



DEBATES OF THE SENATE

1st SESSION • 42nd PARLIAMENT • VOLUME 150 • NUMBER 135

OFFICIAL REPORT
(HANSARD)

Tuesday, June 20, 2017

The Honourable GEORGE J. FUREY
Speaker

CONTENTS

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

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

Published by the Senate
Available on the Internet: <https://sencanada.ca>

THE SENATE

Tuesday, June 20, 2017

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

Prayers.

SENATORS' STATEMENTS

WORLD SICKLE CELL DAY

Hon. Jane Cordy: Honourable senators, for some, the pain strikes without warning — sharp, stabbing and sudden. For others, the pain never really goes away. It is a pain that is very difficult to live with day in and day out. One woman described the pain as having childbirth pain every day.

Honourable senators, this is the life of a person with sickle cell disease. Sickle cell is the most common genetic disease in the world. It is estimated that over 5,000 Canadians live with sickle cell.

Sickle cell can affect those from any ethnic background but it is most common among those with roots in the Mediterranean, particularly Greece and Italy, the Middle East, Africa and the Caribbean.

Honourable senators, yesterday I was privileged to be invited to attend the celebration of World Sickle Cell Day at the Toronto General Hospital. It was wonderful to see many of the people I had met previously at sickle cell events on Parliament Hill. It was also an honour to meet the doctors, the nurses and the medical staff who are doing so much for those with sickle cell. Of course, the patients who shared their stories of living with the disease were remarkable.

I spoke with young women, like Tanya, now a nurse, and Josephine, who have lived with sickle cell their entire lives. Another patient, Sherman Moore, spoke of emergency room experiences where he had to wait for long hours before being treated, even though it is more effective to be treated for the pain before it begins. He conveyed to me that he believes sickle cell patients should be treated with logic and compassion.

Honourable senators, this would give dignity and care to the patient and it would save the system many dollars.

While I was in Toronto, I also had the chance to visit the Sickle Cell and Thalassemia Clinic at the Toronto General Hospital. The clinic treats over 700 sickle cell patients, many of whom come regularly for blood transfusions. Dr. Jacob Pendergrast and his medical team are excellent health care providers.

Honourable senators, yesterday was an exceptional day. It was my privilege to meet with sickle cell patients and their families and to witness the fine work at the sickle cell clinic. I am delighted to

have had the chance to tour these facilities and to speak with so many in the sickle cell community.

We know that donating blood can save the lives of many who require it in the treatment of numerous diseases or in emergency situations. Sickle cell patients especially require frequent blood transfusions. One of the themes of yesterday's event was the importance of giving blood. Blood donations can make life better for those with sickle cell and, indeed, blood donations save lives.

Honourable senators, last night the CN Tower was lit in red and white in recognition of World Sickle Cell Day for the very first time. That was pretty special. I would like to thank Lanre Tunji-Ajayi, the president and director general of the Sickle Cell Disease Association of Canada. She was described yesterday as a "package of awesomeness," and that is a very appropriate description.

Honourable senators, it is important that we continue the discussion about sickle cell disease.

[Translation]

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of students from the Sainte-Marie school in Saint-Marc-des-Carrières, Quebec. They are the guests of the Honourable Senator Petitclerc.

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

Hon. Senators: Hear, hear!

CITY OF MONTREAL

THREE HUNDRED AND SEVENTY-FIFTH ANNIVERSARY

Hon. Jean-Guy Dagenais: Honourable senators, as the clock winds down on this sitting, I want to invite you to come visit the beautiful city of Montreal this summer to help celebrate its 375th anniversary.

As the senator representing the region of Victoria, in the heart of downtown Montreal, I never hide my love for my hometown. I was born in the Ville-Émard neighbourhood and grew up in Plateau-Mont-Royal, which was not nearly as posh as it is today.

I was a few streets away from the infamous Saint-Jean-Baptiste Day riots of 1968, where my father, a police officer, saw to the safety of the public and to that of the new Prime Minister of Canada, one Pierre Elliott Trudeau. Next year, 2018, it will have been 50 years since those events took place.

Political riots are a thing of the past in Montreal. Today we have Stanley Cup riots, but fortunately, the Montreal Canadiens do not win very often. Montreal is therefore a safe city and yours to discover on foot, or by bicycle, which you can rent quite easily across the city.

If you do visit Montreal as I suggest, you can discover Old Montreal and its historic streets, the Montreal Clock Tower, and the Cirque du Soleil big top, which, to me, harkens to the artistic and technological ingenuity of Montrealers.

This part of town is also home to our magnificent city hall—where you are very likely to run into Mayor Denis Coderre, whom you all know, because he's always there—and sites commemorating the role of indigenous communities in the city's history.

Also worth a visit are the ethnic neighbourhoods representing the cultures of different groups that have contributed so much to the city. Little Italy, Chinatown, and Little Portugal are wonderful places to discover, with restaurants to please even the most discerning palate. Montreal is all about good food, and its chefs are among the best in the world.

When I think of Montreal, I have vivid memories of riding the metro the day it opened. As a student, I worked at Expo 67, which left us a legacy of islands featuring a park, a beach one can get to by metro, and a casino in what was the France pavilion 50 years ago. I also witnessed the construction of the Louis-Hippolyte-La Fontaine tunnel and the Olympic Stadium, two key pieces of infrastructure in our city's development.

People from around the world come to Montreal for its beauty and for its events. We have the Formula One Grand Prix, Francolies, the Jazz Festival, the Just for Laughs Festival, and Osheaga, all of which bring hundreds of thousands of tourists to our city every year.

Our city is beautiful and has so many stories to share, particularly this summer as it celebrates its 375th anniversary. Happy birthday, Montreal!

Honourable senators, I hope you will take a few days to come visit us this summer.

[English]

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of staff from the World University Service of Canada: Ashley Korn, Carolyn McKee, Catherine Veillet St-Amant and Stephanie Leclair. They are the guests of the Honourable Senator Omidvar.

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

Hon. Senators: Hear, hear!

WORLD REFUGEE DAY

Hon. Ratna Omidvar: Honourable senators, I rise today to mark World Refugee Day. As you may have heard, the numbers of displaced people in the world have reached yet another high at 65 million.

Imagine, that's almost twice the population of our country.

I believe it is really time to consider new solutions to this global situation, which impacts not only those who are displaced by war, conflict or climate change, but all of us because we all have, I believe, a shared responsibility.

• (1410)

I have just returned from Geneva, from the first working meeting of the World Refugee Council, which was called into life by former Minister Lloyd Axworthy, to consider new approaches to the problem, because, as he says, we constantly default to border policy and visa regimes as refugee policy.

But in the midst of all this largely dismal news — and I hope, in the meantime, you recognize me as an optimistic person — I have come back with a few points of light that I would like to share with you. These points of light come from unusual places — places that bear an unequal share of the burden, in Africa and the Middle East. For example, Uganda provides open work permits for arriving refugees from South Sudan. Ethiopia gives land grants to refugees. Tanzania has given citizenship, not to a couple of thousand Burundian refugees, but to more than 160,000 Burundian refugees. What is Jordan doing with all those refugees? Their schools are running double shifts so that refugee children can also go to school.

As much as we pride ourselves on our own — I will say in the context of these — somewhat meagre contributions, it is fair to say that other parts of the world are doing much of the heavy lifting.

I also want to shine a huge lamplight on the work of World University Service of Canada, otherwise known as WUSC, an organization whose work all Canadians can be truly proud of. Since 1978, WUSC has run a unique youth-to-youth private sponsorship program where the students in Canada raise money, help students settle in and start life again as university students in Canada. They are in campuses throughout our country from Carleton University to the University of Victoria, and from Ryerson University to Nova Scotia Community College.

This year, in order to mark Canada's one hundred and fiftieth birthday, I am really pleased to be working with WUSC and Universities Canada to reach out to the refugee alumni and ask them to identify their first significant, magical moment of belonging in Canada. We have called this campaign 150 Stories of Belonging. In a sense, I want to think of this as our gift back to Canada.

As these stories come in, I am struck by the common thread in many of them. Even as I grieve for the millions of displaced people in the world, I want to take a moment to share some optimism with you from the work of WUSC.

[Translation]

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Isabelle Thériault, musician and Artistic and Executive Director of the Festival acadien de Caraquet, in New Brunswick. She is the guest of the Honourable Senator Cormier.

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

Hon. Senators: Hear, hear!

[English]

NATHAN HOOD

Hon. Elizabeth Hubley (Deputy Leader of the Senate Liberals): Honourable senators, today I rise to celebrate the hard work of another exceptional young Islander, Nathan Hood of Charlottetown, P.E.I. Nathan is passionate about being involved in all aspects of his community and serving others well. Nathan is a fourth-year business student at UPEI who believes strongly in the importance of investing in our future leaders. He served two years on the UPEI Student Union executive, first as Vice President Student Life and then as President, representing approximately 3,800 UPEI students.

Part of his time in these positions was spent developing the future executive development program, which targets first-year students in order to provide them with the skills and knowledge necessary to be successful student leaders.

Nathan encourages student involvement in the community. He developed a volunteer matchmaker program that connects students to volunteer opportunities in the local community based on students' interests. By the end of its first year, the matchmaker program had produced over 1,200 matches.

Nathan worked with UPEI to create a new awards program called the Diamond Awards. Knowing that merit-based awards can disadvantage those from lower income backgrounds, Nathan developed criteria that focused on nonacademic achievements, particularly students' contributions to campus and the community. To date, over 31 outstanding students have been recognized and received financial aid through these awards.

Additionally, Nathan has been an active proponent of improving access to post-secondary education and has advocated for P.E.I. to adopt a needs-based grant system that would provide increased financial assistance to those from less privileged backgrounds.

Nathan also initiated a new student initiative fund to support the work of students on campus.

Those just brush the surface of Nathan's community engagement.

In recognition of his work in student life, Nathan was voted by his peers across the country as the 2016 Canadian Organization of Campus Activities School Student Member-of-the-Year Award for Eastern Canada.

This summer, Nathan intends to collaborate with the Young Voters of P.E.I., a non-partisan group dedicated to improving political engagement among young people, on a project to showcase Island political figures in an effort to better understand and communicate the human side of public office. Following graduation, Nathan hopes to work in public policy or in a field that helps him improve the lives of others around him.

Prince Edward Island is privileged to have engaged young adults like Nathan Hood, who are giving back. Nathan, congratulations on your well-deserved success, and thank you for your passion and dedication to our Island community.

Thank you.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I would like to draw your attention to the presence in the gallery of Ms. Breanna Redden-Sharpe and Mr. Rob Sharpe. They are the guests of the Honourable Senator Hartling.

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

Hon. Senators: Hear, hear!

WORLD REFUGEE DAY

Hon. Marilou McPhedran: On World Refugee Day, we recognize the ongoing crisis of displacement. However, we must not lose sight of human resilience.

Senator Omidvar mentioned points of light, and I want to share an example of resilience that can be seen in our sisters and brothers living in South Sudan. The Global Network of Women Peacebuilders is an NGO I have worked with for several years on implementing United Nations Security Council resolution 1325 on women, peace and security through local organizations working for the empowerment of women and girls.

The Girl Ambassadors for Peace program brings young women and girls from various regions in South Sudan to learn literacy, numeracy, leadership and capacity-building in their own communities. Last summer, the Global Network of Women Peacebuilders staff had started an implementation project in South Sudan. However, this was brutally interrupted, and they were unable to go on due to the outburst of violence and war, including sexualized gender-based violence directed at some of the women and girls in that community.

Although these young women and girls in South Sudan live in a war zone, they are truly sources of inspiration. I am pleased to report that Girl Ambassadors for Peace is still alive and ongoing.

within the refugee camps in Burundi and that many of the girls who tried to start in this program have been able to continue to participate in these life-changing skill workshops.

Countering displacement and human rights violations can often be demoralizing and seem impossible, but we must not lose hope. It is important to continue to invest, mobilize and commit to human rights at home and abroad.

Today, I want to pay tribute to the Honourable Lloyd Axworthy, our own Senator Ratna Omidvar and to my colleague at the University of Ottawa, Jennifer Bond, for their leadership worldwide in dealing with new solutions for refugees and displacement.

The girl ambassadors program remains one of the many examples of true human resilience. It is important to continue to support them and to financially support international development and peace-building.

• (1420)

So honourable senators, on World Refugee Day let us be inspired to continue to work toward lived rights for all and to continue to build a Canada that is open and ready to welcome those in need.

[Translation]

ROUTINE PROCEEDINGS

ROYAL CANADIAN MOUNTED POLICE

USE OF THE LAW ENFORCEMENT JUSTIFICATION PROVISIONS—2016 ANNUAL REPORT TABLED

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the 2016 Annual Report on the Royal Canadian Mounted Police's Use of the Law Enforcement Justification Provisions.

SOUTH CHINA SEA

DISPUTES IN THE SOUTH CHINA SEA— DOCUMENT TABLED

Hon. Thanh Hai Ngo: Honourable senators, pursuant to rule 14-1(3), I ask for leave of the Senate to table, in both official languages, the document entitled, *Disputes in the South China Sea*.

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

Hon. Senators: Yes.

[English]

NATIONAL ANTHEM

UNOFFICIAL VIETNAMESE TRANSLATION OF O CANADA—DOCUMENT TABLED

Hon. Thanh Hai Ngo: Honourable senators, pursuant to rule 14-1(3), I ask for leave of the Senate to table a document entitled *Unofficial Vietnamese translation of O Canada*.

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

Hon. Senators: Agreed.

THE SENATE

NOTICE OF MOTION TO EXTEND WEDNESDAY'S SITTING

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

That, notwithstanding the order adopted by the Senate on February 4, 2016, the Senate continue sitting on Wednesday, June 21, 2017, pursuant to the provisions of the Rules;

That committees of the Senate scheduled to meet on that day be authorized to sit after 4 p.m. even though the Senate may then be sitting, and that rule 12-18(1) be suspended in relation thereto; and

That the provisions of rule 3-3(1) be suspended on that day.

INTER-PARLIAMENTARY UNION

ONE-HUNDRED AND THIRTY-SIXTH IPU ASSEMBLY AND RELATED MEETINGS, APRIL 1-5, 2017— REPORT TABLED

Hon. Salma Ataullahjan: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Inter-Parliamentary Union respecting its participation at the One-hundred and Thirty-sixth IPU Assembly and Related Meetings, held in Dhaka, Bangladesh, from on April 1 to 5, 2017.

FISHERIES AND OCEANS

[Translation]

COMMITTEE AUTHORIZED TO MEET DURING
SITTING OF THE SENATE

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

That the Standing Senate Committee on Fisheries and Oceans have the power to meet on Tuesday, June 20, 2017, at 5:45 p.m., even though the Senate may then be sitting, and that rule 12-18(1) be suspended in relation thereto.

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

Hon. Senators: Agreed.

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

Hon. Senators: Agreed.

(Motion agreed to.)

[Translation]

OFFICIAL LANGUAGES

NOTICE OF MOTION TO ALLOW COMMITTEE TO MEET
DURING SITTING OF THE SENATE

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

That, pursuant to rule 12-18(2)(b)(i), the Standing Committee on Official Languages be authorized to sit between Thursday, June 22, 2017 and Friday, June 23, 2017, inclusive, even though the Senate may then be adjourned for a period exceeding one week.

[English]

STATE OF POLITICAL PRISONERS IN TIBET

NOTICE OF INQUIRY

Hon. Dennis Glen Patterson: Honourable senators, I give notice that, two days hence:

I will call the attention of the Senate to the state of political prisoners in Tibet.

QUESTION PERIOD

OFFICIAL LANGUAGES

APPOINTMENT OF COMMISSIONER

Hon. Rose-May Poirier: Honourable senators, my question is for the Leader of the Government in the Senate. Leader, for four days now, minority francophone and anglophone communities have been without a Commissioner of Official Languages since the interim commissioner's term has now ended. After six months and an extremely partisan selection process held by the government, we are back at square one with no one in the position. Official language minority communities are concerned. With the summer recess approaching, what are the government's plans regarding the appointment of a new Commissioner of Official Languages?

[English]

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question. I'll make sure that the minister will be making the intentions of the government known very soon with respect to the new process for the selection of a language commissioner.

Senator Poirier: Since Parliament will likely only return in September, it means we are months away from a future nomination. In the meantime, will the government commit itself in naming an interim commissioner? If so, can we receive the reassurance that the interim position will be filled by an impartial, non-partisan nominee as it should be for a full-time commissioner?

Senator Harder: Again, I thank the honourable senator for her question. I will bring her suggestion to the attention of the minister.

NATIONAL DEFENCE

DISMISSAL OF FORMER VICE-ADMIRAL
MARK NORMAN

Hon. Daniel Lang: Honourable senators, a report in this morning's newspaper confirms there is a second source, or leak, in relation to the matter that has seen Canada's Vice Chief of Defence Staff relegated to the side by the government.

Can the government leader confirm whether the cabinet committee, which is responsible for litigation and chaired by Minister LeBlanc, has reviewed the matter pertaining to Vice-Admiral Mark Norman? And can you tell us what steps the government is taking to ensure fair and impartial treatment of this respected member of Canada's military family?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for his question. I want to assure the house that the government takes seriously the matter with respect to the vice-admiral. I will bring to the attention of the minister the suggestion of the honourable senator with respect to the story in the newspaper. It would be inappropriate for me to comment on the story. I cannot ensure its veracity, but I do know that the ministers concerned are preoccupied with ensuring the greatest integrity of the service as well as of the appropriate due process for any individual involved.

INTERNATIONAL TRADE

PROCUREMENT OF AIRCRAFT

Hon. Daniel Lang: Colleagues, I'd like to turn our attention to another issue, and that's the question of the dispute between the Government of Canada and Boeing over the issue of Bombardier. We learned that in Paris this week, government ministers have refused to meet with Boeing over the trade dispute that is being undertaken here in Canada.

Can the leader confirm that there has been no contact through back channels with the U.S. government in relation to the acquisition of the Boeing Super Hornets since the government challenged Bombardier access into the U.S. market?

Hon. Peter Harder (Government Representative in the Senate): I'm not in a position to confirm back channels of any sort, but what I can confirm is the Government of Canada's commitment to resolving the trade actions that have been undertaken by the United States and to bring appropriate defence to Canadian industry.

PUBLIC SAFETY

SEGREGATION OF PRISONERS

Hon. Kim Pate: Yesterday, Bill C-56, to amend the Corrections and Conditional Release Act and the Abolition of Early Parole Act with respect to the use of segregation received first reading in the Other Place. I have read that legislation carefully and I've also looked to the policy that is due to be promulgated in August by Correctional Services Canada. I see nothing there indicating that a number of the recommendations that came out of the inquest into the Ashley Smith case have actually been operationalized, in particular looking to ensure that transfers out are also used so that individuals could be in appropriate mental health facilities and that we are not using segregation by another name, i.e. medical seclusion or medical observation.

• (1430)

Could the Government Representative in the Senate please assure us that this will be part of the legislative regime or part of the regulatory regime that will be in place?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question, and I will make representations to the minister as appropriate.

FINANCE

INFRASTRUCTURE BANK—CONSULTATION WITH INDIGENOUS GROUPS

Hon. Daniel Christmas: Your Honour, this is also a question for the Government Representative. Senator Harder, as we study the content of Bill C-44 in Budget 2017, it goes without saying that the key measure of this provision is the creation of the Canada infrastructure bank. As Canada moves toward new and innovative ways to meet increasing demands for infrastructure, it's known that many First Nations continue to struggle with an immense infrastructure deficit on-reserve and an outdated procurement and financing model that stands to further strain the dire state of infrastructure in these communities. As you know, there are myriad reasons why innovation in First Nation infrastructure procurement and financing has lagged behind the rest of the Canadian public sectors, whether because of inflexibility of the Indian Act, existing federal government policies, First Nation capacity issues or the lack of capital expenditure size, to name just a few.

Yet there are numerous communities that are ready, willing and able to move into larger scale, more ambitious infrastructure programs, and steps need to be taken to ensure that First Nation leaders have access to the Canada infrastructure bank as well as a clear stake in its governance.

Senator Harder, can you please indicate what degree of consultation, outreach or dialogue, if any, has occurred with the indigenous community regarding the development of the infrastructure bank?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for his question. As he will know, in the previous budget and in this budget, there has been significant investment in infrastructure as it relates to our First Nations peoples. With respect to the infrastructure bank, I will inquire as to the specific question he is asking, but I want to assure him and all senators that, once the infrastructure bank is in place, it is a mechanism to be used by all appropriate entities in Canada so that we can maximize our infrastructure investment.

Senator Christmas: Also, based on the affirmation by the Prime Minister that no relationship is more important to him and to Canada than the one with indigenous people, what assurances can you give that the governance structure for this new institution will include First Nations representatives, be it in the form of special advisers or members of its board of directors?

Senator Harder: I thank the honourable senator for his question. It is not for me to give that assurance, but I want to assure him that I will pass his suggestion, which is quite sensible, to the appropriate appointing authorities.

GOVERNMENT SPENDING

Hon. Yonah Martin: My question is also for the Leader of the Government in the Senate. During the election campaign, the Prime Minister promised a modest short-term deficit of less than \$10 billion for each of the first three years and then a balanced budget by the 2019 to 2020 fiscal year. However, when asked on

Sunday how investing in infrastructure precludes him from saying when the books will be balanced, he suggested that:

... the investments create a lot of moving parts but will, inevitably, grow the economy “in a significant way.”

He was quoted as saying:

We know that that’s what it’s going to do. How long that’s going to take? What kind of trajectory that is? We’ve made strong projections around that, but that’s exactly what we’re trying to do better than, and that’s our focus.

In Supplementary Estimates A 2017-18, on pages 1 to 5, it is printed that the expected spending on Budget 2017 will be \$330.2 billion. The Budget 2017 projection regarding the revenue for 2017-18 is \$304.7 billion and \$3 billion for adjustment for risk.

So my question to the Leader of the Government is the following: Given that we are heading toward a \$28.5 billion deficit, which is \$18.5 billion over the election promise, only for the year 2017-18, how are we supposed to have any confidence that budget Bill C-44 will achieve results?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question. I would point to the economic results that Canada has experienced over the last number of months, which point to greater job growth and economic performance that is the envy of the G-7. I would also point to the IMF director who pointed to Canada as the model of reacting to the global pressures that all industrialized economies are facing. Third, I would point out to the honourable senator the projections in the budget that was tabled by the Minister of Finance, which point to the objective of the government to reduce debt-to-GDP ratios over the course of the finance projections.

Senator Martin: So, in the election promise that the budget would be balanced by 2019-20, my question is simple, leader. Can you inquire when the current government intends to return to responsible government spending and balanced budgets?

Senator Harder: I believe that the government spending is, in fact, responsible. With respect to the inquiry with regard to a balanced budget or a surplus, I will make that inquiry, but the Minister of Finance and the Prime Minister have been clear that the priority for the government, from a fiscal framework point of view, is reduction of debt-to-GDP ratios over the performance period.

IMMIGRATION, REFUGEES AND CITIZENSHIP

REVOCATION PROVISIONS

Hon. Ratna Omidvar: My question is for the Leader of the Government in the Senate. Senator Harder, it was really wonderful to have Royal Assent yesterday, with Bill C-6 being called into law, but, as we know, not everything takes immediate effect. I am a bit in Senator Pate’s corner. Law is one thing; implementation is another. I understand that the coming into

force of the McCoy due process amendment will not take place until early 2018. In the meantime, can you guarantee that the government will not initiate any new revocation proceedings under the current, fundamentally flawed model?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question and for her dedication in ensuring that the bill that was before us, known as C-6, had the benefit of an appeal mechanism attached to it. I congratulate all senators for supporting that as it came to us from the other chamber. I can confirm that the government will not be pursuing any citizenship revocations under the minister’s authority for fraud or misrepresentation until the new system is implemented. Any individual who has received a notice of intent to revoke citizenship, where a final decision by the minister has not been made, can choose to have their case decided under the new process. All other cases of those who obtained citizenship through fraud or false representation or knowingly concealing material circumstances will proceed under the new model.

