL ASSENT

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

RIDEAU HALL

June 22nd, 2016

Mr. Speaker:

I have the honour to inform you that the Right Honourable David Johnston, Governor General of Canada, signified royal assent by written declaration to the bills listed in the Schedule to this letter on the 22nd day of June, 2016, at 6:09 p.m.

Yours sincerely,

Stephen Wallace

Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

Bills assented to Wednesday June 22, 2016:

An Act to amend the Copyright Act (access to copyrighted works or other subject-matter for persons with perceptual disabilities) (*Bill C-11, Chapter 4, 2016*)

An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2017 (*Bill C-19, Chapter 5, 2016*)

An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2017 (*Bill C-20, Chapter 6, 2016*)

An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures (*Bill C-15, Chapter 7, 2016*)

An Act to amend the Air Canada Public Participation Act and to provide for certain other measures (*Bill C-10, Chapter 8, 2016*)

[English]

ADJOURNMENT

MOTION 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 when the Senate adjourns today, it do stand adjourned until Tuesday, September 27, 2016, at 2 p.m.

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

Hon. Senators: Agreed.

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

Hon. Senators: Agreed.

(Motion agreed to.)

(The Senate adjourned until Tuesday, September 27, 2016, at 2 p.m.)

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