ORDERS OF THE DAY

NATIONAL SECURITY AND INTELLIGENCE COMMITTEE OF PARLIAMENTARIANS BILL

BILL TO AMEND—THIRD READING—
DEBATE ADJOURNED

Hon. Peter Harder (Government Representative in the Senate) moved third reading of Bill C-22, An Act to establish the National Security and Intelligence Committee of Parliamentarians and to make consequential amendments to certain Acts.

He said: Honourable senators, Bill C-22, before us today, was a very long time in coming. Since the recommendations made in 1981 by the McDonald Commission for just such an oversight body, two attempts by previous governments and individual members of Parliament and former Senator Segal, Canada is finally catching up with our Five Eyes partners and NATO allies. I want to thank the Standing Senate Committee on National Security and Defence for its careful consideration of Bill C-22. I especially want to thank the Chair, Senator Lang, and the Deputy Chair, Senator Jaffer, for dealing with this very important bill expeditiously and expertly. Witnesses appearing before the committee and questions posed by colleagues were professional and thoughtful, with a view to better understanding the need for parliamentary oversight of national security and the merits of Canada joining its allies and partners in such a structure.

What struck me during the hearings was the near unanimity of witnesses, even the most critical, in their call for the passage of Bill C-22 in order to create the national security and intelligence committee of parliamentarians. Former MP Derek Lee, who co-authored, along with Senator Colin Kenny, the famous 2004 report of the Interim Committee of Parliamentarians on National

Security, said: “Given my history, I’m thinking ‘get the thing going.’ Get this committee up and running. The members are all politicians. They will find a way to make it work.”

• (1440)

Craig Forcese, the University of Ottawa’s faculty of law and executive member of the Canadian Network for Research on Terrorism, Security and Society, told our committee:

... I’m prepared to say that even on first reading, it was a glass half full. Now in its amended form it’s a glass three-quarters full. ...

We believe the Bill C-22 proposal compares favourably to analogues in other Westminster democracies ...

... we believe that Bill C-22, even in its present guise, deserves support.

Kent Roach, professor of law at the University of Toronto and a recognized expert on anti-terrorism law, said before our committee:

It’s a long overdue expansion of parliamentary review of national security activities from a whole-of-government perspective. ... I would just add that we are the only Five Eyes nation that does not give and trust our parliamentarians with secret information.

From the Honourable Jean-Pierre Plouffe, Commissioner, Office of the Communications Security Establishment, who testified:

[Translation]

First of all, let me say that I am glad this bill exists. I am also pleased with the increased commitment shown by parliamentarians when it comes to accountability in the area of national security, as this bill reflects.

[English]

He continues:

In my view, this committee will fill a void. Its broad mandate, as set out in this bill — most specifically in clause 8 — will enable it to have a broad strategic view over all of government national security activities.

We heard from former Senator Segal, who said:

... we should not let the perfect be the enemy of the good.

Bill C-22 is not perfect but undue delay in search of the perfect might imperil the entire venture, a venture for which the present government campaigned in an open election and for which it received a clear democratic mandate.

Former Senator Roméo Dallaire testified, saying:

We cannot keep parliamentarians blind in this era of enormous complexity and ambiguity in which we don’t know from what angle, from what direction or from what source threats can come. We don’t have an integrated capability, an instrument to integrate intelligence and be able to hold intelligence agencies accountable should that ever come to fruition.

Daniel Therrien, Privacy Commissioner, said:

... this bill represents important progress and will address a long-needed gap. On balance, my recommendation would be to adopt it now; assess its effectiveness when it becomes reality; and amend it, if necessary, after a few years of implementation.

Honourable senators, Bill C-22 was not established in a vacuum. Reviews were conducted with allies and partners. Their input was sought. Their committee structures were studied and their lessons learned were taken into consideration as the government developed the proposal that it first brought before the other place.

What resulted was a very much made-in-Canada piece of legislation. While modelled on the original intelligence and security committee of the United Kingdom, known as ISC, as has been pointed out, Bill C-22 goes farther than the original ISC construct. Our committee of parliamentarians would not only bring Canada in line with other key allies, but more important, respond to a clear need in the Canadian context.

I would like to quote Sir Malcolm Rifkind, chair of the UK committee from 2010 to 2015 and a former senior minister in the Margaret Thatcher government and in the Major government, when he explained in testimony before the committee the purpose, make-up and benefits of such a committee, where he said that in the UK

... the people who are normally invited to serve on the committee are relatively senior parliamentarians. Some have been ministers and no longer have any ministerial ambitions. They also tend to be people who, it’s judged, know how to handle intelligence material.

These factors have led to the intelligence agencies having more confidence, and not just in sharing facts with us; some of the most important intelligence we get from the intelligence chiefs who appear before us is not just the information that appears in their documents but their judgments as to the success or failure of an intelligence operation.

As parliamentarians, we are the cornerstone of our system of responsible and accountable government. We are responsible for enacting laws and holding government to account for the exercise of these authorities. To do so in a comprehensive manner in a national security and intelligence context requires access to information that, due to its very nature, may not be publicly disclosed. Bill C-22 bridges the gap and has been deemed by witnesses to be neither too timid nor too aggressive.

I acknowledge there has been vigorous debate on specific elements of the bill, and would expect no less, but as national security, privacy, legal and academic experts across the board stated in one fashion or another, potential or perceived imperfections should be no reason to prevent the formation of this much-needed national intelligence oversight committee.

As happened with our allies and partners, the composition, effectiveness and achievements of our experience of the committee of parliamentarians will evolve over time and with experience — Canadian experience. The very structure and make-up of this committee will dictate its way forward.

The National Security and Defence Committee has presented its report on its study of Bill C-22. While a number of members had indicated that amendments were being considered, after much discussion and consideration in committee, the many amendments that were put forward were defeated on a bipartisan basis, and amendments that some senators had considered putting forward were withdrawn. This was not the result of a blanket decision that Bill C-22 was perfect. But it was because committee members, in their wisdom, identified the issues, thoughtfully deliberated and concluded that the bill as presented was only the beginning, a framework for moving forward and evolving into a unique Canadian committee. Sir Malcolm Rifkind described in his testimony the evolution of the United Kingdom's experience, how it changed its parameters and requirements over the course of years. The report prepared by our committee and the appended observations are offering Canadians the basics with the opportunity to evolve in much the same way on Canadian experience.

The appended observations are not statements of self-gratification of our insight, but rather they robustly address those areas of concern expressed by senators and some witnesses. They comprise the membership numbers between the two houses; the application of consistent standards between the committee of parliamentarians and relevant ministers relating to the discretionary power of ministers to release special operational information as defined in the Security of Information Act; the view that discussions between ministers, officials and law enforcement agencies should occur in order to outline the areas of study the committee of parliamentarians should undertake, and that these discussions could result in protocols or memoranda of understanding; and it speaks to the committee's powers and practices in observation 7(a) where it is stated that the government

Provide authority to allow the committee to conduct its affairs as a judicial proceeding, which can administer oaths and prosecute perjury; subpoena witnesses; and protect whistle-blowers under the *Security of Information Act*.

This issue was debated extensively in committee, and ultimately clause-by-clause consideration yielded a consensus view around the adoption of a robust observation that will be tracked over the next five years.

The issues that are raised in the appendices and in the observations are most notably included in the above referenced issues, and there is a very strong request that all observations be tracked by the secretariat of our soon-to-be-established

committee, and that the executive director of the secretariat produce an annual report to be submitted to the chair of the committee of parliamentarians. These annual reports will form the basis of the five-year mandatory review to be conducted by Senate and house committees. In this way, the concerns expressed during our hearings by members of Parliament, senators and witnesses will be addressed on an ongoing basis. These reports will identify what works, what doesn't and what needs to change on the basis of Canadian experience and context.

I would urge senators to reflect on the fact that, by and large, expert testimony before the committee was overwhelmingly positive and the common sentiment was to get this done. We need to start somewhere. We have to stop, as a country, being laggards.

With an all-encompassing mandate and broad access to classified information, our committee of parliamentarians' work will enhance Parliament's engagement and contribute in a meaningful way to parliamentary debate in national security matters. And, by extension, our committee's work would enhance public confidence in our national security and intelligence agencies.

It has been said that an evolutionary learn-as-we-go approach has served other countries well. We believe this is true, but I also strongly believe that this legislation sets the right goalposts, providing an appropriate and ambitious starting point for the launch of Canada's committee of parliamentarians.

• (1450)

It is time for Canada to take on this responsibility and trust parliamentarians with information which, up to now, we have been unable to hear, read or access. I believe that Bill C-22 is balanced, achievable and necessary, and I urge colleagues to pass this bill as presented from the committee. We will benefit from the observations made in the committee's report and the commitment of the government to take these observations to heart.

For this reason, I hope that I can count on your vote to bring Canada up to par with our allies. Together we can, as parliamentarians, establish a new relationship between our Parliament and the national security and intelligence communities that serve us so well.

Hon. David M. Wells: I have a question for Senator Harder, if he would take the question, please.

Can you tell us the benefit of a committee of parliamentarians versus a parliamentary committee with respect to this? Why is it beneficial to have it structured like that? It sounds more like a government agency, which is not a bad thing, but could you tell us about why it would be structured like that?

Senator Harder: I thank Senator Wells for this question. This goes to the heart of what the British experience is in establishing their committee and the Canadian experience with what is being proposed. It is not a standard parliamentary committee. It is, rather, within the executive in the sense that the ultimate responsibility for the nation's security and intelligence is the Prime Minister.

What the Prime Minister is doing by establishing this committee in Parliament on a statutory basis is to involve parliamentarians from both chambers to provide oversight to all of our national security institutions, irrespective of where they are in government, and are able to look horizontally across, not just in the narrow context of an individual agency or department. Yes, they are parliamentarians and, therefore, involve the Parliament of Canada in the oversight, but it is not a parliamentary committee. It is part of the Prime Minister's responsibility for national security and intelligence.

That is exactly the way the British started, and that is what is being proposed here.

Hon. Daniel Lang: Colleagues, I also rise to speak to Bill C-22, An Act to establish the National Security and Intelligence Committee of Parliamentarians and to make consequential amendments to certain Acts. I would like to begin by commending the sponsor, Senator Harder, and the critic, Senator McIntyre, for a job well done on the bill.

I want to note at the outset that this is a very important bill as it will, for the first time, seek to engage parliamentarians in the review and oversight of national security agencies. The committee, I know, was pleased to work extra hard to conduct its hearings in time so that this chamber could consider the fullness of the subject matter before the summer recess. In fact, we organized extra hours in order to hear all the necessary witnesses and put the necessary time in to ensure that we could come back to the Senate prior to adjourning.

Colleagues, the committee provided observations, which are entitled "Observations to the Thirteenth Report of the Standing Senate Committee on National Security and Defence".

As part of its study on Bill C-22, which took place from June 5, 2017 to June 15, 2017, your committee held a total of five meetings. Over the course of these meetings, your committee heard from 29 witnesses.

The sponsor of the bill just went through and referred to a number of statements that were made by the expert witnesses who appeared before us. There was no question that there was a consensus that we should proceed with the principle of the bill. Where the debate ensued was in respect to the procedures and some of the authorities that had been or should be delegated to the committee and their responsibilities.

Your committee has observations with respect to certain provisions of the bill, namely:

First, clause 8(1)(b) of the bill prohibits the committee from reviewing activities that are ongoing operations and that the appropriate minister determines that the review would be injurious to national security. Your committee is concerned this may inhibit the committee of parliamentarians from performing its oversight role. Your committee also believes there should be a mechanism to monitor the application of this restriction by the minister, and that this mechanism should include provisions for regular reports thereon to the members of the committee.

Second, clause 14(d) of the bill states that the committee of parliamentarians is not entitled to have access to information

relating directly to an ongoing investigation carried out by a law enforcement agency that may lead to a prosecution. Your committee is concerned that this may prevent studies concerning instances where a law enforcement agency may be starting an ongoing investigation which may not be focused on an imminent prosecution but could have the possibility that the prosecution could exist sometime in the future. Your committee is further concerned this may prevent studies related to the Royal Canadian Mounted Police activities, since any action taken may lead to a prosecution.

Third, clause 16(1) of the bill states that the appropriate minister for a department may refuse to provide information if the information constitutes special operational information as defined in subsection 8(1) of the Security of Information Act and the provision of the information would be injurious to national security. Your committee is concerned that special operational information as defined in the Security of Information Act covers an overly broad range of information. Your committee believes that given the wide scope of special operational information, there should be discussions between the committee of parliamentarians and the relevant ministers to create a consistent standard of application for this discretionary power to allow the committee to fulfill its objectives.

Fourth, your committee believes that the committee of parliamentarians should discuss with each relevant minister, official or law enforcement agency the areas of study that the committee should undertake in the fulfillment of its objectives and the type of information that they will require to complete these studies. The outcomes of these discussions could be in the form of protocols or memorandums of understanding which will allow the parliamentary committee to accomplish its objectives better.

Fifth, your committee observes that, traditionally, joint committees have had a balance of one third Senate representation to two thirds House of Commons representation, and that senators can bring institutional memory and expertise for the long term to the committee of parliamentarians. Given these observations, your committee believes that the government should re-evaluate clause 4(2) of the bill and give consideration to an alternate composition of members to better reflect the two chambers of Parliament as defined by the Constitution Act, 1867.

Sixth, section 31.1 of the act requires the committee to inform the appropriate minister and the Attorney General of Canada of any activity that is carried out by a department and is related to national security or intelligence and that, in the committee's opinion, may not be in compliance with the law. Your committee is concerned that this clause is too narrow and suggests the committee be obligated to report also on activities that may involve an unnecessary and unreasonable exercise of authority granted to the minister or others in the department.

Seventh, your committee further believes the government should give consideration to making the following changes with respect to the committee of parliamentarians' powers, and practices:

- (a) Provide authority to allow the committee to conduct its affairs as a judicial proceeding, which can administer oaths and prosecute perjury, subpoena witnesses and protect whistle-blowers under the Security of Information Act.

(b) Expand the bodies to whom the committee can speak with to include the Privacy Commissioner.

(c) Allow the committee to provide confidential reports to the Prime Minister on matters of national security and allow all other reports to be tabled directly to Parliament.

(d) Examine options for establishing the membership of the committee in a manner that balances an opportunity for different members to participate — i.e. term limits — while maintaining the institutional memory that consistency in membership provides.

(e) In order to build confidence in the committee, allow the committee the authority to elect its chair from within its members.

Eighth, the observations appended to this report reflect items of concern expressed by witnesses. As a result, your committee suggests that these observations be assigned to the secretariat for monitoring. The executive director will, annually, provide a short report to the chair of the committee of parliamentarians, outlining his or her views as to what works well and what may require amending or changing.

• (1500)

Your committee also signals its intention to hear regularly from the chair of the Committee of Parliamentarians or its executive director to speak to its work and activities especially in relation to these observations, including the results of its reviews for consistency with our Constitution, and in particular the spirit and values in our Canadian Charter of Rights and Freedom.

In conclusion, I'd like to thank all members for the work they did on this bill. I want to make special mention of the clerk, Adam Thompson, and his staff, who worked so hard and diligently to ensure that our witnesses were there at the requested time and ensured that we would be able to complete the work and provide and present it to the Senate in a timely manner.

I also want to recognize the political staff who worked in the various senators' offices that did a great deal of work to ensure we were able to deal with the bill, as I said earlier, in a timely manner.

I also want to recognize all those employees who work day in and day out with respect to our committees and provide translation and the other administrative responsibilities that make our job easier.

Honourable senators, I conclude by saying that this bill lays the foundation for a significant engagement of the House of Commons and the Senate. It's a subject that is very important to Canada and our public security.

In the future, it will be important for the Committee on National Security and Defence to schedule a meeting once a year for at least a couple of hours to ensure that the chair of the parliamentary committee comes in and has a public conversation with the representatives of the Senate and to ensure that they're doing the job we're asking them to do and at the same time to

have the committee there to provide the necessary help and assistance, if required, for them to ensure the public security of Canada.

Honourable senators, I refer the bill for debate prior to us adjourning so that we can make a decision as far as the bill is concerned.

(On motion of Senator Martin, debate adjourned.)

BUSINESS OF THE SENATE

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, I should reflect some of the conversations that have been happening through the usual channels with respect to business today.

Senators will know that the Finance Committee is meeting as we speak. The next few items of business reflect the work of the Finance Committee, and it was agreed that, with leave of the Senate, we will revert back to Government Business once the Finance Committee and its membership return should that happen while we are still sitting.

In the meantime, we would move through the Orders of the Day after Government Business.

The Hon. the Speaker: Is it agreed that items No. 1 and 2 will stand, with leave to revert back later in the day?

Hon. Senators: Agreed.

RECOGNITION OF CHARLOTTETOWN AS THE BIRTHPLACE OF CONFEDERATION BILL

THIRD READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Griffin, seconded by the Honourable Senator Dean, for the third reading of Bill S-236, An Act to recognize Charlottetown as the birthplace of Confederation, as amended.

Hon. Paul E. McIntyre: Honourable senators, regarding Bill S-236, I ask for leave for this matter to remain adjourned in the name of Senator Cools after I have concluded my remarks.

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

Hon. Senators: Agreed.

Senator McIntyre: Honourable senators, I rise today in support of Bill S-236, An Act to recognize Charlottetown as the birthplace of Confederation.

Colleagues, this bill provides us with a great, historical opportunity, and as a New Brunswick senator, I am proud to be part of it.

A review of this bill reminded me of my years as a history student at the University of New Brunswick when I was studying for my Master's Degree. I vividly recall that all, if not most, of our discussions were centered around Confederation and the circumstances surrounding the birth of this great nation.

First and foremost, I want to thank Senator Griffin for sponsoring this bill. At committee level, four amendments were made to the original version of the bill, two of which were moved by Senator Griffin. Her first amendment proposed to correct an error in the draft of the bill.

Senator Griffin's second amendment specified that clause 2 does not constitute a formal recognition under the Parks Canada Agency. In consequence, this will not affect Parks Canada's budget, for instance. As you may know, the Parks Canada Agency Act uses a very specific language in relation to the recognition of national historical sites.

I then moved two other amendments to the bill with respect to paragraphs 2 and 5 of the preamble. The purpose of my amendments was to emphasize two important points. First, that the ambitions and ideals that flourished at and grew out of the Charlottetown Conference form part of the nation of Canada.

My second amendment was to the effect that September 1, 2014, marked the one hundred and fiftieth anniversary of the Charlottetown Conference, which, along with the Quebec Conference, 1864, and the London Conference of 1866 to 1867, led to the promulgation of the Constitution Act, 1867.

All four amendments were accepted by the Standing Senate Committee on Legal and Constitutional Affairs.

The reasons for my amendments were simple. The ambitions and ideals that flourished and grew out of the Charlottetown Conference continued to grow and flourish during all the conferences held at a later date — namely, Quebec, October 1864; and London, 1866 to 1867. Therefore, Confederation was the result of conferences held throughout the years until the project was adopted by the British Parliament.

Because Confederation was the result of approximately three years of discussions and conferences, guidelines were put in place progressively as the Fathers of Confederation held meetings.

It would be difficult to affirm that in Charlottetown the project of Confederation was perfect from the beginning, without the benefit of changes, additions and corrections made in the years that followed. If that had been the case, there would have been no conferences after Charlottetown, and Confederation would have been in place right away, which did not happen for three more years. The fact is that the Charlottetown Conference is and remains one of the pillars of our nation.

That said, I would be remiss not to mention the competitive narratives as to how Confederation came about. One of these highlights the importance of the Great Coalition of 1864 between the Province of Canada, led by George Brown, and the United Reformers and the Liberal Conservatives in Canada West, led by John A. Macdonald.

Originally, the Charlottetown Conference was to discuss the union of the maritime colonies only. As we know, it was at the initiative of the Province of Canada that the meeting was expanded to the union of all British of North America colonies.

• (1510)

Some commentators would argue that George Brown and the Province of Canada should be acknowledged as the instigators of Confederation.

Another narrative concerns the origins of Confederation as being put forward by my home province of New Brunswick. In 1861, Arthur Hamilton-Gordon became Lieutenant-Governor of New Brunswick. In 1863, he suggested a meeting in Fredericton for the Maritime Union, but the meeting was eventually held in Charlottetown.

Incidentally, the very first line of a book written in 1964 by Donald Creighton, a Canadian historian, and titled *The Road to Confederation*, reads as follows"

It was the enthusiasm of Gordon of New Brunswick that gave the moment its real start.

Christopher Moore, author of *1867: How the Fathers Made a Deal*, is quoted as saying that "New Brunswick's slogan in November 2016 (Celebrate Where It All Began) is legit if you accept that Gordon's push for maritime Union 'started the wheels moving.'"

That said, it is important to point out, though, that the proposed meeting concerned a potential union of the colonies of New Brunswick, Nova Scotia and Prince Edward Island, but not all of British North America.

Nevertheless, Ged Martin, the U.K.'s first chair of Canadian studies at Edinburgh University in Scotland, argues that New Brunswick played a vital and positive role at key moments in the creation of Canadian Confederation in the mid-1860s.

[Translation]

Another theory on the origins of Confederation focuses on the significance of the Quebec Conference. In October 1864, representatives from the five colonies of British North America — the Province of Canada, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland — gathered in Quebec City to continue the discussions that began in Charlottetown.

That being said, some maintain that the 72 resolutions that came out of the Quebec Conference laid the foundation for the British North America Act, Canada's original constitution.

Among the most important decisions made in Quebec City were the composition of Parliament and the division of powers between the federal and provincial governments. The Quebec Resolutions triggered debate and even resolutions to unify in various legislative assemblies, including in the Province of Canada, New Brunswick, and Nova Scotia, in the years that followed.

The resolutions were drafted into law by the delegates attending the London Conference, that was held from December 1866 to February 1867. The London Conference was the last meeting in the confederation process that would result in the British North America Act.

This is why some believe that the Quebec Resolutions and the British North America Act are the pillars on which the Constitution of Canada would come to rest in 1867.

[English]

However, that said, notwithstanding the narratives, as parliamentarians we have to recognize the importance of Charlottetown as the birthplace of Confederation.

As noted in the preamble of the bill:

... on September 1, 1864, leaders of the governments and legislatures of Prince Edward Island, Nova Scotia, New Brunswick and the Province of Canada met in Charlottetown, Prince Edward Island, and created a shared vision of a union of the British North American colonies and the creation of a new country.

It is important to recognize that the ambitions and ideals that flourished and grew out of the Charlottetown Conference form part of the nation of Canada. It is equally important to recognize that the Charlottetown Conference, along with the Quebec Conference of 1864 and the London Conference of 1866 to 1867 led to the promulgation of the Constitution Act, 1867.

Bill S-236 gives us the opportunity to remind Canadians of the fundamental role played by Charlottetown in the history of the Canadian Confederation. By officially recognizing the status of Charlottetown as the birthplace of Confederation, we are confirming the historical fact that Charlottetown is the place where the Fathers of Confederation first met to lay the foundations of Canada.

Honourable senators, I urge you to support Bill S-236 as we are poised to celebrate Canada's one hundred and fiftieth birthday.

Hon. Frances Lankin: Will senator take a question, please?

I appreciate your contribution to the debate. Let me say that I support this bill wholeheartedly.

I heard you make reference to a couple of amendments, but one in particular brought forward by Senator Griffin. I understand from her that it gives consideration to a concern the government had and that the concern has been resolved.

It seems to me that there is a great deal of support. I've not heard — and I'm asking you if you've heard any speakers to the contrary or in conversations — of people who have significant concerns or want to hold this bill up. I agree with you. This is

something that should be done before our one hundred and fiftieth anniversary and that senators here can make that happen by bringing this bill to a third reading vote.

Would you agree with that?

Senator McIntyre: Yes, I certainly would, senator. I thank you for your question.

As I noted at committee level, there were four amendments. Two amendments were made by Senator Griffin and two amendments were made by me.

The bottom line with this bill is that it shows that Charlottetown is the place where the Fathers of Confederation met for the first time. Following the Charlottetown Conference, which was held on September 1, 1864, two other conferences were held, namely, Quebec, in October 1864, and the London Conference, which was held between December 1866 and February 1867, leading to the proclamation of the British North America Act of 1867.

There were three conferences, not just one; there were two others.

I thank you for your question and you're absolutely correct. The bill shows that Charlottetown is the birthplace of Confederation because that's where the Fathers of Confederation met for the first time.

Hon. Serge Joyal: May I request the authorization to speak, because I know that Senator McIntyre has proposed that debate stand in the name of Senator Cools' name?

The Hon. the Speaker: Is it agreed that it will remain adjourned in the name of Senator Cools, honourable senators?

Hon. Senators: Agreed.

Senator Joyal: I will be brief, honourable senators, because I want to put on the record a certain number of facts that I think are important to understand the substance of this bill.

First of all, I want to mention — and I think that Senator McIntyre can confirm this — that Charlottetown was chosen as the place of meeting of the three Maritime provinces on the initiative of the Lieutenant-Governor of New Brunswick because the Lieutenant-Governor of Prince Edward Island would not have participated in the meeting had it not taken place in Charlottetown.

Unless Senator McIntyre, from New Brunswick, wants to contradict this point or this historical information, that's what the historians have informed us about the selection of Charlottetown as the meeting place of the three Maritime provinces to unite under the initiative or push by the Colonial Office in London. In those years, you will remember that there was the Civil War in the United States, a war that left more than 800,000 dead on the battlefield, and it was a push among the northern army. Once they

[Senator McIntyre]

had finished with the south, they would move across the border and would try for the third time to make Canada part of the United States.

• (1520)

So there was pressure from London on the Maritime provinces to try to unite and form a government. In fact, Nova Scotia participated in the conference because they had as an objective to make Halifax the capital of the three united Maritime provinces. In other words, each of them had a specific agenda in meeting in Charlottetown, but they thought that they would invite, as observers, the representative of the United Province of Canada — Ontario and Quebec, reunited, as you know, since 1840, in the United Province of Canada.

The delegates from the United Province, George Brown and John A. Macdonald, were invited as observers. They were not to take part in the negotiations, because the very objective of the meeting was to unite the three provinces, not to unite the three provinces with the United Province of Canada.

In the course of the discussion and the schmoozing that takes place in any kind of political gathering that, finally, Brown and Macdonald proposed that the union be enlarged, that it could include the United Province of Canada, as well as the need to go to a second conference in Quebec some months later to continue the discussion.

That is an important element to understand the process. When we read a bill and say, “Charlottetown is the birthplace of Confederation,” we are tempted to conclude that it happened with inspiration from somebody above, whereby all those people met and saw the light that Canada would be a big country.

The Charlottetown meeting was essentially a process that finally was resolved three years later, but the strange thing is that three years later, Prince Edward Island was not of the founding provinces of Canada. The four provinces that were at the origin of Canada were Nova Scotia, New Brunswick, Ontario and Quebec. Prince Edward Island was not part of Canada. Prince Edward Island became part of Canada only in 1875, after Manitoba — I am looking at Senator Plett — was created as a province in 1870 and after British Columbia joined the federation in 1871. That opened the opportunity or prospect that Canada would extend from coast to coast, from the Atlantic to the Pacific. Then, in 1875, because Prince Edward Island’s financial situation was in dire condition, the Government of Canada offered to buy out the debt of Prince Edward Island. Prince Edward Island was solicited by American delegates to try to join Canada. In other words, more or less, Canada bought out Prince Edward Island to join Canada. It was only in 1875 that finally Prince Edward Island became the seventh province of Canada.

One has to take that into account when we say that Charlottetown is the birthplace or the cradle of Confederation. It’s a mono-parental cradle, because there is somebody missing in the birthplace, which is one of the parents of Confederation.

When we look into this bill and try to understand how Canada was built, it was not built at the beginning in a grand design; it was built, first and foremost, to try to alleviate the financial and

economic conditions, to address the problems of the threat that the United States represented to the individual British colonies, and to try to build on the best of the railroad linking all of those provinces together so there would be a permanent link of communication.

I want to put that on the record, honourable senators, in following up from Senator McIntyre, because it is important to understand that what happened in Charlottetown is a process. The process was initiated, but it was definitely not the final process, because as you all know, the first proposal was a legislative union, not a division of power between the provinces and the central or national government. It was supposed to be only one legislative union.

It’s only in Quebec, when George-Étienne Cartier looked into what would happen, that francophones would be drawn into a large number of English-speaking citizens, that they sought to say, “Let’s divide the power so that there will be a better balance and protection of regional identities for the Maritime provinces, and of cultural and religious identity for French Canadians,” as they were called in those days.

In other words, it is very important to understand the dynamics that took place. Otherwise, we create the false impression that it is an easy initiative, and it all happened because we saw the light in Charlottetown and everybody was happy.

As a matter of fact, one year after Confederation, Nova Scotia sought to leave Confederation. There was an election, and the result was 38-36, a majority to leave Confederation a year after. That didn’t happen because everybody was happy. July 1, 1867, a year later, there was an initiative to try to part from Confederation. Joseph Howe, who was at the head of the separation movement, was finally included in the discussions with the federal government. He joined the government and was appointed a minister. Finally, his position melted down.

Again, as I have illustrated, among the four founding provinces, one wanted to leave the year after, and one of the provinces that did attend in Charlottetown didn’t join the federation until seven years later.

One has to understand those details to see how far we’ve come since 1864, when the first meeting took place.

I say that to Senator Griffin, because I’m sure that doesn’t reduce in any way the symbolism of this bill. It is important to understand how all those things happened to better realize that Canada is not a country that has been built easily.

Canada doesn’t maintain its unity easily, either. I don’t need to tell you how many referendums we had to maintain the unity of this country in 1897. The only province that joined the federation through the will of its population directly is Newfoundland and Labrador. It was called Newfoundland in those days, as Your Honour will know. It was only 1949. And Nunavut became a territory only in 1999.

Canada is a work-in-progress. Our unity has to be strengthened. We have to be mindful and understand very well the difficulties and challenges we face as a nation to make sure that we remain

together and maintain that level of freedom, prosperity and pride in who we are and how we have achieved this great country.

It is those reflections that I wanted to share, especially with the sponsor of the bill, Senator Griffin, and I espouse to you, honourable senators.

Challenges lie ahead for our country. When I look at Senator Brazeau, we still know that our unity is not complete as long as we will not have recognized properly the contribution of Aboriginal peoples to who we are and how the challenges we have ahead have to be met with all the obligations and responsibility that objective entails.

Thank you, honourable senators.

Hon. Carolyn Stewart Olsen: Would Senator Joyal take a question, please?

Senator Joyal: Yes.

Senator Stewart Olsen: Thank you for the history lesson. It's a little different lesson than the history I learned. Being from the Maritimes, I did not hear that Sir John A. and cohort were invited, but that rather they crashed the meeting.

• (1530)

The total history of the wonderfulness was not really supported in real life. In New Brunswick, there came a time when they realized they had been scuppered by the upper Canadians, and that they stood to lose a great deal.

So I think that has to be factored in. I get the nuance that you provided there, but I think we have to look at the real facts. Buying out your debt and infiltrating with your politics in the provinces was a really — they were brilliant politicians but it began the considerable downfall of the rest of Atlantic Canada. So I just want to put that on there because it was not all roses.

Senator Joyal: Very quickly, Mr. Speaker, thank you. I think you know there are people who crash parties without bringing booze with them. I will call him John A. MacDonald with all the respect I owe to the first Prime Minister of Canada, but I think in relation to that, at that time, John A. Macdonald and George Brown, as you know, heard that there was a meeting taking place, or that was to take place, in Charlottetown, and in order to schmooze and better create the ambience of easiness with which champagne normally provides the mind, they came down with their load of support to make sure that they would be heard and that they would be seen as bringing something to the table. But if I may say so, they left the party with doggy bags because, in fact, when they went back to Quebec, they were able to convince the Maritime representative and delegates to continue the discussion on a wider basis.

As a matter of fact, I think what you say just confirms that it was a work-in-progress, or a dinner in progress, as I should say.

[Senator Joyal]

Hon. Michael L. MacDonald: I want to add a few words to what Senator Joyal said, just for clarification.

The Hon. the Speaker: It has been agreed that the matter would remain adjourned, after Senator Joyal, in Senator Cools' name. Is it agreed that it will still remain adjourned in Senator Cools' name?

Hon. Senators: Agreed.

Senator MacDonald: Just for clarification, in 1867, there were 20 members of Parliament elected from Nova Scotia. Eighteen were anti-confederates, and over almost 60 per cent of the vote in Nova Scotia was against Confederation. Nova Scotia was awash in excise taxes and had no debt. It was relatively wealthy. It was the wealthiest province of Canada, there is no doubt about that. The wealthiest man in Canada was a Nova Scotian.

The provincial government was elected, and 46 out of 48 provincial members were anti-confederates, so there is no sense in putting icing on this cake. Nova Scotia was strongly against Confederation. All the leading people in Nova Scotia were against it. In 1868, Joseph Howe petitioned for better terms for Nova Scotia. He received those better terms from Nova Scotia, retired from politics in the early 1870s, was appointed Lieutenant-Governor for Nova Scotia and died a few months later.

I'm very familiar with Joseph Howe. My great-grandfather was Joseph Howe's coachman and his gardener, and he met my great-grandmother, who was his seamstress and housekeeper, in 1867 in Dartmouth — Joseph Howe's residence was in Dartmouth — and they were married in his parlour. In fact, their marriage is in the *Novascotian*, Joseph Howe's paper, and we still have some of the dishes given to them as a wedding present by Joseph Howe. So I'm a big fan of Joe Howe's. I just wanted to put the record straight on that matter.

(On motion of Senator Cools, debate adjourned.)

NATIONAL SECURITY AND INTELLIGENCE COMMITTEE OF PARLIAMENTARIANS BILL

BILL TO AMEND—THIRD READING

Leave having been given to revert to Government Business, Bills—Third Reading, Order No. 1:

On the Order:

Resuming debate on the motion of the Honourable Senator Harder, P.C., seconded by the Honourable Senator Mitchell, for the third reading of Bill C-22, An Act to establish the National Security and Intelligence Committee of Parliamentarians and to make consequential amendments to certain Acts.

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

Some Hon. Senators: Agreed.

Some Hon. Senators: On division.

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

[Translation]

NATIONAL STRATEGY FOR ALZHEIMER'S DISEASE AND OTHER DEMENTIAS BILL

THIRD READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Stewart Olsen, seconded by the Honourable Senator Seidman, for the third reading of Bill C-233, An Act respecting a national strategy for Alzheimer's disease and other dementias.

Hon. Marie-Françoise Mégie: Honourable senator, I am pleased to rise today to speak to Bill C-233, the national strategy for Alzheimer's disease and other dementias bill.

As you all know, dementia is one of the greatest public health challenges of our time. Statistics from the Alzheimer Society of Canada are troubling. According to a 2016 report on dementia in Canada prepared by the Standing Senate Committee on Social Affairs, Science and Technology, 747,000 Canadians are living with a cognitive impairment. Every year, 25,000 new cases of dementia are diagnosed, which means that, by 2031, it is estimated that 1.4 million people will have some sort of cognitive impairment. Right now, the direct and indirect costs associated with providing care and services for people with dementia amount to \$33 billion. In 2040, that amount will reach \$293 billion.

• (1540)

While this disease is more prevalent among seniors, it is not a normal part of aging. However, advanced age is a risk factor.

What is dementia, anyway? Generally speaking, it is a disease that affects a person's memory, orientation, thoughts, understanding, language, ability to learn, and judgment. It results in a major loss of physical and mental autonomy, as well as regression that some people describe as infantilism. There are many types of dementia, but Alzheimer's is the most prevalent. That is why some of the literature refers to Alzheimer's disease and related dementias.

Dementia is a progressive disease. Some cases may even develop over 20 years. The needs of those with dementia are also progressive and they affect all aspects of the lives of those with the disease and their families, including housing, relationships, family life, and even work life. The literature acknowledges the reality of the situation, which is that family members are the ones that generally end up having to care for people with dementia.

I would like to give you a few examples so that you can put this into context. When people first develop dementia, their caregivers often have to secure the house so that the person with the disease cannot run away. This will become a daily cause for concern.

The person with dementia may call their family caregiver at work many times a day, always for the same reason. If the caregiver's employer takes a dim view of the disturbance, they may be reprimanded or even fired.

Disturbing behaviour, such as aggression, baseless accusations against and the inability to recognize loved ones, is psychologically very painful for the caregiver.

In addition to the social and emotional burden, there is the financial burden. According to the Alzheimer Society of Canada:

In 2011, family caregivers spent 444 million unpaid hours per year looking after someone with dementia, representing \$11 billion in lost income and 227,720 lost full-time equivalent employees in the work force. By 2040, they will be devoting a staggering 1.2 billion unpaid hours per year.

Honourable senators, we must act now.

What would Bill C-233 do?

It provides for the development and implementation of a comprehensive national strategy to address all aspects of Alzheimer's disease and other forms of dementia. Clause 3 of the bill would see the federal government working with provincial and territorial ministers to coordinate, implement, and maintain a concrete action plan to minimize the impact of dementia on all Canadians. Efforts will focus on care that improves quality of life for people suffering from dementia and their caregivers, and on research that will facilitate early diagnosis and finding a cure.

If it is to benefit current and future generations, this strategy must be comprehensive, enduring, and multi-disciplinary. It has to cover every aspect of life that is affected by these degenerative brain diseases.

Let us first acknowledge that Bill C-233 was never meant to be a federal plan. As drafted, it is a national strategy that requires active participation on the part of the various stakeholders.

A structured dialogue is required to ensure the various health jurisdictions as laid out in the Canadian Constitution are respected, resulting in targeted and responsive care programs.

In order to truly tackle dementia, we need some real leadership from the medical community as well as social groups. Speaking of leadership, I welcome the parliamentary initiative to increase investments in research and to strengthen the provision of care. However, it would be useful to supplement the section setting out the objectives of this national strategy with a specific clause on prevention.

Indeed, we know that smoking and poor nutrition increase the risk of neuropsychological diseases. Thus, an effective strategy

against dementia must necessarily involve policies designed to combat bad habits.

In this regard, I congratulate my colleague, Senator Petitcherc, on the work she did on Bill S-5, An Act to amend the Tobacco Act and the Non-smokers' Health Act and to make consequential amendments to other Acts. Moreover, I would like to acknowledge Senator Greene Raine's initiative on Bill S-228, which seeks to prevent obesity by prohibiting the advertising of food and drinks to children.

Prevention is everyone's business. This is my first key message today. For the good of our society, we need to be clear-sighted by focusing on well-defined national priorities. By insisting now on healthy lifestyles, we will reverse the trend and so improve Canadians' living standards.

An interdisciplinary approach is also used in the care of people with dementia. Support, care and follow-up require active dialogue. Not only must we provide appropriate care, but also quality services. To this end, we need to innovate and use all the resources at our disposal.

In addition to essential medical, nursing and psychosocial workers, some regions could benefit from other resources specific to their environment, such as ambulance staff and paramedics, for instance. Quebec ambulance attendants have recently explained how they could play a complementary role in supporting patients. They would like to be a part of the home support team so that patients can remain in their environment for as long as possible.

As I described earlier, and as mentioned in the report of the Standing Senate Committee on Social Affairs, Science and Technology, caregivers carry the burden of illness. I would have liked the bill to give them greater consideration.

Because of their proximity to the person with dementia, caregivers witness the onset of the first symptoms and then watch as the disease develops, eventually carrying their loved one away. When exposed to this kind of stress, caregivers' mental health can take a turn for the worse. Indeed, according to The Caregiver Network, eight out of 10 loved ones believe they have experienced emotional problems related to their responsibilities, and 25 per cent of them will develop clinical depression. Caregivers are often referred to as hidden patients, so their concerns should be given special consideration. It goes without saying that their testimony remains a vital part of our concerted effort.

We also need to better analyze the needs of caregivers in order to better meet their expectations. Keep in mind that spousal caregivers and child caregiver will face very different challenges, which is why we must recognize the role of caregivers in society. To this end, they should be adequately equipped to optimize their quality of life, while ensuring that they are able to provide effective assistance to the person receiving care.

• (1550)

We need to foster community-wide approaches in order to free them from their isolation. By offering psychological and other resources that are tailored to their circumstances, we will be

making the most of our interventions. Similarly, we also need a mechanism by which we can meet their need for information, advice, and respite to assist them in their role. You never know, honourable senators. Any one of us could be called upon at some point to take on the role of caregiver. That is my second key message today.

We must also consider including ethnic and LGBTQ communities in the discussions of the advisory committee listed in clause 4. In my experience, dementia is still a taboo subject in some ethnic communities and because it is not talked about openly, there is a lack of knowledge about the services that are available, and that translates into treatment delays. Some people from the LGBTQ communities have difficulty getting access to treatment. Sometimes people from this community with dementia, or their loved ones, prefer to stay isolated because of the taboo surrounding their sexual orientation or their gender identity.

To rectify this sad state of affairs, we must first ensure that the members of these communities receive help and services that are tailored to their needs. Bill C-233, An Act respecting a national strategy for Alzheimer's disease and other dementias, will help align solutions for providing care that is adapted to everyone directly or indirectly affected by this scourge.

This brings me to the matter of indigenous communities. This past February, Ottawa announced investments in the order of \$1 million to support two research projects to address the needs of indigenous people living with dementia and those at risk. Rates of dementia are reported to be 34 per cent higher than in the non-indigenous population. Thus, a collaborative, culturally-adapted approach will also help improve the quality of life of these individuals.

There is another area, overlooked in the bill, that deserves to be included. Privacy-related issues need to be addressed from an ethics standpoint throughout the process. First, careful consideration must be given to protecting the basic rights of these people, who are losing their autonomy. Then, we will need to explore the possibility of adapting the legal definition of what constitutes an expression of the patient's will and consent so as to allow for opportunities for support in decision-making, which may go as far as a guardianship.

We need to send a clear message to our constituents to make sure they understand that this bill will help us take control of the situation on all levels.

It is important to acknowledge the hard work of the members of the other place, who managed to set aside their political allegiances in order to focus on the well-being of Canadians and unanimously pass this bill.

I want to take this opportunity to applaud the outstanding work done by Senator Ogilvie who brilliantly led the study by the Standing Senate Committee on Social Affairs, Science and Technology. Under his leadership, the committee members endorsed Bill C-233 without amendment following a clause by clause study. I also must congratulate the bill's sponsor, Senator Stewart Olsen.

Colleagues, let us seize this opportunity to demonstrate the Senate's true worth to Canadians as an inclusive, effective, and thoughtful institution. Considering how quickly dementia is spreading throughout our society, we must act now. Canadians need a solid strategy to ensure the success of this national undertaking and to alleviate the suffering that goes along with neurodegenerative pathologies.

Honourable senators, here is my third key message: we must act now. That is why I am asking you to join me in supporting Bill C-233, An Act respecting a national strategy for Alzheimer's disease and other dementias. Thank you.

Hon. Senators: Hear, hear!

[English]

NATIONAL STRATEGY FOR SAFE AND ENVIRONMENTALLY SOUND DISPOSAL OF LAMPS CONTAINING MERCURY BILL

THIRD READING

On the Order:

Resuming debate on the motion of the Honourable Senator Cordy, seconded by the Honourable Senator Joyal, P.C., for the third reading of Bill C-238, An Act respecting the development of a national strategy for the safe and environmentally sound disposal of lamps containing mercury.

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

Hon. Senators: Question!

The Hon. the Speaker *pro tempore*: It was moved by Honourable Senator Cordy, seconded by the Honourable Senator Joyal, that the bill be read the third time.

Is it your pleasure honourable senators to adopt the motion?

Hon. Senators: Agreed.

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

• (1600)

[Translation]

THE ESTIMATES, 2017-18

MAIN ESTIMATES—SIXTEENTH REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

Leave having been given to revert to Government Business, Reports of Committees, Item No. 6:

The Senate proceeded to consideration of the sixteenth report (interim) of the Standing Senate Committee on National Finance,

entitled *Second Interim Report on Main Estimates 2017-18*, tabled in the Senate on June 15, 2017.

Hon. Percy Mockler moved the adoption of the report.

He said: Honourable senators, I rise today to speak to the Main Estimates for 2017-18, which were tabled in the Senate on February 28, 2017, and sent to the Standing Senate Committee on National Finance on March 1, 2017.

[English]

The government is requesting that Parliament authorize \$102.1 billion in spending and is forecasting \$155.8 billion in statutory expenditures, for total budgetary expenditures of \$257.9 billion in fiscal year 2017-18, an increase of \$7.8 billion compared with the Main Estimates 2016-17.

Senator Mercer: That's a lot of money.

Senator Mockler: I agree with you, Senator Mercer.

To review these estimates, honourable senators, our committee has held four meetings since April 1, 2017, with officials from eight departments and also from Moody's Investors Service and from the International Monetary Fund.

[Translation]

The committee decided to gather evidence regarding the housing situation in Canada as a result of growing concerns about the potential impacts that a real estate slowdown or housing shock could have on the Government of Canada's entire budgetary and fiscal framework and program spending in general.

[English]

Mortgage credit and insurance is a \$1.45 trillion market, represents 20 per cent of our economy and is growing, and makes up 67 per cent of household debt across Canada.

[Translation]

Honourable senators, on May 10, Moody's Investors Services downgraded the credit ratings of Canada's six largest banks because of ever-increasing consumer debt levels and elevated housing prices, which leave Canadians more exposed to the downside risks facing the Canadian economy than they were in the past.

[English]

The committee heard from officials from the Department of Finance Canada and the Office of the Superintendent of Financial Institutions, who assured the committee that the Canadian banking system regulations are constantly being reviewed and updated and that the Canadian banking system can withstand a turbulent economic environment. Canada Mortgage and Housing Corporation, which holds \$500 billion worth of mortgages in Canada, also assured the committee that it will have the financial resources to deal with various critical scenarios in the Canadian economy.

[Translation]

However, although Moody's and the International Monetary Fund recognize the strength of the Canadian banking system, they remain concerned about the fact that, in today's economic environment, Canada's debt-to-income ratio has reached a record high of 167 per cent and that housing prices are excessive.

In fact, the IMF representative did not hesitate to recommend the following:

... further tightening of prudential and tax-based measures to mitigate speculative and investment activity. Among these measures we would encourage the authorities to consider putting a cap on household debt to income. This would be the amount of debt that a borrower can borrow from a bank, to limit it to a certain threshold of the income that the borrower earns.

That quotation is from the transcript of the May 30, 2017, Finance Committee meeting.

[English]

Honourable senators, the OECD has also joined the chorus of the concerned. An article in the *Globe and Mail* published on June 7, 2017, reports that "The OECD is pressing Canada to go beyond the many measures already taken to cool overheated housing markets."

Honourable senators, there is an important distinction between a well-regulated and well-capitalized banking system and the social and financial environment in which it operates.

Honourable senators, a great amount of that outstanding mortgage credit is insured by CMHC, which in turn is guaranteed by the Government of Canada. The committee is very concerned that if a significant downturn in the job market or even small increases in interest rates were to happen, it could potentially hit the government's purse very hard, thus causing a negative impact on the fiscal framework of the Government of Canada.

[Translation]

Honourable senators, the committee also heard testimony from Innovation, Science and Economic Development Canada regarding its goal of attracting private investments in the Canadian market. The committee strongly supports those initiatives, as long as all funding serves to stimulate investments that foster innovation in Canada.

[English]

The committee also heard from the Department of Health and Indigenous and Northern Affairs Canada on their continued efforts to close the gap between other Canadians and First

[Senator Mockler]

Nations people with respect to health outcomes, drinkable water and housing. However, the committee urges the development of proper metrics to measure outcomes for these initiatives. I take the opportunity to thank all the senators who took part in that discussion.

[Translation]

The committee heard from officials from the Department of Canadian Heritage, whose grant and contribution programs are worth \$1.2 billion out of a total budget of \$1.4 billion. The Canadian Heritage Departmental Audit Committee raised some very serious concerns. According to that committee, "... some of the performance measures were of questionable value and/or lacked sufficient ambition." They lacked transparency.

The purpose of our committee is to ensure transparency, accountability and predictability with respect to public finances. The committee urged the department to develop effective performance measures that could be applied to its grant and contribution programs.

[English]

Honourable senators, the committee also heard from the Department of Transportation. Of particular interest was the \$5 billion earmarked for the Canadian infrastructure bank to address trade and transportation priorities. The committee was concerned that \$5 billion had been earmarked for spending even though the infrastructure bank has not yet come into being and priority projects have yet to be identified.

Finally, I would like you to know that shortly after I became Chair of the Standing Senate Committee on National Finance, I took the opportunity to address department officials regarding any outstanding follow-up information that had been requested by our committee. Some were slow to deliver the information to the senators, so I asked to be provided with a chart of information that this committee has requested since 2016. I reminded the officials in Canada of departments and the agencies that time is of the essence in order to report on the objective of transparency, accountability and predictability.

• (1610)

I advised them that while I have not yet addressed my concerns to the Privy Council, I made it clear that we would not tolerate future slowing down of the process.

With that, honourable senators, I thank you for your time and I thank you for your attention. To the members of the committee, job well done. Thank you very much.

Hon. Larry W. Smith (Leader of the Opposition): Honourable senators, I wish to speak briefly to the Main Estimates. Year after year the Main Estimates and supplementary estimates are brought before us for scrutiny. When you consider the parliamentary year, reviewing estimates is done over a very compressed time frame, in direct disproportion, I would suggest, to their importance.

I say that because the famous principle of no taxation without representation enshrined in the Magna Carta applies not only to Parliament's fight to control taxation but also to Parliament's fight to control expenditure, namely, the spending of the proceeds of taxation by consent of the taxpayers.

There are two sides to the taxpayer coin. Indeed, Parliament came into existence through control of the public purse, as Senator Cools has reminded us; the first business of Parliament is to grant supply to the Crown.

However, the foundational principle of no taxation without representation is clear-cut and had been the rallying cry of many an English revolt against excessively high or unauthorized taxation. In fact, many an Englishman had been prepared to lose his head over excessive taxation and did. But you would be hard-pressed to find an instance of revolt in Canada against increased program spending that has not been authorized by Parliament.

No wonder taxation gets public attention. Parliament either controls taxation or it does not. And while Parliament will take the time to scrutinize tax measures, it is unwilling to give the same amount of time or attention to the scrutiny of the details of expenditure, which are inefficiently more complicated in comparison.

Take, for example, the widely reported upon proposed escalator tax on spirits, beer and wine. This is an issue of no taxation without representation, and it's not just the alcohol talking because this issue also arises with respect to attaching an annual inflationary tax to service fees. And our colleague Senator Day quite rightly raised the principle of no taxation without representation in his masterful speech on the proposed borrowing authority act, which would quietly, and some would say stealthily, do an end run around parliamentary oversight of government finances and increase the power of the executive of cabinet and, in most instances, Parliament would not have any information about the government's borrowing for three years after the fact. In contrast, while the issue of taxation is relatively black and white, there are countless greys and shades when it comes to control of expenditure.

In fact, honourable senators, nowhere is there a greater challenge exhibited to the principles of transparency, accountability and predictability in government than through the estimates process. It is worth mentioning that the sponsorship scandal would be the high watermark of a failure in estimates, as the Gomery commission found that it could not be identified in the estimates applicable to it despite the most rigorous scrutiny.

The challenges we face as parliamentarians in providing proper oversight of estimates are hardly new and have been acknowledged by previous governments and even the current government, which last October released its report *Empowering Parliamentarians through Better Information*, the government's vision for estimates reform which states as follows:

The inability of Parliament to play a meaningful role in reviewing the Government's spending plans is a frequent source of frustration. It stems from an incoherent Estimates

process, where Budget items are not included in the Main Estimates, spending plans are difficult to understand and reconcile, and departmental reports are neither meaningful nor informative.

Honourable senators, having been the chair of the Senate Finance Committee and a member for numerous years, I can attest to the challenges of sifting through what are opaque and confusing documents in order to hold the government to financial account. I am proud of my colleagues, who have devoted as much time as they could to address these funding issues brought forward in the estimates process and to hold the government accountable.

Accountability means not only the submission of expenditures for inspection, but also Parliament's right to criticize public expenditure and to apply sanctions in case of unauthorized or excessive expenditure because it is our job to protect both sides of the taxpayer coin, not only how it is taxed but also how it is spent. Thank you.

Hon. Elizabeth Marshall: Honourable senators, I rise to speak to the Main Estimates, which is the government's second money request for this fiscal year.

The government's first money request was for interim supply, which authorized funding for the first three months of the fiscal year, covering the months of April, May and June. Since June 30 is fast approaching, these Main Estimates must be approved on or before June 30 so that government will have funding for the remainder of the fiscal year.

According to the Main Estimates, the government plans to spend \$258 billion this year. They are actually requesting parliamentary approval for \$102 billion of the \$258 billion, as the difference of \$156 billion represents statutory expenses which have already received approval in accordance with other legislation. This would include items such as equalization payments and Old Age Security benefits.

Honourable senators, until 2006, Main Estimates were usually tabled after the budget and therefore included budget initiatives. However, after 2006 the Main Estimates were tabled before the budget and therefore did not include budget initiatives.

To correct this problem, the government has proposed changes to align the Main Estimates and the budget. These proposed changes have been discussed extensively with the House of Commons Standing Committee on Finance, as well as the Standing Senate Committee on National Finance. The current President of Treasury Board has also held several information sessions for all parliamentarians on this matter.

As a result, expenditures indicated in the Main Estimates are different from the expenditures indicated in the budget. In summary, the Main Estimates do not provide an overall picture of the government's planned spending for the year, as anticipated in their budget.

This year, again, we are faced with Main Estimates that show different expenditure numbers than those in the budget. While Budget 2017 indicates total expenditures of \$330 billion for this

year, the Main Estimates indicate a lesser amount of \$258 billion, a significant difference of \$72 billion.

The government's requests for funding for a fiscal year do not come forward in one request. Rather, there are five requests throughout the year entitled Main Estimates, interim supply, Supplementary Estimates (A), Supplementary Estimates (B) and Supplementary Estimates (C).

Because the government's requests for funding are staggered throughout the year, comparison between years at periodic intervals is not particularly useful.

For example, Employment and Social Development Canada, in their Supplementary Estimates (A) for this year, indicated to the committee that of the \$585 million they are requesting, a full \$455 million are for items referenced in last year's budget.

The Parliamentary Budget Officer, in his review of Main Estimates, encountered similar problems. For example, this year, the government earmarked \$8 billion in new spending for infrastructure, yet the Parliamentary Budget Office could only identify about \$5.5 billion in these Main Estimates.

The Parliamentary Budget Officer, in his report on Supplementary Estimates (A), attached a chart to his report outlining this year's budget initiatives and then indicating whether the funding is included in Supplementary Estimates (A), because they are not in the Main Estimates.

His analysis indicated that Supplementary Estimates (A) included only 19 of the 94 budget initiatives in the 2017 budget. \$1 billion in funding in the 2017 Supplementary Estimates (A) was requested for these 19 budget initiatives. The remaining 75 budget items totalling \$1.25 billion have yet to be requested.

• (1620)

This is how the current Parliamentary Budget Officer concludes his review:

The Government has proposed improving the alignment of the budget and the main estimates by delaying the main estimates until May 1 and revising internal processes. Given the limited number of Budget 2017 measures that are included in these supplementary estimates, —

. . . which were tabled after May 1 . . .

— this proposal may not result in meaningful improvement in the alignment of the budget and the main estimates.

Last week, Mr. Kevin Page, our former Parliamentary Budget Officer, testified before the Senate's National Finance Committee. He concluded that our estimates system is "broken" because we are reviewing Main Estimates for this fiscal year and they are aligned with last year's budget and not this year's budget.

Unfortunately, not all departments, when requesting funding, indicate whether the funding relates to budget initiatives in the previous year or the current year. As a result, it is necessary to

cross-reference funding requests with the current year's budget as well as the previous years' budgets. And the budget, which announces new or additional spending, usually includes a general description, which cannot be cross-referenced to a particular department or program.

Needless to say, this is a serious problem as it is very difficult to track government spending plans and related budget initiatives to the Main Estimates and supplementary estimates.

Even the President of the Treasury Board, in his testimony before the National Finance Committee last Thursday, referred to this process as an "asinine, absurd, ridiculous process to have the Main Estimates being tabled before the budget." His conclusion was that this process made no sense.

Honourable senators, throughout the year, committee members have been following developments in the housing sector with interest. Of particular concern is the impact that negative events in the housing sector could have on the government's fiscal framework. Selling prices of homes in Vancouver and Toronto have increased significantly over the past year, and both cities have implemented new policies to cool the market.

The federal government also implemented last fall more stringent rules for potential homeowners seeking mortgages. For example, the government increased stress testing standards to ensure people could still afford their mortgages at higher interest rates than they are currently paying. In addition, lenders can no longer insure mortgages on homes with a purchase price over \$1 million, nor can they insure mortgages on homes purchased for rental or as investments.

Although CMHC has said that total insured volumes fell 41 per cent in the first quarter of 2017, Finance officials, when testifying at the National Finance Committee, said it was too early to determine the impact of the new rules.

Concerns are also being expressed about increasing consumer debt, including mortgage credit, which has been growing faster than disposable income. Inherent in this is the risk associated with record low interest rates and individuals' ability to cope with an increase in interest rates, which many economists say is imminent. In addition, premiums for mortgage insurance were increased in March of this year after new rules were implemented requiring mortgage insurers to have more capital on hand as a hedge against potential losses.

CMHC, the Crown corporation, provides mortgage insurance and is, in fact, the provider of the majority of mortgage insurance. Canada Guaranty and Genworth also provide mortgage insurance. They are regulated by the Office of the Superintendent of Financial Institutions and were also required to increase their premiums.

Last month, the Finance Committee met with officials of Moody's Investors Service, the International Monetary Fund, the Office of the Superintendent of Financial Institutions, the Department of Finance and CMHC to discuss the housing market and whether it could impact the government's fiscal framework. Moody's downgraded the credit rating of Canada's six largest banks on May 10, citing concerns that expanding levels of private sector debt could weaken asset quality in the future.

Moody's further elaborated by stating that:

Continued growth in Canadian consumer debt and elevated housing prices leaves consumers, and Canadian banks, more vulnerable to downside risks facing the Canadian economy than in the past.

An official of the International Monetary Fund testified on May 30 when they were in Ottawa for their annual consultation process. At that time, we were informed that, during consultations, the housing market had come up as an important issue for the Canadian economy, citing the problems at Home Capital, house prices in Toronto and Vancouver, the ratings' downgrade by Moody's, the high level of household debt and the exposure of the banks to the housing sector. We were informed, for example, that mortgage lending alone accounts for 45 per cent of the banks' total loans. Of particular interest were comments regarding the government, that a significant portion of mortgages are backed by the full faith of the government.

CMHC also discussed the consultations currently being undertaken by the Department of Finance on lender risk-sharing for government-backed insured mortgages. CMHC officials also testified regarding the corporation's mandate and programs, as well as the government-backed mortgage insurance, which currently stand at \$500 billion.

CMHC informed us of their stress-testing program, which is designed to understand the impacts of changes in the economy as well as other types of circumstances that could impact CMHC. Officials informed us that they try to tailor the stress scenarios to the actual reality of the market. For example, last year they looked at a U.S.-style housing correction, which is a 5 per cent increase in unemployment and 30 per cent decrease in house prices. This year they are looking at a more severe house price decline because house prices have continued to elevate.

CMHC officials informed us that, in addition to the programs provided by the corporation, they are a stabilizer when the economy is under stress. For example, in 2008 and 2009, when the private mortgage insurers were under stress and reduced their participation in the market, CMHC indicated that they had helped keep the housing market going and ensured stability in that sector.

In concluding their testimony, CMHC officials informed us of the following. This is a quote from their testimony because I wanted to convey to senators the assurances that we were given by CMHC:

Recent developments, including Home Capital and the downgrading of Canada's big six banks by Moody's Investors Service, has caused some to question the stability of Canada's housing finance system. Moody's is a respected credit rating agency and its opinion matters to market participants. Notably, Moody's has cited high levels of household debt and elevated house prices as key reasons for the downgrading. . . . This is consistent with CMHC's analysis of market conditions.

Having said that, CMHC is not concerned about the state of our financial exposure and we remain confident in

Canada's housing finance system in general. Canada's banks have consistently been rated among the strongest in the world. Moreover, CMHC's latest stress testing results demonstrate that the corporation has sufficient capital to withstand severely disruptive economic conditions.

This is not the first time Canada's big six banks have been downgraded, but it does provide a note of caution that we need to remain vigilant against risks that could jeopardize the stability of Canada's financial system.

Last week, the Bank of Canada said that the high levels of household debt and red-hot housing markets pose the biggest threat to the stability of the country's financial system. Mortgages and home equity lines of credit make up about 90 per cent of Canada's household debt, and the Bank of Canada has previously said that it is concerned that mortgage credit is growing faster than disposable income.

Other than Vancouver and Toronto, price increases have been moderate, but the areas where housing has been growing the fastest make up about half the value of Canada's housing stock and about one third of the population. As a result, the housing situation in Vancouver and Toronto could have an impact across the country.

The Standing Senate Committee on National Finance held four meetings on the Main Estimates and we heard from 21 witnesses from eight organizations.

As I have already mentioned, a number of departments and agencies indicated that most of the initiatives outlined in the budget are not included in the Main Estimates, as the Main Estimates are prepared before the budget is released.

Officials from Health Canada indicated that increased funding has been provided for a number of programs, including an increase of \$440 million for First Nations and Inuit health programs. Officials discussed health and social services provided to First Nations children living on reserves, the Indian Residential Schools Settlement Agreement, funding for mental wellness programs, as well as funding to assist First Nations communities with access to safe, reliable water and waste water services.

Canadian Heritage officials discussed a number of initiatives including the Canada 150 Fund established to celebrate the one hundred and fiftieth anniversary of Confederation to support numerous community and national activities. Officials also discussed a number of budget initiatives for which funding will be requested through Supplementary Estimates.

CMHC's funding of \$2.7 billion in the Main Estimates reflects a budgetary increase of \$700 million, of which \$576 million is for social infrastructure. CMHC officials also discussed their budget allocation of \$30 million for market research and analysis, including insights into housing markets that are overheated and information on escalating housing prices. They indicated they are expanding their surveys to provide more timely and more accurate information on the housing market.

• (1630)

This issue of the housing and consumer debt has been ongoing for the past year, and we've been very concerned about it. Even within the last day, there have been at least three articles on housing, interest rates and debt. There's one here from yesterday where Canada's Finance Minister, Bill Morneau, said he discussed with his provincial counterparts whether more actions are needed to ensure the stability of the country's housing market.

There was also an article where the Bank of Canada raised with sudden urgency a July rate hike in Canada. It looks like the interest rates increase is very imminent. Some people are really borderline with regard to managing their debt.

There's another one. The Parliamentary Budget Officer just released a report today where he's saying that Canadians will have to devote an unprecedented amount of their income to debt repayments as interest rates return to normal levels.

So the housing and interest situations are really concerning.

My last comment relates to the Department of National Defence officials who testified before the committee on March 8. They discussed a number of current issues, but I was particularly interested in the Canadian Army Reserve, because the Auditor General had conducted an audit last year of that area of the department. It's of some interest to me because Newfoundlanders and Labradorians are well represented in the Canadian Armed Forces.

The audit identified numerous serious problems and concluded, among other things, that the number of Army Reserve soldiers has been steadily declining and the reserve units did not have the number of soldiers it needed. It also indicated that funding was not designed to fully support training, units were not fully prepared for domestic missions, and units lacked clear guidance on preparing for major international missions and were not fully integrated with the regular army.

I was very disappointed when officials informed us that no additional funding has been provided to address the serious problems with the reserves.

The recently released Defence Policy Review does reference the Canadian Army Reserves. It's committing to an increase —

The Hon. the Speaker: Excuse me, Senator Marshall. Sorry to interrupt you, but your time has expired. Are you asking for more time?

Senator Marshall: Yes.

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

Hon. Senators: Agreed.

Senator Marshall: The recently released Defence Policy Review references the Army Reserves, committing to an increase in soldiers, new operational roles and further integration into the total force.

[Senator Marshall]

Unfortunately, no new funding has been provided for the reserves.

That concludes my remarks on the Mains Estimates.

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

Hon. Senators: Question.

The Hon. the Speaker: It was moved by the Honourable Senator Mockler, seconded by the Honourable Senator Smith, that this report be adopted now.

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

[Translation]

SUPPLEMENTARY ESTIMATES (A)—SEVENTEENTH
REPORT OF NATIONAL FINANCE COMMITTEE
ADOPTED

On the Order:

Resuming debate on the consideration of the seventeenth report of the Standing Senate Committee on National Finance, entitled: *Supplementary Estimates (A) 2017-18*, tabled in the Senate on June 15, 2017.

Hon. Percy Mockler moved the adoption of the report.

He said: Honourable senators, I rise to speak to Supplementary Estimates A for 2017-18. This budget requires parliamentary approval for \$3.72 billion of additional expenditures. Statutory spending is \$62 million greater than provided for in the main estimates for 2017-18.

[English]

To review these estimates, on May 31, 2017, our National Finance Committee met with officials from four organizations that were requesting total appropriations of nearly \$2 billion, or 53.5 per cent of the total appropriations requested.

[Translation]

The stated intent of the supplementary estimates is to present information on the supplementary needs in spending that were not adequately laid out when the main estimates were tabled, or were later fine-tuned to take into account changes made to what are known as specific programs or services.

[English]

Honourable senators, the mandate of the Standing Senate Committee on National Finance is to examine matters relating to federal estimates generally. In order to do so, we need the

approach capped. What do we mean by that? It's all about transparency, accountability, predictability and the estimates process for the financial framework of the Government of Canada. We need to turn the tap on to be able to follow the money so that we can hold the government accountable for implementing its fiscal plan as outlined in the budget.

However, it is not as easy as it seems. We recognize that. Most of the funding being sought in Supplementary Estimates (A), 2017-18 was referenced in Budget 2016, not Budget 2017.

[Translation]

According to the May 30 report of the Parliamentary Budget Officer entitled, *Following the Dollar—Tracking Budget 2016 Spending and Tax Measures*, and I quote:

... there is no clear line of sight from budget announcements to their implementation. The different presentation, wording and accounting methodology makes it challenging to align budget spending measures with items included in the estimates. And it is not possible to track spending on most budget measures beyond the first year or what was actually spent on specific measures.

Those are the previously announced measures.

[English]

So much for following the money.

Yet, honourable senators, in a refreshing moment of candour, the President of the Treasury Board said the following about the sequencing of budget estimates:

It continues to be an asinine, absurd, ridiculous process to have the Main Estimates being tabled before the budget. It makes no sense. I think there is broad consensus on that.

The quotation can be found in the Senate Finance Committee transcript of June 15, 2017, page 4.

However, the Parliamentary Budget Officer's May 26, 2017 report on the Supplementary Estimates (A), 2017-18, stated that the Treasury Board Secretariat was further away from its May 31, 2018 goal of including 100 per cent of budget initiatives in the next available estimates, rather than closer to it.

[Translation]

Honourable senators, the government talks about empowering parliamentarians by reforming the estimates, but it is only talk.

Our committee also heard from Department of Indigenous and Northern Affairs officials, who requested \$718.9 million for five line items, the largest of them being \$446.5 million for the Specific Claims Settlement Fund, which brings the total for that line item to \$1.36 billion for 2017-18.

The second-largest item was \$174.7 million to help four Manitoba First Nations communities impacted by severe flooding in 2011 rebuild and repair housing and community

infrastructure. Our committee wanted to make sure that these communities would not only get reconstruction funding, but also gain the means to mitigate the impact of such events in the future.

• (1640)

[English]

Our committee heard from the Department of Employment and Social Development Canada, which, honourable senators, was seeking a vote of \$584.6 million to fund five different items, an increase of 24.1 per cent over its voted appropriations in the Main Estimates 2017-18. The largest item was almost \$400 million for transfer agreements with provinces and territories to support early learning and childcare.

Our committee was assured that a framework was being developed in collaboration with provincial and territorial authorities, and we do applaud that.

[Translation]

Canada Mortgage and Housing Corporation appeared before the committee again requesting \$40.9 million to fund two initiatives: the housing internship initiative for First Nations and Inuit youth, and affordable rental housing.

Our committee agreed with the request but was concerned about the impact that household debt and rising housing costs could have on CMHC's mortgage insurance program and, ultimately, the government's fiscal framework.

Our committee therefore encourages Canada Mortgage and Housing Corporation to do everything it can to minimize the government's exposure to risk as a result of its mortgage insurance activities.

[English]

Honourable senators, I draw your attention to a matter that this government wishes we would ignore, the continuing and inappropriate use of supplementary estimates to pay the salaries for ministers of state. You will recall that we specifically called the government out about this in our final report on Supplementary Estimates (C) 2016-17. Our committee raised this issue again with Treasury Board officials. I want to share with you what they replied:

We used wording similar to this since 1995.

And they reasserted that:

It is a permissive authority. . . .

That can be found in the Senate Finance Committee transcript, May 31, 2017, page 13.

[Translation]

Honourable senators, there is a difference between the existence of a mechanism and the use of that mechanism. The point is not that it has been in place since 1995. The point is why it is in place.

In this case, using it as a temporary measure to pay the salaries of ministers of state until Canadian parliamentarians enact an appropriate law would be appropriate.

Even then, such a law must be introduced in a responsible, appropriate, and timely fashion so that everyone can see it is transparent. In the meantime, temporary measures may well suffice, but for how many more supplementary estimates can the government keep resorting to a measure that was meant to be temporary? On four occasions so far have the salaries of ministers of state been paid out through supplementary estimates. To my mind, this does not fall under appropriate use; this is an abuse of the supplementary estimates process, and it has to stop.

Dear colleagues, we still have work to do. Thank you.

[English]

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

Hon. Senators: Question.

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

Some Hon. Senators: Agreed.

Some Hon. Senators: On division.

(Motion agreed to and report adopted, on division.)

[Translation]

APPROPRIATION BILL NO. 2, 2017-18

SECOND READING—DEBATE SUSPENDED

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate) moved the second reading of Bill C-53, An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2018.

She said: Honourable senators, I have a few comments I would like to make, but after I do so, I will yield the floor to Senator Cools for the remainder of my time pursuant to Rule 6-5(1).

My comments on Bill C-53 will be brief. I propose that the appropriation bill entitled An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2018, the short title of which is Appropriation Act No. 2, 2017-18, be passed today.

As you know, honourable senators, the supply cycle dictates that, twice a year, we vote on the appropriation of funds for budgetary and non-budgetary public expenditures, as set out in the estimates, which are tabled every year.

The Main Estimates are usually introduced before the budget, which sets out the government's strategies and policies for the fiscal year beginning April 1. This year, the Main Estimates were

tabled in the Senate on February 28, while the budget was presented on March 22. That is why the Main Estimates do not generally coincide with the funding announced in the budget.

This year, the Main Estimates provide for a total of \$158 billion in statutory expenditures, or expenditures resulting from existing legislation, such as Old Age Security, benefits for families and children, and many other programs that often require transfers to individuals. Most of the statutory expenditures are transfer payments to individuals or other levels of government. We do not vote on these expenditures even though they increase automatically based on demographic trends and current economic conditions.

The Estimates also provide \$102 billion in non-statutory expenditures, which must be voted on every year. They are the result of policies and programs the government has adopted in the past or as part of the budget. They include operating expenditures for government activities, salaries, remuneration, capital expenditures and grants and contributions set out as part of the various programs administered by the departments.

At the beginning of the fiscal year and in late June, the House of Commons and the Senate vote supply in order to fund the approved expenditures

We already voted on Appropriation Bill No. 1, which authorized the government to spend \$30.1 billion as of March 31, 2017. We are now being asked to authorize the allocation of \$72.1 billion through Appropriation Bill No. 2.

I would like to remind the chamber that the Senate does not adopt the Estimates per se. It cannot change the elected government's expenditure plan; it passes the appropriation bill. In contrast, the Senate has a mandate to examine and study the appropriateness of the government spending set out in the Estimates. It does not audit the appropriateness of past spending, as that aspect falls under the Auditor General's mandate, and neither does it look at public accounts.

In addition, appropriation acts are not usually studied in committee. For that reason, with leave of the Senate, the second and third reading of the bill can be carried out the same day; there is no need to refer the bill to committee following second reading. I would also like to remind the chamber of the practice whereby appropriation bills usually pass after at least one Finance Committee report on the Estimates is presented and adopted.

• (1650)

Some of you might be wondering about the Senate's authority over appropriation bills. In fact, the Senate does not generally amend appropriation bills. That happened once and the other place rejected the amendment, and the Senate conceded. To my knowledge, no appropriation bill has even been blocked by the Senate.

Unlike the House of Commons, the Senate is not a chamber of confidence. The Senate's refusal to adopt an appropriation bill would not bring down the government, but it would cause a major political crisis.

[Senator Mockler]

I would like to note that the House of Lords cannot amend an appropriation bill. On that point, the Senate theoretically has more power than the House of Lords.

That being said, after these short remarks, I would like to give the rest of my time to Senator Cools, who is the deputy chair of the Standing Senate Committee on National Finance and who has a highly interesting statement to make.

[English]

Hon. Anne C. Cools: Honourable senators, I rise to speak to Bill C-53, Appropriation Act No. 2, 2017-18.

For colleagues who have never looked at an appropriation bill or a supply act, I should like to read to you the way in which an appropriation act is set out. For example, before us here is Bill C-53, An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2018. This bill's first page reads:

Most Gracious Sovereign.

Whereas it appears by message from His Excellency the Right Honourable David Johnston, Governor General and Commander-in-Chief of Canada, and the Estimates accompanying that message, that the sums mentioned below are required to defray certain expenses of the federal public administration, not otherwise provided for, for the fiscal year ending March 31, 2018, and for other purposes connected with the federal public administration;

May it therefore please Your Majesty, that it may be enacted, and be it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, that:

This Appropriate Act, Bill C-53, seeks \$72 billion.

Honourable senators, I wish to say that this particular supply bill, at this particular time in June, in what we call the annual supply cycle, is asking for more money than most Canadians can contemplate. The study of the supply and appropriation acts appears to many to be a very boring and uninteresting task. But it really is not. I try to encourage colleagues and senators to pay more attention to these financial questions.

This supply cycle dictates that every year, in March, June, and December, our two houses of Parliament, the Senate and the House of Commons, will adopt the supply bills — also called appropriations acts — for the appropriation of the monies required by the federal Government of Canada to finance the public service and the public administration.

Presently, there are two appropriation bills before the Senate. This one, Bill C-53, is based on the Main Estimates 2017-18, and the other one, Bill C-54, is based on the Supplementary Estimates

(A) 2017-18, the report for which was just adopted a few moments ago.

Honourable senators, the Government of Canada, in the person of the Honourable Scott Brison, the Treasury Board minister, is charged with the duty to meet the federal government's daunting financial obligations in its maintenance of the public service and the public administration. Our Standing Senate Committee on National Finance, of which I am the deputy chair, is charged with the responsibility and high privilege of the arduous and interesting task known as the consideration of both the Main Estimates and the Supplementary Estimates (A) in their quantum, sums and votes on which the matching supply bills, called the appropriation acts, are founded.

The Chairman of the Standing Senate National Finance Committee is our dear colleague, Senator Percy Mockler. Our National Finance Committee's parliamentary labours and duties are known as the control of the public purse. That means that our committee's mandate is the study of the public finance and the public expenditure with our eyes fixed on the government's accountability for public spending and the public expenditure and the government's duty to spend monies in the amounts and for the purposes voted and authorized by the Senate and the House of Commons as set out in the appropriation acts.

Colleagues, I wish to take this opportunity to thank our committee chairman, a son of New Brunswick, and a fine human being, Senator Percy Mockler. I also thank our committee's devoted members, Senators Woo, Pratte, Moncion, Marshall, Forest, Eaton, Andreychuk, Campbell, Day, Fraser, Oh, Eggleton and Tkachuk. These devoted senators do great service to their committee, to the Senate and to Canada. I assure colleagues that the examination of the public accounts and the public finance are in good and capable hands. I also thank Gaétane Lemay, our committee clerk, and Sylvain Fleury and Olivier Leblanc-Laurendeau, our library analysts, for their unflagging work on the national finance and the public expenditure.

Honourable senators, the history of the parliamentary concept we call the power of the control of the public purse had preoccupied British constitutional history and the British House of Commons for centuries. The concept "control of the public purse" is accompanied by the concept "financial initiatives of the Crown," which is why I read to you very early on at the beginning of my speech.

From early times, the British had made provisions for the study, examination and even audit of the public expenditure and the public accounts. For centuries, their House of Commons had labored to bring the public finance and public spending under adequate and fitting superintendence. Around the revolution settlement in 1689, Britain's joint sovereigns, King William III and Queen Mary, had been attentive and active to achieve control over the public finance; always ever a difficult challenge.

Honourable senators, I come to the great British-born Canadian Alpheus Todd, who died in 1884, whose writing on parliamentary governance predates that of Erskine May, the learned clerk of the British House of Commons.

In 1841, at age 21, Todd became the assistant librarian of the legislature of the Parliament of the United Province of Canada. Later, in 1856, at age 35, he became its chief librarian. I note that Sir John A. Macdonald, as he needed, would consult with Mr. Todd, who was known for his knowledge and clarity of mind. Among his copious writings on parliamentary matters, Alpheus Todd wrote on the development and control of the public finance.

In the 1889 second edition of his book *Parliamentary Government in England, its Origin, Development, and Practical Operation*, volume II, Todd wrote, at page 47, that:

Acts were passed in the reigns of William III and of Queen Anne, appointing commissioners of audit, by whose exertions flagrant abuses and misappropriations of public money were brought to light from time to time, and the offenders were subjected to censure and punishment, at the instigation of the Commons.

Colleagues, public finance and the business of audit were and are not simple. In Britain, until the late 19th century, their examination of their public accounts and their treasury department had long used what they called the “administrative audit.” That is very important. They, like Canada, in the late 19th century, had a Board of Audit and a chairman. Around the time of Canada’s Confederation, Britain had been moving away from the administrative audit to a superior and more complete audit, named the “appropriation audit.”

Alpheus Todd wrote about the administrative audit and the appropriation audit. In his book, already cited, Todd said, at pages 48-49:

Notwithstanding its parliamentary origin and pecuniary responsibilities, the Board of Audit was undoubtedly a department of the executive government, dependent upon the Treasury for the regulation of its strength, resources, and organisation; and as regards the examination of accounts under the administrative audit, it was likewise dependent upon the Treasury. But by the gradual extension of the principle of the appropriation audit, the department has been elevated into a more independent position. As soon as the main function of the auditors shall be, not to act on behalf of the Treasury as a check upon the transactions of the Treasury accountants, but on behalf of the House of Commons as a check upon the pecuniary transactions of the Treasury itself, of the other great departments of state, and of the executive government generally, the auditors will probably become, in fact as well as in theory, the servants of the House of Commons, and dependent upon the House, not only for guidance as to what duties they should perform, but for the means of performing those duties efficiently. Still, it is important to remember that the Audit Office was never designed to exercise any direct control over the public expenditure. In the words of Mr. Gladstone —

I must say British Liberals in the British West Indies thought Mr. Gladstone was a god —

— “it is a board to ensure truth and accuracy in the accounts of the public expenditure, and might properly be termed a board of verification.” To attempt to confer upon it coercive

and controlling powers, or a right to judge of the propriety or expediency of any such expenditure, would be to transfer to it what strictly belongs to the House of Commons. It is an auxiliary to the labours of the Standing Committee on Public Accounts that the investigations of the Audit Office are mainly important, and are capable of being made increasingly valuable.

• (1700)

Honourable senators, in 1862, the Brits, in the person of the Great Commoner, the learned William Gladstone, Chancellor of the Exchequer, had moved the motion to establish their permanent standing committee of their House of Commons, famously known as their Public Accounts Committee. This committee’s work on the control of the public purse was outstanding and unmatched. By their new 1866 Exchequer and Audit Act, the Brits reworked their treatment of the public expenditure. Alpheus Todd, in his book, already cited, wrote about their new approach to the public accounts and the public finance, at page 54:

Few persons are aware of the revolution in the public accounts that has taken place under the Exchequer and Audit Act through the reports of the comptroller and auditor-general, addressed to the House of Commons. These reports are submitted to the judgment of the Public Accounts Committee, and every irregularity which in former days would have been hidden within the walls of a department, is examined and reported on, and the financial administration of the civil department is thus subjected to public criticism.

So that if the first lord of the treasury, or a secretary of state, should order expenditure contrary to an Act of Parliament, or to the established rules of the service, or of the department over which he presides, the fact is certain to be made known to Parliament by the independent auditor in his report upon the appropriation account of the vote to which such expenditure is charged.

Every single vote and item in the appropriation had its own appropriation account — very interesting. I continue with Todd’s quote, at page 54:

The lords of the treasury gratefully acknowledge the efficacy of the independent audit administered by the comptroller and auditor general, and the readiness with which the departments have accepted and thoroughly carried out the principles of the new system; . . . Having received from the various departments charged with the expenditure of the several supply grants of each year, accounts of the appropriation thereof, it becomes the duty of the comptroller and auditor general to examine them on behalf of the House of Commons

for the purpose of ascertaining whether these accounts are severally supported by proper vouchers, and ordered for payment by proper authority; that they have been accurately computed, and applied to the purposes for which the money was voted

and that they are in accordance with statute and Treasury authority, and with the formal regulations of the particular department. In so doing, however, the comptroller and auditor-general, if unsatisfied in regard to a particular payment, decides nothing, but merely reports his opinion to Parliament; it is practically reserved to the House of Commons to decide, in doubtful cases, whether the money has or has not been expended in accordance with the intentions of Parliament.

Colleagues, what is happening here in the 19th century was the establishing of the House of Commons' pre-eminence in the national finance. The issue always was: Was the money spent as the house voted it?

Honourable senators, at home, our Canadian political leaders, had closely followed this outstanding work on the public accounts, the appropriation audit and on the Brits' subjection of the whole of the public expenditure to the appropriation audit, and the creation of a new independent officer, the auditor general.

Canadian political leaders moved with the times and were in step with these changes. In Ottawa, in 1878, in the House of Commons, Liberal Prime Minister Alexander Mackenzie's Liberal government introduced their new bill, An Act to Provide for the Better Auditing of the Public Accounts. This statute created the new position of the Auditor General of Canada. This statute made the Auditor General a statutory officer, not an executive officer created by the prerogative powers of our sovereign monarch. A statutory officeholder is one whose powers are limited solely to those powers expressly given to him in his statute — no more or no less. This officer was unlike the high officers such as the Attorney General, the Solicitor General, judges and copious others who were created by the sovereign monarchs' prerogative. Some of these ancient officers hold powers from the monarch, for example, our superior court judges' contempt of court powers.

Honourable senators, Canada's political leaders in Ottawa's House of Commons, on April 4, 1878, debated their bill, An Act to Provide for the Better Auditing of the Public Accounts. In an exchange with Finance Minister Cartwright, Charles Tupper said, at page 1701 Commons Debates:

... you are professing to give the public the security of an independent Parliamentary officer.

Charles Tupper added, at page 1702 Commons Debates:

... they ought not to lose sight of the fact that they were dealing with a somewhat new question. They were appointing a Parliamentary officer in contradistinction to an executive officer. The whole scope of this legislation was to give Parliament control in contradistinction to the Government. . . ., so that the officer appointed as auditor might be independent of the Government of the day, so that he might act without being controlled,

Honourable senators, we must recall that before 1878, the Auditor General had been the Deputy Minister of Finance — very interesting. Few know this. In 1878, Canada's political leaders intended that the Commons House, not the government,

would control this new Auditor General of the public accounts. They wanted the Auditor General to be beyond government control.

And, dear colleagues, this is why when the Auditor General came to audit the Senate some years back, at the behest of a government motion in the Senate, I took strong objection at the time.

Edward Blake, a famous Liberal, said, at page 1701 Commons Debates:

The present clause gave Parliament no additional control over the Auditor. He wished to secure a parliamentary officer, who should have hands with which to do his work, free, to some extent, from the control of the Government of the day.

These Canadian leaders intended that this new statutory officer, the Auditor General, created by their statute of Parliament, would be a parliamentary officer, as distinct from an executive officer, created by the monarch's prerogative. These able Canadians intended that their House of Commons control of the public purse would be best served by an Auditor General who was not under the control of government. As I noted earlier, this 1878 act, An Act to Provide for the Better Auditing of the Public Accounts, was based on the British 1866 Exchequer and Audit Departments Act.

Honourable senators, I turn now to our Standing Senate Committee on National Finance's review of the government's spending plan, the Main Estimates 2017-18, presented to the Senate on February 28, 2017, and referred to the Standing Senate Committee National Finance Committee for study on March 1, 2017.

In these Main Estimates, the Trudeau government is requesting that Parliament authorize \$102.1 billion in spending and is forecasting \$155.8 billion in statutory expenditures, for total budgetary expenditures of \$257.9 billion.

Our National Finance Committee heard witnesses. I shall cite our committee's second report on the Main Estimates 2017-18. I shall share our committee's study of the Main Estimates, on which Bill C-53, Appropriation Act No. 2, is founded.

I shall begin with Moody's Investors Service and its credit rating of Canada's six largest banks, in which Canadians hold great confidence. Our committee heard from Moody's Senior Vice President, David Beattie. Our committee report records his testimony, at page 7:

On 10 May 2017, Moody's Investors Service ("Moody's") downgraded the credit rating of Canada's six largest banks. David Beattie, Senior Vice President at Moody's, explained the organization's decision by the fact that "continued growth in Canadian consumer debt and elevated housing prices leave consumers and Canadian banks more vulnerable to downside risks facing the Canadian economy than in the past. A challenging operating environment for these banks could lead to a deterioration in the bank's assets quality and increase their

sensitivity to external shocks.” In the short run, Moody’s does not anticipate that macroeconomic conditions will improve in Canada.

According to Mr. Beattie, the current situation does not change the fact that Canadian banks still rank among the highest in the world: “this is due to their very strong asset quality and a concentrated industry structure that gives individual banks excellent scale, efficiency and earning stability.” Globally, Canadian banks would be above the 90th percentile according to him. Mr. Beattie is also reassuring about Canada’s macroeconomic profile, which he describes as “robust.”

• (1710)

About the credit rating downgrade of Canada’s six largest banks, our committee report continues, at page 8:

Given that high consumer debt was one of the two main reasons behind Moody’s decision to downgrade the credit rating of Canada’s six major banks, our committee wanted to explore this subject further. Witnesses explained that the average Canadian household debt is about 167% of household income. This means that the average household owes \$1.67 for every dollar it brings in as salary in a year. They added that while this ratio seems high at first glance, mortgage debt makes up two-thirds of the total average debt and is amortized over an average of 25 years.

However, household debt is up compared with the 1990s and 2000s, when average household debt was slightly under 100%. One of the main reasons for this higher level is that interest rates have decreased, making debt more affordable.

Honourable senators, our Senate committee also heard from Cheng Hoon Lim of the International Monetary Fund. Our committee report records Ms. Lim thus, at page 9:

According to Cheng Hoon Lim from the International Monetary Fund, “the banking system has adequate capital and liquidity buffers”. According to her, the probability of a shock affecting the housing market in Canada remains low. Nonetheless, the IMF had three recommendations:

1. That measures to mitigate speculative and investment activity be tightened;
2. That federal and provincial regulators work towards greater coordination;
3. That more resources be dedicated to collect comprehensive data on real estate transactions.

Colleagues, our committee also heard from departmental officials of Innovation, Science and Economic Development Canada, who told us of their \$69.6 million program, Connect to Innovate. Their program will introduce broadband Internet service to rural communities. The department officials explained that their program is a public-private partnership intended to reduce providers’ costs so that they can connect communities that do not yet have this service.

I come now to our committee’s report section 4, headed “Department of Health.” Our committee report noted that, at page 11:

Our committee encourages the Department of Health to continue its efforts to close the gap between Indigenous peoples and other Canadians with regard to health and access to drinking water. To achieve this objective, our committee expects the department to:

- prioritize its activities effectively;
- establish sound performance indicators; and
- be transparent in sharing its outcomes.

Honourable senators, now to our committee report’s section 4.3, headed “Indigenous peoples,” at page 12:

Indigenous health is one of the department’s priorities, and it has allocated significant funding to programs for First Nations and Inuit communities and individuals.

- \$1.2 billion for supplementary health benefits;
- \$1.1 billion for primary health care
- \$796 million for health infrastructure support for First Nations and Inuit communities.

To ensure that First Nations children have access to quality health services, the department plans to spend \$138 million to introduce interim reforms related to Jordan’s Principle.

As we recall, Jordan was a First Nations child who sadly died. In the process of different departments or officials arguing about who should pay. It was a terrible tragedy.

Our committee report’s section 4.3 continues:

The department also plans to contribute \$82 million to support the delivery of health services and programs on reserve. An additional \$25 million will go to providing immediate mental health support. The department will also allocate \$58 million to continue to fulfil Canada’s obligations under the Indian Residential Schools Settlement Agreement.

(Debate suspended.)

BUSINESS OF THE SENATE

The Hon. the Speaker: Senator Cools, I’m sorry to interrupt you, but it being 5:15, I must interrupt proceedings pursuant to rule 9-6. The bells will ring to call in senators for a deferred vote at 5:30 on the subamendment to Bill C-210.

Call in the senators.

• (1730)

MacDonald
Martin
Mockler

Unger
Wells—19

NATIONAL ANTHEM ACT

BILL TO AMEND—THIRD READING—MOTION IN AMENDMENT—MOTION IN SUBAMENDMENT NEGATIVED

On the Order:

Resuming debate on the motion of the Honourable Senator Lankin, P.C., seconded by the Honourable Senator Petitclerc, for the third reading of Bill C-210, An Act to amend the National Anthem Act (gender).

And on the motion in amendment of the Honourable Senator Beyak, seconded by the Honourable Senator Dagenais:

That Bill C-210 be not now read a third time, but that it be amended, on page 1, by adding the following after line 6:

“2 This Act comes into force on the later of July 1, 2017 and the day on which it receives royal assent.”.

And on the subamendment of the Honourable Senator Wells, seconded by the Honourable Senator Beyak:

That the motion in amendment moved by the Honourable Senator Beyak be amended by replacing the words “the later of July 1, 2017 and the day on which it receives royal assent” by the words “September 1, 2017”.

The Hon. the Speaker: The question is as follows: It was moved by the Honourable Senator Wells, seconded by Honourable Senator Beyak:

That the motion in amendment moved by the Honourable Senator Beyak be amended by replacing the words “the later of July 1, 2017 and the day on which it receives royal assent” by the words “September 1, 2017”.

Motion in subamendment negatived on the following division:

YEAS THE HONOURABLE SENATORS

Ataullahjan
Batters
Beyak
Doyle
Eaton
Enverga
Housakos

Ngo
Oh
Plett
Poirier
Runciman
Smith
Tkachuk

NAYS THE HONOURABLE SENATORS

Baker
Bellemare
Black
Boniface
Bovey
Campbell
Christmas
Cools
Cordy
Cormier
Dawson
Day
Dean
Dupuis
Dyck
Eggleton
Forest
Fraser
Gagné
Gold
Greene
Griffin
Harder
Hartling
Hubley
Joyal
Kenny
Lang

Lankin
Lovelace Nicholas
Marwah
Massicotte
McCoy
McPhedran
Mégie
Mercer
Mitchell
Moncion
Munson
Omidvar
Pate
Patterson
Petitclerc
Pratte
Ringuette
Saint-Germain
Seidman
Tannas
Tardif
Verner
Wallin
Watt
Wetston
White
Woo—55

ABSTENTIONS THE HONOURABLE SENATORS

Andreychuk
Boisvenu
Carignan
Dagenais
Frum
Manning

Marshall
McInnis
McIntyre
Ogilvie
Stewart Olsen—11

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, earlier today, the Senate gave leave to deal with the two reports of the National Finance Committee on supply, followed by the two supply bills, Bill C-53 and Bill C-54. We have already dealt with the reports, and we will now complete proceedings on Bill C-53 and Bill C-54. Once this business is complete, we will then resume debate on Senator Beyak's amendment to Bill C-210.

• (1740)

I now call on Senator Cools to conclude her remarks.

APPROPRIATION BILL NO. 2, 2017-18**SECOND READING**

On the Order:

Resuming debate on the motion of the Honourable Senator Bellemare, seconded by the Honourable Senator Omidvar, for the second reading of Bill C-53, An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2018.

Hon. Anne C. Cools: Honourable senators, now to our committee's report section 5, Indigenous and Northern Affairs Canada. Our report says, at page 12, that:

Indigenous and Northern Affairs Canada supports Indigenous peoples (First Nations, Inuit and Métis) and northerners in their efforts to: improve social well-being and economic prosperity; to develop healthier, more sustainable communities; and participate more fully in Canada's political, social and economic development - to the benefit of all Canadians.

Our Committee Report states, at page 13, that:

Our committee encourages the department to closely monitor the construction and renovation of schools on reserve, and the construction and management of drinking water facilities.

Our committee supports the new requirement that makes federal funding for on-reserve construction and renovation projects contingent on compliance with the *National Building Code*. However, it encourages the department to develop and issue the necessary performance indicators for this requirement.

Colleagues, I wanted to share that with you in respect to the attention that is being given to indigenous people. I note that our witnesses explained that the nearly 34 per cent increase in the department's budgetary expenditures is due to an effort to close the socio-economic gap separating indigenous peoples from other Canadians. There is something that is very wonderful and welcome about our increasing and robust attention to indigenous peoples.

I encourage all senators to vote, in a most robust way, for Bill C-53.

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

Hon. Senators: Question.

The Hon. the Speaker: It was moved by the Honourable Senator Bellemare, seconded by the Honourable Senator Omidvar, that this bill be read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Agreed.

Some Hon. Senators: On division.

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

THIRD READING

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

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate): Honourable senators, with leave of the Senate and notwithstanding rule 5-5(b), I move that the bill be read the third time now.

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

Hon. Senators: Agreed.

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

Some Hon. Senators: Question.

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

Some Hon. Senators: Agreed.

Senator Martin: On division.

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

[Translation]

APPROPRIATION BILL NO. 3, 2017-18**SECOND READING**

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate) moved the second reading of Bill C-54, An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2018.

She said: Honourable senators, once again, I will speak briefly and then yield the floor to Senator Cools pursuant to Rule 6-5(1).

Bill C-54 deals with the Supplementary Estimates (A). We are voting on budget spending requirements that were not set out in the Main Estimates tabled on March 31.

The purpose of the Supplementary Estimates is to adjust the level of spending provided for in the Main Estimates in accordance with the government's budget recommendations.

The Supplementary Estimates (A) provides for \$3.8 billion in budgetary expenditures, including \$3.7 billion in voted expenditures.

The appropriation bill announces \$625 million for adjustments made to terms and conditions of service or employment of the federal public administration, \$446 million for specific claim settlements, \$400 million for transfer agreements with the provinces and territories to support early learning and child care, \$235 million for national rail passenger services, and \$209 million for the oceans protection plan to improve marine safety and protect Canada's marine environment.

Other spending was announced, including \$185 million in support of the target to admit 300,000 immigrants, as stated in the 2017 Immigration Levels Plan; \$174.7 million for the cleanup and regulation of the flooding in the Interlake region of Manitoba; \$166.7 million for Fisheries and Oceans Canada for maintaining essential services for Canadians; and \$162.8 million for maintaining the integrity of Canada's border operations.

Honourable senators, you are being asked to adopt these appropriations in the context of Bill C-54.

I now yield to Senator Cools.

[English]

Hon. Anne C. Cools: I thank Senator Bellemare very much for this and I let her know that I deeply appreciate her efforts.

Honourable senators, I rise to speak to our supply Bill C-54, Appropriation Act No. 3, 2017-18, An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2018. In this June period of our annual supply cycle, appropriation and supply are among the high duties of governments, and the reason for the existence of Parliament. By the Appropriation Act, our House of Commons and the Senate vote the legal authority to the government to draw money on the Consolidated Revenue Fund. Jowitt's 1959 *Dictionary of English Law*, Volume 1, defines "appropriation," at page 140:

In the primary sense of the word, to appropriate is to make a thing the property of a person. Thus, to appropriate a thing which is *publici juris* is to obtain a right to the exclusive enjoyment of it, so that the appropriator becomes the owner. . . .

Appropriation of supplies is the mode by which Parliament regulates the manner in which the public money voted in each session is to be applied to the various objects of expenditure . . . , and the Appropriation Act is an annual Act passed for the purpose (1 Bl.Comm. 335n.).

Honourable senators, when the House of Commons says it has appropriated, they say it is theirs. This is why the House of Commons strongly objects if the Senate seems to violate what the

House of Commons claims to be theirs. Appropriation is always accompanied by the notion, the "financial initiatives of the Crown," that I mentioned earlier, which demand that every bill that appropriates monies or raises taxes must originate in the House of Commons and be accompanied by a Royal Recommendation. These two constitutional notions are a duet.

In this June period of our annual supply cycle, appropriation and supply are among the high duties of Parliament.

Colleagues, appropriation is the process by which the House of Commons agrees to the quantum of money to be charged to and drawn on the Consolidated Revenue Fund for payment for the maintenance of the government's public administration and public service. This is called the public finance and the public expenditure.

• (1750)

Honourable senators, Canada's pre-eminent parliamentary writer was Alpheus Todd, who was born in England. He died in 1884, and there is a plaque honouring him outside the Library of Parliament doors. He wrote about the consolidated revenue fund and parliamentary authority for public payments out of the consolidated fund. In the 1887 second edition of his book, *On Parliamentary Government in England, its Origin, Development, and Practical Operation*, Volume I, Todd said, at page 737:

. . . therefore, the whole public revenue of the country, together with moneys received from loans, is placed to the account of the Consolidated Fund, out of which all public payments are made. Such payments are twofold: 1. By authority or permanent grants, under Acts of Parliament. 2. Pursuant to annual votes in Committee of Supply, payable out of the Consolidated Fund by ways and means annually provided. The services provided for by permanent grants are . . . as follows: . . .

Alpheus Todd then listed these services, including the salaries and allowances of certain independent officers, the courts of justice, etc. He continues in the same book, at page 737:

These charges are made payable out of the Consolidated Fund, by permanent statutes, from year to year, without any renewal of parliamentary authority.

Here he is talking about the salaries and allowance of certain independent officers of courts of justice, judges and so on. He continues:

The principle of not subjecting to the uncertainty of an annual vote the provision for the security of the public creditor, the dignity of the crown, annuities and pensions to royal and distinguished persons, the salaries of judges and other officers in whose official character independence is an essential element, compensations for rights surrendered, and like charges, is one the soundness of which is generally admitted, although it may have been in certain cases carried too far.

In other words, the use of the permanent statutory system is an alternative to the annual supply system, and it avoids embarrassment in case some members get confidence-vote itchy,

and force confidence votes. So for years we have chosen statutes to pay judges' salaries. So to cabinet ministers have the Salaries Act, the judges have the Judges Act and members of the House of Commons and Senators have the Parliament of Canada.

Todd is clear. The salaries of the judges, crown ministers and other high officers are provided for by permanent statutes, rather than the annual votes in the supply process. The uncertainty of the supply process can be difficult.

Honourable senators, the other place, our House of Commons, has two important committees on the public finance and the public expenditure. These committees are called the Committee of Supply and the Committee of Ways and Means. These two committees of the whole in the UK and in Canada were legendary. Todd, writing about the British House of Commons in his book already cited, said, at page 785:

The resolutions of the Committee of Supply are reported to the House on a future day, they are then agreed to, disagreed to, or re-committed, as the case may require. If, on consideration of the report, it be thought necessary to increase the sum granted by the Committee of Supply, the resolutions proposed to be increased must be re-committed.

Colleagues, "re-committed" means returned to committee. I continue with Todd's quote, at page 785:

The House may indeed lessen the sum proposed to be granted without re-committal, but to increase the amount would be to impose a charge not previously sanctioned by the committee.

But these resolutions, although they record the sanction of the House of Commons to the expenditure submitted to them, and authorise a grant to the crown for the objects specified therein, do not enable the government to draw from the Consolidated Fund the money so appropriated. A further authority is required, in the shape of a resolution in *Committee of Ways and Means*, which must be embodied in a Bill, and be passed through both Houses of Parliament, before practical effect can be given to the votes in supply, by authorising the Treasury to take out of the Consolidated Fund, or, if that fund be insufficient, to raise by exchequer bills on the security of the fund, the money required to defray the expenditures sanctioned by such votes. The votes in *Committee of Supply* authorise the expenditure; the votes in *Committee of Ways and Means* provide the funds to meet that expenditure.

This last sentence bears repeating:

The votes in *Committee of Supply* authorise the expenditure; the votes in *Committee of Ways and Means* provide the funds to meet that expenditure.

Honourable senators, in matters of supply and taxation, the two houses of Parliament, the Senate and the House of Commons, are really quite different. Alpheus Todd, in his book

already cited, wrote about the British House of Commons and the House of Lords, at page 806, that:

In proceedings in Parliament upon matters of supply and taxation, the two Houses do not stand on precisely the same footing. Although the consent of both Houses is indispensable to give legal effect and validity thereto, yet, from a very early period, the Commons have succeeded in maintaining their exclusive right to originate all measures of this description.

They have gone further, and have claimed that such measures should be simply affirmed or rejected by the Lords, and should not be amended by that House in the slightest particular. The Lords have practically acquiesced in this restriction, although they have never formally consented to it. A similar question has been frequently raised as to whether Legislative Councils in the colonies, whether elected or nominated, can claim the right to amend Money Bills. This claim has been sometimes, though rarely, admitted by the Houses of Assembly, who generally insist upon the strictest limitation of the powers of the Upper Chamber, in conformity with the prevailing practice of the imperial Parliament.

Colleagues, this House of Commons initiative is reflected in sections 53 and 54 of the British North America Act.

Honourable senators, we should understand that in that same period of time in Canada, through the 1830s and the 1840s, leading up to Confederation, there was terrible conflict between the legislative councils and the assemblies in Canada on the questions of control of the public purse. There were many occasions when the Parliament houses were unable to function. The conflict was so great that the Governor General was compelled to prorogue often.

Honourable senators, the public finance and the public expenditure is worthy of every senator's study. In Britain, these difficult questions were well-studied in the famous British House of Commons Public Accounts Committee, in 1865. This was not long before the 1866 British Exchequer and Audit Departments Act, on which Canadians founded their 1878 statute, an Act to Provide for the Better Auditing of the Public Accounts. In Britain, their House of Commons Public Accounts Committee was the powerful engine that drove their power of the control of the public purse. On March 11, 1862, the Great Commoner, William Gladstone, then Chancellor of the Exchequer, and a great master of the public finance and the power of control of the public purse, had moved his motion to establish the famous British House of Commons Public Accounts Committee as a permanent standing committee of the House of Commons. This committee's renowned 1865 Report from the Committee of Public Accounts clarified the role of audit and auditors, in the public finance and the public expenditure. This report also led the way to the British 1866 statute, the Exchequer and Audit Departments Act. This Report of the legendary British Public Accounts Committee questioned the erroneous idea held by many that audit and auditors' role was a control over the public expenditure. Quoting Mr. Gladstone, and upholding the proper role of audit in the public finance, this Public Accounts Committee Report said, at paragraph 46, page 130:

The true mission of Appropriation Auditors is admirably described in the few observations which were made by Mr. Gladstone during the debate already adverted to on Lord Robert Montague's Resolution (para. 35). "The Noble Lord," he said, "and some other Honourable Members would seem to have got an idea of the possible powers of the Board of Audit, which is quite erroneous. They appear to think that that Board can become an efficient control over the public expenditure. But that is not the function of a Board of Audit. That Board is to ensure truth and accuracy in the public expenditure. In point of fact, it may be called, in one word, a Board of verification. But it would be perfect presumption in the Board of Audit, if it were for a moment to attempt to exercise a judgment as to any degree either of parsimony or of extravagance, which the Government might be thought to be adopting under the sanction of this House. As to the proposal of the Honourable and learned Member for Dundalk (Sir G. Bowyer), I confess I think it entirely impracticable and out of the question. He proposes to arm the Board of Audit with coercive powers of committal for contempt, powers of commanding the departments of the Government as to what is to be done, and what not to be done there. I venture to say that such a conception of a Board of Audit is wholly without precedent. Besides, the objection to it is, that it would be transferring to the Board of Audit what is really the function of this House. It is in the Committee of Public Accounts, . . . , it is in that Committee, and in its investigations, that the House will have the best security for the due, speedy, and effectual examining and rendering of the Public Accounts. To the principles which have been declared by the Committee of Public Monies respecting the Board of Audit, I cordially adhere.

• (1800)

Honourable senators, this British *Public Accounts Committee* Report, having cited Gladstone, the Chancellor of the Exchequer, on the profound difference between the audit function and the Commons House function in the public finance, continued on the great principles that found the public finance and expenditure enterprise, which were adopted in Canada. The report said, at paragraph 47:

. . . These are wise words. Considering the high administrative position of Mr. Gladstone, it might at first sight be supposed that his views on the matter in question would indicate a clearer perception of what is due to the Government than of what is due to the board of audit. But the Auditors themselves, it is believed, will not think so. By them, the speech of the Chancellor of the Exchequer cannot but be regarded as bearing powerful testimony to the virtue of a principle which they —

The Hon. the Speaker: I'm sorry, Senator Cools. I apologize; I have to interrupt you again. It's six o'clock, and, according to Rule 3-3(1,) unless we agree to not see the clock, I will have to vacate the chair until eight o'clock. Is it agreed that we not see the o'clock?

Hon. Senators: Agreed.

The Hon. the Speaker: Agreed. Senator Cools.

Senator Cools:

These are wise words. Considering the high administrative position of Mr. Gladstone, it might at first sight be supposed that his views on the matter in question would indicate a clearer perception of what is due to the Government, than of what is due to the Board of Audit. But the Auditors themselves, it is believed, will not think so. By them, the speech of the Chancellor of the Exchequer cannot but be regarded as bearing powerful testimony to the virtue of a principle which they have for many years maintained, though in some cases unsuccessfully, against the disposition of the Executive to charge them with various kinds of administrative functions, the functions of controllers, of accountants, and of regulators of accounts. . . . In the elaborate Memorandum, which was laid before the Committee on Public Moneys by Sir G.C. Lewis, then Chancellor of the Exchequer, it was proposed that the Exchequer Office should be abolished, and that some of the more important functions of the Comptroller of the Exchequer should be transferred to the Audit Office. This Memorandum was referred by the Committee to Mr. Romilly, the Chairman of the Board of Audit; and Mr. Romilly, in a letter which will be found in the Appendix to the Committee's Report, after pointing out, in nearly the same words as those used by Mr. Gladstone, what the special duties of an auditor are, goes on to show the incompatibility between such duties and those of a comptroller. "In the event," he says, "of its being desirable that this direct Executive control should be maintained over the advisers of the Crown, it should not be exercised by those who are charged with the duty of auditing accounts." And again, "I cannot entertain any doubt that provided the Legislature come to the determination to be promptly and accurately informed as to the mode in which the grants of public money have been dealt with by the Executive, provided the Executive will cordially co-operate in instituting an effectual and permanent check upon its own proceedings, and provided the separation of the duties of the Audit Office, and the functions of the Executive is strictly preserved, there can be no insurmountable difficulty in practically carrying their wishes into effect.

I shall repeat those words:

In the event . . . of its being desirable that this direct Executive control should be maintained over the advisers of the Crown, it should not be exercised by those who are charged with the duty of auditing accounts.

And I also repeat:

. . . and provided the separation of the duties of the Audit Office, and the functions of the Executive is strictly preserved there can be no insurmountable difficulty in practically carrying their wishes into effect."

Honourable senators, I note that the 1865 British House of Commons Public Accounts Committee Report was the year before they created their new independent Auditor General by the 1866 Exchequer and Audit Department Act. In their seminal 1865

British House of Commons Public Accounts Committee report, the auditors themselves spoke to the role of audit, at paragraph 48:

If, then, Parliament should ever be asked to confer upon the Auditors any Executive functions, or the right in any case of interrupting or questioning the free action of the Executive, it will be easy to show that though such proposals have been occasionally recommended by the doctrine and practice of the Executive Departments, and have been sometimes even sanctioned by Parliament itself, they have been repeatedly condemned by the Commissioners of Audit. If it is allowable to assume that the Auditors still adhere to the evidence which, during the last six or seven years has been laid before Parliament on behalf of the Audit Office, they may be represented as saying: - "The whole of our experience as Appropriation Auditors tends to satisfy us that we ought to have no further communication with the Executive Departments than may be necessary for the purpose of obtaining information. Whatever tends to associate us, either directly or indirectly, with the pecuniary transactions of the Government, cannot but tend to damage the credit of the reports in which we are required to submit those transactions to the judgment of Parliament. We conceive, therefore, that we should never be required to advise, to control, or to remonstrate."

These auditors gave evidence that they "should never be required to advise, to control or to remonstrate." The auditor's opinions are no part of financial audit and no part of the Auditor General's role in the public accounts, which role is to verify and certify the public accounts. In Canada, these principles were adopted in the 1878 Canadian statute called an Act to Provide for the Better Auditing of the Public Accounts.

Honourable senators, this seminal 1865 British Public Accounts Committee report continued, at paragraph 48:

We ought not to be invited to discuss questionable points with the Departments, or to aid them in the conduct of their business. Our functions should be neither preventive nor corrective, but simply detective. We should be instructed to try the accounts and vouchers of the several Departments, by the requirements of the Legislature, and to bring under the notice of Parliament any expenditure that might in our opinion be opposed to those requirements. It may no doubt sometimes appear to us that the expenditure which it will . . . be our duty to report is justifiable, or even commendable; but we should keep all such opinions to ourselves. It should be no part of our business to acquit or to condemn, but simply to report to Parliament every infraction of the law relating to the appropriation of the public money, leaving it for the Executive Departments to give such explanations as they might think fit, and for the House of Commons to pronounce the sentence.

Honourable senators, our Canadian Auditor General Act, sections 7(2) and 7(2)(d) say:

Each report of the Auditor General under subsection (1) shall call attention to anything that he considers to be of significance and of a nature that should be brought to the

attention of the House of Commons, including any cases in which he has observed that . . .

(d) money has been expended without due regard to economy or efficiency . . .

Colleagues, in 1977, Canada enacted a new Auditor General Act. Our Canadian Auditor General Act, section 7(2)(d,) is often called the "value for money clause" because, in 1977, the then-new Auditor General Act gave Canada's Auditor General a non-audit power to judge the government and government programs and to judge whether the government got value for money without due regard to economy and efficiency. Many public administration scholars at the time asserted that section 7(2)(d) took the auditor out of the financial audit stream and put him into the public policy stream. As we know, public policy is value-laden and qualitative and is no part of the traditional quantitative bean-counting role of audit and auditors. Colleagues, I do believe that Canada's current Auditor General Act needs a full review and study with an eye to its amendment and improvement.

The large constitutional questions posed by Canada's current Auditor General's role, now more qualitative than under the previous Auditor General statute, demand that it is time for us to study the office of the Auditor General. Perhaps our Standing Senate Committee on National Finance could undertake such a study.

We did, under Senator MacEachen in 1988. It's time to review that study.

Honourable senators, I come now to the fine work of our own Standing Senate Committee on National Finance and our committee's examination of the Government's spending plan, which is the Supplementary Estimates (A) 2017-18, which was presented to the Senate on February 28, 2017 and referred to our Committee for study on March 1, 2017.

In these Supplementary Estimates, our government, in the person of Scott Brison, the Treasury Board Minister, has requested that Parliament authorize an additional \$3.72 billion in voted expenditures.

Our Committee heard witnesses on these Supplementary Estimates. I shall share some of our government departments' demands for monies that are the Supplementary Estimates 2017-18 and this Bill C-54, Appropriation Act No. 3. The Department of Employment and Social Development Canada sought voted appropriations of \$584.6 million. Our Committee's June report on the Supplementary Estimates 2017-18, which was spoken to tonight so eloquently by Senator Mockler, observes:

Our Committee believes that the Department must ensure that its labour market access programs, such as the Youth Employment Strategy, are cost-effective, and that its funding is used to create new employment opportunities and not to subsidize existing jobs.

Honourable senators, now to Canada Mortgage and Housing Corporation's request for voted appropriations of \$36.8 million for their program, Affordable Rental Housing Financing

Initiative. An additional \$625 million in non-budgetary spending would also go toward this initiative, which will finance the construction of affordable rental housing. CMHC expects this program to provide for the construction of 10,000 new rental housing units across Canada. Our committee report observes, at page 6, that:

Our Committee is concerned about the impact that household indebtedness and rising house prices could have on CMHC's mortgage loan insurance program and, consequently, on the government's fiscal framework. Our Committee encourages the Canada Mortgage and Housing Corporation to take all necessary measures to minimize the risks borne by the Government of Canada as a result of its mortgage insurance activities.

• (1810)

Honourable senators, our Senate National Finance Committee heard from the Treasury Board of Canada Secretariat on the Phoenix system and payroll problems that have been in the news. I found that set of testimony very convincing and very important.

Our committee report section 4.4 is headed "Compensation Requirements." It says, at page 8, that:

The Treasury Board of Canada Secretariat is asking for \$625 million to meet pay requirements. The witnesses reported that this is the forecast for the costs resulting from the negotiation of collective agreements in the federal public service. The appropriation would enable the government to make retroactive payments dating back to 2013—2014 once the new collective agreements come into force.

According to the witnesses, the government and the unions have discussed the Phoenix pay system and ways to ensure that retroactive payments are made without interruption or difficulties. The witnesses said three collective agreements have been ratified and processed by the Phoenix system. They reported that over 90% of the payments have been processed successfully.

Honourable senators, in closing, I once again thank the committee members and the committee staff for their efforts on behalf of the Senate and the Government of Canada's need to finance the public service and the public expenditure. I thank senators for their attention.

I also urge upon senators the constant study of the phenomenon that we call the public finance. The National Finance Committee is arduous and demanding in terms of the time required and the details that must be analyzed, studied and mastered. I would like to invite all senators to pay more attention to the control of the public expenditure, because it is a mighty task.

Having said that, honourable senators, I thank you for your attention.

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

Hon. Senators: Question.

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

Is it your pleasure honourable senators to adopt the motion?

Hon. Senators: Agreed.

Senator Cools: On division.

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

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

Some Hon. Senators: Now.

[Translation]

Senator Bellemare: Honourable senators, with leave of the Senate and notwithstanding rule 5-5(b), I move that the bill be read the third time later this day.

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

[English]

The Hon. the Speaker: Leave is not granted, Senator Bellemare, so you will have to move leave for the next sitting.

Senator Bellemare: Tomorrow, at the next sitting of the Senate.

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

Hon. Senators: Agreed.

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

NATIONAL ANTHEM ACT

BILL TO AMEND—THIRD READING—MOTION IN AMENDMENT—VOTE DEFERRED

On the Order:

Resuming debate on the motion of the Honourable Senator Lankin, P.C., seconded by the Honourable Senator Petitclerc, for the third reading of Bill C-210, An Act to amend the National Anthem Act (gender).

And on the motion in amendment of the Honourable Senator Beyak, seconded by the Honourable Senator Dagenais:

That Bill C-210 be not now read a third time, but that it be amended, on page 1, by adding the following after line 6:

“2 This Act comes into force on the later of July 1, 2017 and the day on which it receives royal assent.”.

Hon. Michael L. MacDonald: Honourable colleagues, I am pleased to rise today to speak to Bill C-210, An Act to amend the National Anthem Act. I don't have a long written speech — I'd done that at second reading — but I would like to say a few words to this bill again.

I am particularly pleased to speak on the amendment proposed by my colleague. The principles behind the amendment are sound, as are the intentions to seek a higher level of consensus regarding any changes to our long-established national anthem.

Let's be clear: There is presently no national consensus on changing the anthem. All attempts to sing the new proposed version at public events have met with cascading boos of disapproval. In short, it gets the “Bronx cheer” every time and everywhere. That's not much of an endorsement.

How does an anthem become established? Primarily through widespread and common usage, often combined with a significant event or series of national events.

In Canada, that event was the Great War, because it was during World War I that Canada arguably came of age. We celebrated this year the one hundredth anniversary of Vimy Ridge. During that war and era, the anthem was introduced to the Canadian public. The anthem was part of the coming of age of Canada that occurred during World War I.

Some people mistakenly think the anthem was originally written with the sacrifice of soldiers in mind. As Senator Plett rightly pointed out in his speech, that was not the case, as the established opening lines were written in 1913. But it may as well have been the case, though; it may as well have been written for the Great War, because its sentiments understandably became associated with the war. It's why it was so quickly embraced. Later, it would be further embedded in the national consciousness by the Second World War.

When the government declared in law in 1980 that “O Canada” was the national anthem, it was only confirming what everyone knew to be true. But it wasn't necessary. It was the national anthem, whether the government said so or not, because common usage and long-established practice had made it so.

I compare it to lacrosse and hockey. The world thinks hockey is Canada's national sport. We all understand that hockey is our national sport, but the government tells us it's lacrosse. Well, I think we know what our national sport actually is.

The government unnecessarily changed some wording in 1980, and as Senator Fraser insightfully pointed out, politicians make for poor poets.

I always disagreed with the changes made in 1980, and I disagree with the proposed changes today. Two wrongs still do not make a right. I firmly and sincerely believe the anthem should be left alone. For one thing, this is the intellectual property of Judge Robert Stanley Weir. It's his contribution, his work and his gift to the nation.

Senator Lankin has pointed out that it is now in the public domain. That is true. But this is a legal term regarding copyright. It is still Robert Stanley Weir's creation, and it doesn't mean that we should feel free to cannibalize the anthem every decade or so whenever some politician gets the urge.

And although the anthem was written just before the Great War, in many ways its reach is much greater, much longer. I just look at my own family. My children grew up singing this anthem. They were born when Brian Mulroney and Jean Chrétien were prime ministers. They don't want to change.

My generation sang this anthem. I was born when Louis St. Laurent was prime minister. My nine siblings were born between early 1937 and late 1947 when William Lyon Mackenzie King was prime minister. It is their anthem, too. My mother was born in 1916, during the Great War when Robert Borden was prime minister. My father was born in 1908, when Sir Wilfrid Laurier was prime minister. It was their anthem as well.

But it was my grandparents' generation that gave their children to the war efforts of the first half of the 20th century. My grandparents were all born between 1874 and 1882. One grandfather, my mother's father, was born during John A.'s first run as prime minister; one grandfather during Alexander Mackenzie's term as prime minister; and both grandmothers during John A.'s second run as prime minister. It was my grandparents' generation that gave their children to Canada as soldiers and sailors of fortune in the first half of the 20th century.

• (1820)

My grandparents knew the anthem and they sang the anthem as well. I reflect on their sacrifice and contribution. In my father's family, my dad joined the Merchant Marine in 1939 and his older brother Sam, my Uncle Sam, later became a Coast Guard captain. My Uncle Charlie joined the navy and he later became a Coast Guard captain. My dad's youngest brother Kippy went in the army.

I think of my mother's family. My Uncle Jimmie and my Uncle Richard went in the navy. My Uncle Johnnie was in the army. My Uncle Michael, whom I'm named after, was in the army. In addition, my mother's oldest brother George was a veteran of the First World War. He later became the first Mountie to be stationed in Nova Scotia.

These are just blood uncles. There were just as many uncles through marriage who served. They are all gone now, but they are not forgotten. They can no longer speak for themselves, so my generation must speak for them, and I will. They would want their anthem left intact.

If you analyze other national anthems, most could garner criticism about their composition. The French and the U.S. national anthems, for example, are highly militaristic, but France

and the U.S. wouldn't consider changes to their anthems. They have no interest in navel-gazing about their history because they are great nations and they are confident in their history. Canada is a great nation.

Senator Lankin is carrying this bill in the Senate, and I know she has found the experience somewhat frustrating, but any finger of blame should be pointed at the government, not the Official Opposition in the Senate. We are only doing our job. It is the government that decided to use a private member's bill to push this narrow agenda. It chose not to make it government legislation. If it was so important, why didn't they make it a government bill?

Senator Lankin says we are angling for prorogation to deal with the bill. A prorogation is the prerogative of the government, not the Official Opposition in the Senate. All the government has to do is not prorogue and the bill will stay alive in its current form. Its fate is completely in the hands of the government, but if they choose to prorogue, then they will have expressed their opinion on the bill's relative importance.

Why should we be so focused on preserving the opening four lines of the anthem? It is because they are the signature lines of the anthem, lines that have always been sung by every generation. Perhaps we should instead reflect instead now on the last four lines of *In Flanders Fields*. Like "O Canada," *In Flanders Fields* was introduced during World War I when Canada came of age as a country. It is the last four lines that are arguably the signature lines of the poem. They read:

To you from failing hands we throw
The torch; be yours to hold it high.
If ye break faith with us who die
We shall not sleep, though poppies grow
In Flanders fields.

There are over 120,000 young Canadian men who never made it home, buried in Belgium, Holland, France, Germany, Italy, Hong Kong, et cetera. They deserve their eternal sleep. They have earned it. I absolutely refuse to break faith with them to curry contemporary favour. They would want the anthem they fought and died under to be preserved, and I stand with them and salute their sacrifice.

Canada is a country that is changing rapidly and evolving demographically. Canadians accept and embrace our natural evolution, but we are a country with a past and a history; our history must be respected, and the contributions of all generations of Canadians must be acknowledged.

Most Canadians want the anthem left alone. If there were a national referendum to change the anthem, it would easily be defeated.

MOTION IN SUBAMENDMENT

Hon. Michael L. MacDonald: Therefore, honourable senators, in the spirit of preserving and respecting our history, I move:

That the motion in amendment moved by the Honourable Senator Beyak be amended by replacing the

words, "the later of July 1, 2017 and the day on which it receives royal assent" by the words, "January 1, 2018."

The Hon. the Speaker pro tempore: As a subamendment, it was moved by the Honourable Senator MacDonald, seconded by the Honourable Senator Plett, that most Canadians want the anthem left alone. If there were a national referendum to change the anthem, it would easily be defeated.

That the motion in amendment moved by the Honourable Senator Beyak be amended by replacing the words, "the later of July 1, 2017 and the day on which it receives royal assent" by the words, "January 1, 2018."

Hon. Frances Lankin: Honourable senators, I thank Senator MacDonald for his words with respect to his opinions on this bill. It was an elegant speech and it was interesting in terms of his family history. I have a family history as well, which would be somewhat different than his, and I perhaps could read into my ancestors a different opinion about today. I know my mother taught me that I could be anything I wanted to be and that gender wasn't a barrier. And you know what? She has been proven right, so I might have a different family history to share.

I do want to speak to this amendment. I'm not sure how much leeway you're going to give me because, in fact, I know the amendment really isn't about the date of January 1. We will recall that Senator Beyak's amendment was to move this amendment with the date of July 1, then Senator Wells moved a date of September 1, and now Senator MacDonald is moving that the date should be changed to January 1. I want to put this on the record because those who are interested in this bill actually deserve to know what's going on in the Senate.

Yesterday I thanked Senator Wells for being up front on the record that this really wasn't about amending the bill. It really wasn't about improving the bill. It really wasn't about anything but delay. He was very clear on that, and I appreciate it, because I think that was honourable. I think while Senator MacDonald wasn't as forthright on that, he would also share that sentiment. That's what it's about; this is about the group who wants to stop this bill.

I've thought a lot about this, because the rules are interesting in this place that this can occur. I've been counselled by those who have been here longer and who are wiser than me that this is to stop the tyranny of the majority, that a small group can stop anything because of the tyranny of the majority. I actually think that we have been witnessing the tyranny of the minority here, but the rules are there for a good reason.

I am not going to play a tactical game with these rules that have a long-standing, noble reason. I think what has happened here is as far from noble as could be. Not that I diminish the importance of the views of senators who hold a different opinion than mine.

Hon. Yonah Martin (Deputy Leader of the Opposition): On a point of order, Your Honour.

The Hon. the Speaker pro tempore: Yes, Senator Martin?

Senator Martin: We had an intervention by Your Honour the last time Senator Lankin spoke. You mentioned that there should be latitude, but in using words that suggest something is less noble or more noble or that someone is honourable or not honourable, I thought this — that's what I heard.

I just wanted to raise that point of order in defence of all honourable senators in this chamber and state that we should refrain from using unparliamentary language.

The Hon. the Speaker *pro tempore*: Senator Lankin, would you like to perhaps rephrase some of your sentences or say it in a nicer way?

Senator Lankin: Say it in a nicer way? I actually didn't cast aspersions on individuals; I talked about the process, that I didn't think the process was noble. In fact, what I've said about individuals has been with great respect, as I spoke about Senator MacDonald and as I spoke about Senator Wells.

I understand, Senator Martin, that that you perceived something. I accept that that was your perception. I will have an opinion about the process that has been followed here, and I can separate that in my mind from the people who are carrying that out.

• (1830)

I am speaking to this amendment in this fashion because we now know, and I want other senators who are not aware of the rules to be clear about what is happening. As long as senators move a subamendment to the amendment, nothing else can happen, and of course if we got to Senator Beyak's amendment and it was defeated, someone in this Senate could attempt to move the previous question. That's debatable; it's adjournable. There could be votes. But it could be done and at the end of the day, there may be a vote on that, which either fails or succeeds, and would either lead to no vote or to a vote. But this process prohibits us from doing this.

It has been said very directly to me, and I appreciate the honesty, that there will be no vote on "O Canada" in this sitting. And whether or not it's still alive in the fall, we'll see.

I'm looking at one of my friends opposite who said to me last week, "You're looking pretty grumpy. You need to know that you can't always get what you want." And I can't get that darn song out of my head. I've been going around humming it: "You can't always get what you want." I shouldn't sing; Senator Enverga tried that and it wasn't very good, and I'm not very good at singing either.

That's true. This is something that, on a personal level, of course, I want. On a professional level, as a sponsor of the bill, as a member of the Senate, as a representative of a lot of Canadians who do want this, I feel that I have the opportunity here to continue to push for this. And I will.

At one point in time yesterday, I looked very strongly at the issue of MP Ambrose's bill and how quickly we dealt with that in that house, and how quickly we are trying to deal with that here.

I thought, when this subamendment ploy was made, it was clear that it was a delay. I thought maybe I should be part of delaying something else. You know what? Those are the tactics that some people play and in the Senate of the future, in the Senate that I want to be part of, we don't play the rules that way. We look at where there are principles. We look at where there are good debates to be had. And there's been a very good debate on this bill, and lesser on amendments, but on this bill. It is a debate to be proud of because it represents views of Canadians on both sides of this, and I respect that.

There are a lot of private members' bills that are at play, some that are here before us, and I hope we deal with them. I hope we deal with P.E.I. and Charlottetown as the birthplace of Confederation. I'm glad we dealt with Senator Runciman's bill on the St. Lawrence before the boating season.

I understand the desire to deal with the Ambrose bill, and it may be dealt with; it may not be dealt with. I'll play no role in that.

I understand there may be a bill being sent over that's in the name of Senator Carignan. There are lots of ways to play games. But I will play no role in that. I have decided this. You may take that as a victory. You may feel that you have worn me down. I think that I have the victory because I'm going to rise above the game that is playing. I'm going to think about how, in the future, we as senators consider, deliberate, decide on bills. I'm going to stay true to my belief that all private members' bills deserve to come to a vote.

You may continue to stop this from coming to a vote and you may, at some point in time, find yourself at the other end of public opinion on this. I don't know that I agree with you, Senator MacDonald. I understand in the places that you have been, it has been an overwhelming or unanimous response. I hang out in different places and the places where I've been have been very supportive and very much urging me to continue on and to continue this fight. And I will. As I said, I will continue it.

We throw around a lot of history here. Sometimes we're absolutely right and sometimes we're not so right. I think having a way of debating that's not artificially constructed around an amendment like a date of January 1 might allow us a better opportunity.

I commend to you a little book, *Our Song: The Story of "O Canada"* by Peter Kuitenbrouwer from the *National Post*. It's a story for children and it's quite lovely. It talks about the search for the English words before Judge Weir ever came about. It gives you previous versions of our English song that we revered. It talks about when it became official and the amendments to it, including the words "far and wide" and "God keep our land."

As we looked through the history, this has been a song that has evolved, and in my Canada, I will sing the words that are inclusive.

Others are already singing the words that are inclusive. The Toronto Symphony Orchestra and choral had a presentation in honour of 150 years of our national anthem in multiple languages. And in the English words, they sang "in all of us." Many places

that I have been, people are singing “in all of us.” And we will continue that until we have the opportunity to make that official and make it representative of all of us.

As I said before, for the children, Senator MacDonald, you talked about your kids not wanting this changed. You talked about you not wanting it changed from when you were a child. These words are different than when I sang when I was a child; “far and wide” and “God keep our land” weren’t in it.

But for my great-granddaughter, I’m teaching her the words “in all of us” because I want to be inclusive. And I want a Senate that is inclusive, a Senate that is not a tactical chamber but one that is a chamber of reflection. Maybe that means when we don’t have agreement, we have to determine what to do about that. But do that collectively.

May I say, all of you over there know now that yesterday there was an agreement arrived at that Senator Housakos, sitting in for Senator Martin, agreed that there would be a vote on both the subamendment and Senator Beyak’s amendment today. And Senator Plett has informed me that that would not happen and we would only have this. And Senator Housakos admitted to Senator Plett that, in fact, he did communicate that to me.

I feel that there has been a lack of forthrightness in terms of how this happened, but I actually understand that there are two different people with different views of whose role it is and who has the control over these things.

So in this Senate, I don’t think it’s the whole official opposition. I don’t say this disparagingly; I think it is a smaller number of the group opposite. I think Senator Plett operates as the whip for the whole caucus and as the whip for those who don’t want this to be voted on, and that role has somehow been conflated.

But I appreciate that’s what I deal with. So senators, at some point in time, in some manner, somehow, there will be a vote and I appreciate that at that point in time, I will either feel sorry that it didn’t pass or I will celebrate that it did. But I’m prepared to stand by whatever the majority in this Senate votes when it comes to a vote. I hope that I never become part of a group that is the tyranny of a minority.

The Hon. the Speaker *pro tempore*: Do you have a question, Senator Tkachuk?

Hon. David Tkachuk: On debate.

The Hon. the Speaker *pro tempore*: Senator Lankin, will you take some questions?

Senator Lankin: Yes, I will.

Senator Tkachuk: Honourable colleagues, I just want to make it clear here that the rules aren’t made for delay. They are made to extend debate. They’re made to protect the minority from the majority.

We have had bills in this place for three years, two years, five years, and I haven’t heard a speech like this on these bills.

I had a bill in this place for five years. I kept slugging it out until it passed. And it became part of a government bill —

I’m on debate; I didn’t have a question.

The Hon. the Speaker *pro tempore*: Senator Stewart Olsen wanted to ask a question.

Hon. Carolyn Stewart Olsen: Senator, would you accept a question?

Senator Lankin: Yes.

Senator Stewart Olsen: I listened with concentration to your speech, and I have no problem with what you said, because I haven’t been here as long as many. I am not defending a process that is here. We are the minority. It’s the only tools we have. There is a reason for using the tools. I know that you are in the city, and a lot of people have heard of this bill. Where I come from, people did not even know this was being contemplated or thought of. When I brought it up to them this weekend, they were appalled. I asked for a show of hands from about 200 people. I was non-partisan in my presentation, and I asked them if they would support this legislation, because I honestly don’t know how to vote. Not a hand was raised.

• (1840)

Would you agree with me that before we push something through, we should take the time and tell the people that this is happening and perhaps gauge their response and prepare them? We all talk to our people every weekend. I don’t think something like this is for us on high in Ottawa to go ahead and do without the okay from our people. What would you say to that?

Senator Lankin: I respect your opinion, senator. I want to say that making assumptions is dangerous, because I don’t live in the city. I didn’t come from a city. I now live in a village of less than 200 people.

The Hon. the Speaker *pro tempore*: I’m sorry, honourable senator, your time is up. Do you require more time?

Senator Lankin: No, I don’t think so.

Senator Tkachuk: I think I began making the point that we, as a minority, have a right to speak. We also have a right to extend debate. Your claim that this won’t come to a vote is nonsense.

We know that in the end majorities always find a way to get a vote. The complaint may be that the vote doesn’t come soon enough. Well, that’s a matter of opinion. We haven’t discussed this issue with the Canadian people.

Senator Stewart Olsen is correct. We haven't had any hearings. There have been no public meetings to talk about this. This is the people's national anthem. It certainly doesn't belong to me or to Senator Lankin. It doesn't belong to any of us; it belongs to the people of Canada. They have a right to have a say about how those words are spoken. We don't have a right to force the opinion of a number of people on a group that wants to talk about it longer. We may want to spend the summer talking about it to the people of Canada and come back here in the fall.

I agree with Senator MacDonald. If you're worried about the fact that the Government of Canada may decide to restart Parliament again —

Senator Lankin: I worry not.

Senator Tkachuk: — that is entirely in their hands, not our hands.

I don't like people using words that make us feel like we're not part of the debate, like we don't belong to have the debate. Only they can have the debate. And, "Oh, I want to have a vote, so we're going to have the vote today. If we can't have the vote today, you're bad people."

No, that's not right. I'm not the guy who is going to be adjourning this Senate. It will be the Leader of the Government and the Leader of the Opposition who will decide when they will close this Senate down. That's when we'll end the debate. And when that happens, we'll start in the fall, because we're going to come back in the fall. We can't predict the future.

That's all I have to say. I got a little tired of listening to the fact that all of a sudden just a few of us are here.

I should say one more thing about the accusation that somehow our caucus is whipped. You know what is happening here is that there are a number of people in our caucus who actually agree with Senator Lankin. But you know what? They are giving a number of us the opportunity not to agree, and that's the beauty of the people on this side of the chamber, and I'm proud of that fact. We're going to continue our fight, and in the end we will have a vote. It may not be when Senator Lankin wants, but we will have a vote.

Some Hon. Senators: Hear, hear!

The Hon. the Speaker *pro tempore*: I think we're all tired, and we should all take a deep breath.

Are we ready for the question?

Hon. Senators: Question.

The Hon. the Speaker *pro tempore*: In subamendment, it was moved by the Honourable Senator MacDonald, seconded by the Honourable Senator Plett:

That the motion in amendment moved by the Honourable Senator Beyak be amended by replacing the

words "the later of July 1, 2017 and the day on which it receives royal assent" by the words "January 1, 2018".

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker *pro tempore*: All those in favour of the motion will please say "yea."

Some Hon. Senators: Yea.

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

Some Hon. Senators: Nay.

The Hon. the Speaker *pro tempore*: I think the "nays" have it.

I see two senators rising. Have the whips agreed on when the vote will take place?

Senator Plett: Deferred to tomorrow.

The Hon. the Speaker *pro tempore*: Pursuant to rule 9-10, the vote is deferred to 5:30 p.m. on the next day the Senate sits, with the bells to ring at 5:15 p.m.

CONSTITUTION ACT, 1867

BILL TO AMEND—SECOND READING— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Patterson, seconded by the Honourable Senator Enverga, for the second reading of Bill S-221, An Act to amend the Constitution Act, 1867 (Property qualifications of Senators).

Hon. Yonah Martin (Deputy Leader of the Opposition): Honourable senators, I move the adjournment of the debate.

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

Hon. Senators: Agreed.

(On motion of Senator Martin, debate adjourned.)

[Translation]

STUDY ON ISSUES RELATING TO FOREIGN RELATIONS AND INTERNATIONAL TRADE GENERALLY

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

On the Order:

Resuming debate on the motion of the Honourable Senator Andreychuk, seconded by the Honourable Senator Greene:

That the seventh report of the Standing Senate Committee on Foreign Affairs and International Trade, entitled *Free Trade Agreements: A Tool for Economic Prosperity*, tabled with the Clerk of the Senate on Tuesday, February 7, 2017, 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 International Trade being identified as minister responsible for responding to the report, in consultation with the Minister of Foreign Affairs.

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate) moved the adoption of the report.

She said: Honourable senators, the report of the Standing Senate Committee on Foreign Affairs and International Trade, entitled *Free Trade Agreements: A Tool for Economic Prosperity*, is very insightful and instructive.

The committee held broad consultations and I commend it on that. It heard 53 witnesses over 18 meetings held between February and November 2016.

• (1850)

To put this into context, the new independent senators were not yet members of the committee at the time. I did not participate in the work, but in my previous job as president and CEO of the Société québécoise de développement de la main-d'œuvre, I participated in implementing Quebec's active labour market policy, so I would like to share some constructive comments about some of the report's recommendations.

I subscribe to the general thrust of the report, which is that free trade agreements are necessary to Canada's economic prosperity but are not an end in and of themselves. The report reads as follows:

Free trade agreements do not guarantee success for Canadian businesses in the global marketplace.

Nevertheless, as the report states, free trade agreements are necessary. We must not forget that Canada is an open economy and that our economic performance and standard of living are

due in large part to our international success, especially at the provincial level.

I would like to point out that, from earliest colonial times, Canada's economic development has hinged on the development of natural resources, such as furs, cereal crops, minerals, wood, and fossil fuels, for export. Canada's economy has been shaped by resource development and economic openness.

Over the years, Canada's economy has diversified, but developing our resources for export is part of our economic history, and we rely on international markets to maintain our standard of living.

For purposes of comparison, our goods and services exports represented 31.5 per cent of our GDP in 2015, compared to 12.5 per cent in the United States. The World Bank produces a more comprehensive index of our openness to the world. That international trade index, which also takes our imports into account, reached 66 per cent of GDP in 2015, compared to 28 per cent in the United States. Clearly, Canada cannot afford to be protectionist. Nonetheless, some Canadians are afraid of open markets and the globalization of the economy. In fact, both in Canada and elsewhere, the public harbours many fears about the modernization and liberalization of trade, and this is a source of economic insecurity for them. This is true of the changes associated with opening markets, as it was of the changes associated with adopting new technologies.

The public's fears concerning greater market openness remind us of the fears of machines replacing humans that came with the adoption of new technologies. Even though these changes very often enhance collective wealth, they nonetheless create winners and losers and they call for adaptation. In fact, the insecurity resulting from change is what prompts many people to oppose it.

This is the backdrop against which I say these words. Signing free trade agreements is a collective choice that leaves some people behind, and we therefore have a duty to compensate the losers, preferably proactively, by giving people access to effective ways of adapting to the changes, whether they result from free trade agreements or from adaptation to new technologies. It is crucial that they be given that access, because it is ultimately Canadians' efforts to adapt that will determine the extent of the gains we may achieve from a free trade agreement and from technological change.

[English]

In other words, we must compensate those who support the consequences of change in order to realize the collective gains of change.

[Translation]

Let's return to the statements we are being asked to endorse and adopt as our own. As the report points out, the role and importance of international trade agreements in fostering prosperity are often misunderstood by Canadians. Canadians understand that trade agreements support and expedite globalization and increase competition. That same competition

can, as the report points out, serve as a catalyst that stimulates productivity and innovation, but it does not happen automatically. Increased competition will produce positive effects in cases where the economic actors take concrete action to adapt and make the necessary adjustments.

People usually need a little help adapting to change. Appropriate government measures are needed, because if people cannot adapt, there can be no gains. Adapting to change must also be done proactively because, as the report indicates, success on global markets begins here at home.

This simple statement struck me as the key message of the report. The question then becomes, how does one prepare for change? What tools, devices and programs are most likely to be the most effective in encouraging individuals and businesses to continue to adapt? To that end, the committee states the following in its Recommendation 3, and I quote:

That, when a free trade agreement is signed and prior to its ratification, the Government of Canada make public a “free trade agreement implementation strategy” in relation to that agreement. The strategy should identify federal measures in two areas: those designed to help Canadian businesses benefit from that agreement, including in relation to trade promotion; and those intended to mitigate the agreement’s potentially adverse impacts, including transition programs for negatively affected Canadian workers, sectors and regions.

On that point, I would like to emphasize that labour market impact is not just one small consideration among many others. It is the central element that determines whether an agreement will be accepted by the Canadian public. I reiterate this because it is very important; Canadians are worried about their economic security.

The likelihood that they will listen to the argument in favour of any change, whether it has to do with trade or technology, depends on the extent to which governments provide concrete measures that ensure the transition to another job, because that is the best way to compensate the people who lose their jobs.

That is why I would like to qualify this Recommendation 3. It is not effective to adopt an implementation strategy based on measures specific to each agreement. Rather, in my opinion, we must create a toolkit that is accessible to everyone and that fosters adaptation to all changes, regardless of their origin, be it free trade agreements, globalization, technological obsolescence, or adaptation to technologies that eliminate jobs, such as artificial intelligence.

An ad hoc approach results in measures that are specific to the groups affected by the provisions of each agreement. Choosing such an approach results in a segmentation of government assistance at the expense of accessibility. That is not what we should be aiming for in the area of jobs and training, which are central to the ability to adapt to any kind of change. Such segmented government approaches have led to inequities in the past. Why give special treatment to people who suffer the direct effects of a trade agreement rather than help everyone who has to adapt?

As CEO of the Société québécoise de développement de la main d’œuvre, it was my job to manage agreements like this, that were specific to people who worked in manufacturing, in the footwear and textile industries. All of these agreements specific to particular age groups or economic activities create a lot of frustration among the public because people wonder why they are getting hit while others are not.

The proposed agreement-by-agreement implementation strategy must be based on measures that are accessible to everyone. That way, there will be no inequities. In spite of the enormous progress made in the last 20 years, we have fragmented employment programs designed for older workers, youth, Aboriginal people, or persons with disabilities or apprentices, while the most costly programs always relate to EI benefits.

The forum of labour market ministers, which brings together all federal and provincial ministers responsible for labour market measures, including job training, is a major actor when it comes to adapting to globalization. The forum of labour market ministers has called in the past for simplifying and consolidating the various programs to make them more accessible. The last budget announced a substantial reform of the labour market agreements with the ultimate goal of fostering the ability to engage in suitable, productive employment for all Canadians who want to work. We must applaud this development and ensure that the committee’s recommendations support these federal-provincial concerns.

• (1900)

Nonetheless, the killer question—which you asked in your brief and a number of people are asking themselves—is this: Are the existing labour market measures and the active labour market policy really effective? The committee questioned the effectiveness of programs to assist displaced workers, particularly in relation to education and skills development, as well as strategies to help certain sectors adapt to rising competition. That is the reason for Recommendation 5 in the report, which asks for an independent evaluation of labour market measures intended to mitigate the impacts of trade agreements. That is an entirely legitimate question, but, unfortunately, the real impact of these measures cannot be evaluated as such things can in the pure sciences.

I have done studies on this subject in the past, based on which I can say that countries that invest in active labour market measures achieve better performance in terms of employment, productivity, and price stability. In that regard, I would point out that the active labour market policy—what I am referring to when I talk about a toolkit that consolidates all of the measures, programs and arrangements to help individuals adapt to change—is underfunded in Canada in comparison with investments in this area by other countries and by countries that are highly open to the world such as the Scandinavian countries, which have very high export and import rates.

According to the OECD figures that I analyzed for my last book in 2010, investment in Canada in active labour market measures amounted to 0.33 per cent of GDP, compared to 0.73 per cent in Sweden, 0.94 per cent in Germany, and 0.66 per cent for all OECD countries.

Again, overall, OECD nations invest, on average, 0.66 per cent of GDP in active labour market measures, compared to 0.33 per cent in Canada.

Moreover, our investments in passive labour market measures, that is, income support, are above average among OECD countries. In total, we invest more in our labour force than many countries; it is just the distribution between passive measures and active measures that differs.

Some of our measures today could therefore certainly be more effective, and we have to reflect on that before we can improve the effectiveness of labour market measures. Nonetheless, I believe we must guard against throwing the baby out with the bath water; let us instead invest in these kinds of measures in earnest, as they will help people to adapt to all sorts of changes. With a whole package of measures, we can then develop an adaptation plan for each agreement, one that will leverage these commonly-accessible measures included in the package and that everyone will be able to use to adapt to technological changes or the changes associated with a free trade agreement.

That way, no one will be able to apply to international tribunals, claiming our subsidies amount to unfair trade practices.

This concludes the bulk of what I had to say regarding this report, on which I congratulate the committee members. They have done a good job and an enormous lot of work.

(On motion of Senator Andreychuk, debate adjourned.)

[English]

RECOGNITION OF CHARLOTTETOWN AS THE BIRTHPLACE OF CONFEDERATION BILL

THIRD READING—DEBATE CONTINUED

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

On the Order:

Resuming debate on the motion of the Honourable Senator Griffin, seconded by the Honourable Senator Dean, for the third reading of Bill S-236, An Act to recognize Charlottetown as the birthplace of Confederation, as amended.

Hon. Joseph A. Day (Leader of the Senate Liberals): I intend to participate in the debate. I was anticipating that Senator Cools would be speaking and I would take the adjournment. But if she is withdrawing, then perhaps I could take the adjournment on this matter at this time, colleagues.

The Hon. the Speaker pro tempore: It is moved by the Honourable Senator Day, seconded by the Honourable Senator Tardif, that further debate be adjourned until the next sitting of the Senate.

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

Hon. Senators: Agreed.

(On motion of Senator Day, debated adjourned.)

RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT

SIXTH REPORT OF COMMITTEE— DEBATE CONTINUED

On the Order:

Resuming debate on the consideration of the sixth report of the Standing Committee on Rules, Procedures and the Rights of Parliament, entitled *Report on the Case of Privilege Relating to Leaks of the Auditor General's Report on the Audit of Senators' Expenses*, presented in the Senate on April 13, 2017.

Hon. Joan Fraser moved the adoption of the report.

She said: Honourable senators, last night I told you I was trying to figure out how to be riveting. I haven't figured it out.

This is almost certainly the last chance I'll have to speak to this report, which is of some importance, colleagues. This is the Rules Committee's report on a question of privilege raised twice by former colleague Senator Hervieux-Payette with regard to leaks of the Auditor General's report on the audit of senators' expenses two years ago now. She raised the question of privilege twice. Two different Speakers ruled there was a case of privilege, and the Rules Committee was charged with examining it.

Colleagues who were here at the time will recall that there were many leaks, particularly in the last 10 days or so leading up to the release of the Auditor General's report, and that these leaks were difficult for many senators to deal with, in part because some of the leaks were inaccurate, some of them very inaccurate, and many of them disclosed names of senators — and the senators themselves were in the invidious position of not being able to respond, not having seen the Auditor General's report, and in any case being bound by undertakings of confidentiality that had been signed with the Auditor General. So it was a very difficult situation.

Your Rules Committee examined, to the best extent we could, what had happened. The media reports were, with one significant exception, all based on unidentified sources. So we were not in a position to know directly who the sources had been, and it is a perilous path to start down to try and bring a journalist in before Parliament and say, "Tell us who your sources were." So that was a bit of a difficulty.

• (1910)

In addition, Senator Hervieux-Payette herself, in appearance before the committee, asked us not to spend our time looking back but to try to look forward, to ascertain what needed to be

done in the Senate in terms of our systems, our training and our policies, to not eliminate but at least to minimize the likelihood of leaks of this nature occurring again.

That is, in large measure, what this report does. There are a number of recommendations, but in general they boil down to recommending properly revised, reviewed and standardized policies, training and documentation concerning the management of confidential information, the education of us all — staff and senators alike — on how we are supposed to handle confidential information, and on the long-term damage that can be done to the Senate by unauthorized leaks, however attractive the prospect of doing such leak may seem at the time. It's not, generally, a long-term, profitable way to go.

We recommend that the Internal Economy Committee, to whom we pass the buck, work very hard to establish the proper training materials, policies and procedures, and that Internal examine ways in which the role of corporate security might or might not be modified to facilitate investigations — where investigations are appropriate — in terms of leaks of confidential information.

We recommend that Internal study the question of sanctions for staff who engage in leaks, who break the rules about confidentiality. And we in the Rules Committee undertake to examine whether it is possible to have a range of appropriate sanctions for senators who engage in conduct that can be damaging to the Senate. We were made aware, for example, of the range of sanctions now available to the Ethics Committee, and there are models like that that would bear further examination.

We also made specific a recommendation about the Rules, arising from the fact that we discovered that an absolutely astonishing number of people don't quite know what the phrase "in camera" means and the obligations that it puts on senators.

Your committee is recommending that in the appendix to the Rules that contains definitions, we insert the following the proposed definition — which may sound obvious to many people, including any of us, but it is useful sometimes to have things actually written down in the Rules. What we're proposing is the following definition:

"In camera

In camera means in private. Committees can meet in camera in certain circumstances, and the public is excluded from those meetings. The deliberations and any proceedings related to in camera meetings are confidential. Any unauthorized disclosure of in camera deliberations and proceedings could be treated as a contempt — a breach of parliamentary privilege. Appendix IV of the Rules outlines procedures for dealing with the unauthorized disclosure of confidential committee reports and other documents or proceedings. (*Huis clos*)".

Appendix IV to which this refers, of course, already exists, colleagues. It's there in the back of your Rules book.

Your committee commends that proposal for your favourable consideration.

[Senator Fraser]

I have not, so far, spoken about the actual Auditor General himself. Colleagues may recall that some days before the report was made public, the Auditor General was on television discussing the number of senators who would be named unfavourably in his report and even the number who he recommended be referred to the authorities, being the police. This, of course, caused a great stir.

He was the exception to the general finding that I mentioned earlier, that we could not know who was the source of leaks. In this case, it was the Auditor General himself appearing on national television. We concluded that this was, at the very least, a case of bad judgment on his part and that it was a breach of parliamentary privilege.

In connection with the Auditor General, we have recommended:

1. That the Senate develop procedures and policies that specify the proper scope of any audits conducted by the Auditor General in future.
2. That the Senate develop clear guidelines for any confidentiality agreements between senators and the Auditor General and any third party contractor, which should specify the obligations on third party contractors as to the requirements of confidentiality.
3. That the Senate ensure that the Auditor General and all other contractors be fully informed of the extent and scope of parliamentary privilege before they undertake the work for which they are contracted.

All of those recommendations go to matters where many senators had felt a significant degree of dissatisfaction, shall I say, with the way matters had proceeded when the Auditor General was doing the audit, in particular in relation to parliamentary privilege and the actual scope of the audit that the Senate had invited him to conduct.

So there you have it, colleagues. As I say, the recommendations are almost all about development of policies and procedures which are beyond the scope of the Rules Committee, but there is that one recommendation about the definition of "in camera" which we do recommend putting into the *Rules of the Senate* for the greater understanding of anyone who happens to need it.

The Hon. the Speaker: Senator Baker, a question?

Hon. George Baker: You said that the definition of "in camera" means "in private."

Between in camera and in private, there's a distinct difference. In camera, there's usually a record kept; in private, there is no record kept. That's the present custom of the Senate and the house as to the distinction between in camera and in private.

Perhaps it might be advisable to change the wording to omit the words "in private" after the definition of "in camera." Would the honourable senator have a comment on that?

Senator Fraser: I have no problem, obviously, with the definition as it stands. We produced it working with the table officers, who did not send up warning flags, but it's our job, of course, to make final decisions on these matters.

In this particular definition, if colleagues wish to do so, I think we could just strike the first sentence which says, "In camera means in private." And go straight to: "Committees can meet in camera in certain circumstances, and the public is excluded from those meetings." I don't think anything would be lost if colleagues wish to tackle the matter that way.

But I don't think anything is lost either by keeping the original version, Senator Baker.

Senator Baker: As a supplementary, just as an illustration, our Legal and Constitutional Affairs Committee just finished a comprehensive study, and we cross-examined 39 judges. Of the 39 judges, the vast majority demanded that their questioning be in private, whereas 3 consented to it being in camera, and 2 consented to it being in public.

• (1920)

Senator Fraser: As I say, if honourable senators were willing to accept an amendment that I would propose to my own motion, I think that particular issue would be solved by simply deleting those five words: "in camera means in private."

I have no objection to this. I don't think it's necessary, but I certainly don't object to it.

The Speaker will advise me on proper procedure, as appropriate.

The Hon. the Speaker: Move the amendment, Senator Fraser.

Senator Fraser: Honourable senators, in amendment, I move that the motion for the adoption of this report be amended, in Recommendation 3, in the summary under pages 21 to 22, to remove from the definition of "in camera" the words "in camera means in private" that is found on page iii and also in the body of the report. I would propose that the change be made in both places.

I don't have the written text, but if somebody would give me a piece of paper I could sign on.

The Hon. the Speaker: Senator Fraser, perhaps it would be wiser if we adjourn until tomorrow morning and you brought it back as a proper amendment in both official languages.

[Translation]

Senator Fraser: I could give it to you now, but I do not have the French version at this time. I apologize, honourable senators.

[English]

I'm in the hands of colleagues. Tomorrow is going to be an even busier day than today, which is why I was trying to do this

tonight. I am absolutely in the hands of whatever colleagues wish to do.

Hon. Yonah Martin (Deputy Leader of the Opposition): If I may make a suggestion, it's a very simple amendment so perhaps you could work on it and before we end this sitting you could ask leave to revert. If senators are agreeable, we could do it this evening.

That is one suggestion.

The Hon. the Speaker: I will take that as a motion for adjournment, Senator Martin.

(On motion of Senator Martin, debate adjourned.)

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

TWELFTH REPORT OF COMMITTEE ADOPTED

On the Order:

Resuming debate on the motion of the Honourable Senator Housakos, seconded by the Honourable Senator Martin for the adoption of the twelfth report of the Standing Committee on Internal Economy, Budgets and Administration, entitled *Revised Senate Administrative Rules*, presented in the Senate on May 9, 2017.

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

Hon. Senators: Question.

The Hon. the Speaker: It was moved by the Honourable Senator Housakos, seconded by Honourable Senator Martin, that this report be adopted.

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

STUDY ON THE REPORTS OF THE CHIEF ELECTORAL OFFICER ON THE FORTY-SECOND GENERAL ELECTION

SEVENTEENTH REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE AND REQUEST FOR GOVERNMENT RESPONSE ADOPTED

On the Order:

Resuming debate on the motion of the Honourable Senator Runciman, seconded by the Honourable Senator Patterson:

That the seventeenth report of the Standing Senate Committee on Legal and Constitutional Affairs, entitled *Controlling Foreign Influence in Canadian Elections*, deposited with the Clerk of the Senate on June 8, 2017, 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 Democratic Institutions being identified as minister responsible for responding to the report.

Hon. Marc Gold: Honourable senators, I am rising to speak very briefly about the seventeenth report of the Standing Senate Committee on Legal and Constitutional Affairs entitled, *Controlling Foreign Influence in Canadian Elections*. I took the adjournment on this report so that I could familiarize myself with its contents because it deals with a very important issue.

[Translation]

The integrity of our electoral system is a fundamental pillar of our democratic process, which, in turn, is shaped in large part by election financing rules. These rules set our system apart from the U.S. electoral system, in which money plays a destructive and disproportionate role that seriously undermines the integrity of the whole process.

[English]

If the regulation of private funding generally is central to our electoral system, so too is how we regulate foreign funding.

In this regard, as the report underlines, our current rules and laws need to be reconsidered and revised.

One should add that in this brave new world in which we live, we need to pay attention to how social media and other new forms of communication are used by third parties in how to strike the appropriate balance in that regard between the rights of free speech, the values of a fair electoral system and all the other constitutional values that are at stake.

The report of the standing committee is a clear, well-written and succinct analysis of these issues. It's thoughtful, to the point and illustrates so well the important and valuable work that our Senate committees do.

There's no need for me to resume the contents. They were admirably summarized by Senator Runciman when he presented the report some weeks ago earlier this month. I simply rise and conclude by commending this report to you. I do hope that their recommendations will be considered carefully by the government before the next election.

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

Hon. Senators: Question.

The Hon. the Speaker: It was moved by the Honourable Senator Runciman, seconded by the Honourable Senator Patterson, that

the seventeenth report of the Standing Senate Committee on Legal and Constitutional Affairs be adopted now.

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

STUDY ON MATTERS PERTAINING TO DELAYS IN CANADA'S CRIMINAL JUSTICE SYSTEM

NINETEENTH REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE AND REQUEST FOR GOVERNMENT RESPONSE ADOPTED

The Senate proceeded to consideration of the nineteenth report of the Standing Senate Committee on Legal and Constitutional Affairs, entitled *Delaying Justice is Denying Justice: An Urgent Need to Address Lengthy Court Delays in Canada*, deposited with the Clerk of the Senate on June 14, 2017.

Hon. Bob Runciman moved:

That the nineteenth report of the Standing Senate Committee on Legal and Constitutional Affairs, entitled *Delaying Justice is Denying Justice: An Urgent Need to Address Lengthy Court Delays in Canada*, deposited with the Clerk of the Senate on June 14, 2017, 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 Justice being identified as minister responsible for responding to the report, in consultation with the Ministers of Public Safety and Emergency Preparedness, and Health.

He said: This report, *Delaying Justice is Denying Justice: An Urgent Need to Address Lengthy Court Delays in Canada*, was the result of more than a year of study, testimony from 138 witnesses and fact-finding meetings and hearing across Canada. If not a labour of love, it was a labour of energetic enthusiasm.

Your Honour, my comments today are going to be limited to thanking a few people who, along with committee members, made their report possible.

I'll start off with the committee's clerk, Jessica Richardson and her staff. Their organizational efforts in arranging travel and meeting schedules, lining up witnesses, herding wandering senators back into line and much more were outstanding.

I can't applaud our analysts Robin MacKay, Julian Walker and Maxime Charron-Tousignant enough for their quality work in developing the report.

Finally, even though I am more or less thanking myself — what the hey — I think I would be remiss if I didn't mention the steering committee, Senator Batters, Senator Sinclair, yours truly

and the heart of that group, Senator Baker. It's always a treat to work with George.

Steering worked intensely with our analysts, tearing down and rebuilding to get to our final draft. Heads were banged back and forth a few times, but at the end of the day we got the job done.

• (1930)

All in all, a report I think we can all be proud of, a product of this place and, I would suggest, based on early reactions, a pretty telling indication of the very helpful role this place can play in the governance of our country.

In closing, Your Honour, I encourage members of this chamber going forward to, as best you can, ensure that our recommendations don't languish on some government shelf.

Hon. George Baker: Very briefly, in the United Kingdom, court delays were a major problem in the 1990s. There was a study done as to possible solutions. The name of the report that solved most of the problems in the U.K. in court delay is the Runciman report.

Now we have a situation in Canada where we have 50 specific suggestions to get rid of court delays in Canada and to make a substantial change. Every editorial in our newspapers has agreed with the Senate report and praised it. We have received communications from judges, lawyers, victims' rights groups and police officers right across Canada congratulating the Senate.

Hopefully, Your Honour and senators, we'll see somewhere down the road, very soon, that the Runciman report of Canada will accomplish the same things as the U.K. Runciman report did.

Hon. Senators: Hear, hear!

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

[Translation]

BUDGET IMPLEMENTATION BILL, 2017, NO. 1

EIGHTEENTH REPORT OF NATIONAL FINANCE COMMITTEE PRESENTED

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

Hon. Percy Mockler, Chair of the Standing Senate Committee on National Finance, presented the following report:

Tuesday, June 20, 2017

The Standing Senate Committee on National Finance has the honour to present its

EIGHTEENTH REPORT

Your committee, to which was referred Bill C-44, An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2017 and other measures, has, in obedience to the order of reference of June 14, 2017, examined the said bill and now reports the same with the following amendments:

1. Delete clause 42, pages 24 and 25.

2. Delete clause 43, page 25.

3. Clause 44, pages 25 and 26:

(a) on page 25,

(i) replace line 32 with the following:

“44 (1) Parts II and II.1 of the schedule to the Excise Act”, and

(ii) replace lines 34 and 35 with the following:

“1 On all beer or malt liquor containing more than 2.5% absolute ethyl alcohol by volume, \$31.84 per hectolitre.”; and

(b) on page 26, replace lines 1 to 14 with the following:

“2 On all beer or malt liquor containing more than 1.2% absolute ethyl alcohol by volume but not more than 2.5% absolute ethyl alcohol by volume, \$15.92 per hectolitre.

3 On all beer or malt liquor containing not more than 1.2% absolute ethyl alcohol by volume, \$2.643 per hectolitre.”.

4. Delete clause 49, pages 29 and 30.

5. Delete clause 50, pages 30 to 32.

6. Clause 64, page 37:

(a) replace the references after the heading “SCHEDULE 4” on line 7 with the following:

“(Sections 122, 123 and 159.1)”;

(b) replace lines 8 to 17 with the following:

“1 Spirits: \$11.930 per litre of absolute ethyl alcohol contained in the spirits.

2 Spirits containing not more than 7% absolute ethyl alcohol by volume: \$0.301 per litre.”; and

(c) replace the references after line 21 with the following:

“(Sections 122, 123, 159.1, 217 and 218)”.

7. Clause 65, pages 37 and 38:

(a) on page 37,

(i) replace the references after the heading “SCHEDULE 6” on line 29 with the following:

“(Sections 134, 135 and 159.1)”, and

(ii) replace lines 31 to 33 with the following:

“(a) in the case of wine that contains not more than 1.2% of absolute ethyl alcohol by volume, \$0.0209 per litre.”; and

(b) on page 38,

(i) replace lines 1 to 16 with the following:

“(b) in the case of wine that contains more than 1.2% of absolute ethyl alcohol by volume but not more than 7% of absolute ethyl alcohol by volume, \$0.301 per litre; and

(c) in the case of wine that contains more than 7% of absolute ethyl alcohol by volume, \$0.63 per litre.”; and

(ii) replace the references after line 20 with the following:

“(Sections 134, 135, 159.1, 217, 218, 242, 243 and 243.1)”.

Respectfully submitted,

PERCY MOCKLER

Chair

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

Senator Mockler: Honourable senators, with leave of the Senate and notwithstanding rule 5-5(f), I move that the report be considered now.

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

Hon. Senators: Yes.

Senator Mockler: Honourable senators, thank you very much for giving me this opportunity. I would like to begin by recognizing, in the spirit of our parliamentary tradition and for the benefit of all Canadians, the leadership that we have seen in the Senate and that has been embodied by various individuals, including the Leader of the Official Opposition, Senator Smith; the Government Representative in the Senate, Senator Harder; the Leader of the Senate Liberals, Senator Day; and the Independent Senators Group facilitator, Senator McCoy.

[*English*]

I am very proud to present this item that we have called so often Bill C-44.

Honourable senators, when I was summoned to the Senate on January 2, 2009, I want to share with you that, in that time frame of our history, Canada was experiencing its largest housing contraction in 20 years. The housing index shrunk by 7 per cent in that one month alone. Honourable senators, both existing home sales and housing starts dropped almost 40 per cent below their highs of just a few months previous, with the largest losses of our history in Western Canada. In my own province of New Brunswick, housing starts were down at a whopping 35 per cent, and we were faring much better than the rest of the country, where the number climbed as high as 40 per cent.

Honourable senators, I want to fast forward to today. A media report from Radio Canada was published a few weeks ago, describing the housing conditions in Matane, Quebec, a community not unlike my own in St. Leonard, New Brunswick. In this report, we are told about the soaring housing prices in the big cities across Canada, especially in Toronto and Vancouver, but in small-town Canada the opposite is true. Housing prices are falling sharply. The fear in places like Matane and St. Leonard is that the cost of holding a mortgage will exceed the value of our homes.

Think of that for a moment. Your parents, your grandparents, my mother, a single mother: Those people still living in small communities all across Canada worked very hard on a daily basis to pay off their mortgage so that they could afford to live in their house once they retired and could rely on equity in their home for their financial security as they aged.

Both of those dreams are in jeopardy, I believe. Canadians are carrying record levels of household debt. More alarmingly, the capacity of households to service their debt is also increasing at record levels. Today, the Parliamentary Budget Officer released a report that said household debt-servicing capacity will be stretched even further as interest rates rise to more normal levels.

Now we hear, in yet another report today, that the Governor of the Bank of Canada may hike interest rates in a few short weeks.

Let me tell you, honourable senators, when I sit down for coffee next week at the Tim Hortons in St. Leonard, or the McDonalds, the only thing I will be able to tell them is that I stood before you

here tonight to fight for them and their right to enjoy another Saturday night by reducing, tearing out, the escalator tax on wine, beer and spirits because they care for it. Sadly, there is nothing I can do about the value of their home except to watch this government drive our economy into another recession.

• (1940)

Honourable senators, imagine a 300-page omnibus bill, and we were promised better sunny ways. An omnibus bill, the one amendment we could squeak through the committee is to remove the escalator tax on alcohol. As many, if not all, of you know, we had weeks of pre-study. Other committees participated upon receiving the bill formally last Wednesday. The rest is history. To each of those committees, the Finance Committee, we say thank you.

Today, I present a committee report recommending this escalator tax amendment. I want to congratulate one of ours, Senator Marshall, for her courage to stand up and present it. Senator Marshall, thank you for your leadership with Bill C-44. It is unprecedented, the history books will say. My sincere congratulations for a job well done. Thank you.

Hon. Yuen Pau Woo: Let me start by thanking Senator Mockler for his able leadership of the National Finance Committee, particularly his shepherding of the clause-by-clause review this afternoon. I also want to acknowledge all the other members of the National Finance Committee for their very thorough review of the legislation this afternoon, and Senator Marshall for proposing and successfully getting through the amendment to this bill.

In case you missed the part of Senator Mockler's speech where he described the amendment, let me remind you that it is about the so-called escalator provision for excise taxes on alcohol products. The amendment does not remove the 2 per cent increase in excise taxes that has already taken place, but it removes the so-called automatic adjustment that takes place on the first of April each year, based on the rate of CPI inflation.

Colleagues, I disagree with the amendment, and I would like to take a few minutes to tell you why. I have four main points to offer.

First, colleagues, as Senator Mockler has intimated, this is a budget bill, and taxation is the prerogative of the government. We all understand, of course, that we do not have the power to increase taxes, which I guess means we have the power to lower taxes. That is what Senator Marshall's amendment will do. However, lowering taxes does have a material impact on the government, because taxes are the way in which it funds its operations. So, we cannot do this lightly. We have to take this change as a very significant and perhaps problematic amendment and understand that this amendment, in the scheme of the constitutional responsibilities that we have, is not a trivial matter.

My second point, colleagues, is that while some of you here and outside this chamber have suggested that the escalator provision in the bill is beyond the authority of the government because it somehow violates the principle of "no taxation without representation," I would argue to the contrary. Some of you

may know that this question came up very early in the deliberations of the National Finance Committee. We in fact sought a legal opinion on whether or not an automatic increase in the excise tax was beyond the reach and authority of the government.

The legal opinion from the law clerk's office of the Senate was unequivocal and confirmed that there is no violation whatsoever of this idea of taxation without representation, or any other principle that might be brought up.

I would also bring to the attention of colleagues that an escalator clause on an excise tax is not a new thing by any means. In fact, those of you who were here just two or three years ago will remember that Bill C-31, in 2014, had a very similar escalator clause on excise taxes in the case of tobacco products.

Let me move to the third point as to why I disagree with this amendment. It has to do with the nature of excise taxes and the way in which they are immune to inflation. We have had a bit of discussion on this subject already, so excuse me if I go over some old material.

The excise tax on alcohol products in this country is based on a fixed volume; in other words, the taxes accent on 750 millilitres of wine or X millilitres of beer. That means, over time, the amount of tax collected on that quantum of beer, or whiskey, or red wine will fall in real terms because it is a tax levy on a quantity, not on a price.

If the tax were applied to the price of the product, and the price of the product went up — and prices go up, by the way, because of inflation — the amount of tax on that product would go up along with the price increases. That is, of course, the case with the Goods and Services Tax, which is what they call an *ad valorem* tax. When the GST is applied to price, as prices go up the amount of GST collected goes up commensurately. We can think of value-added taxes like the GST precisely as having a built-in inflation escalator.

I would also add that our income tax system also has a built-in inflation escalator. We heard differently in this chamber a few days ago. The argument was made that when tax brackets change they lower one's taxes rather than increase them. But that is not the argument. The issue of income taxes is that, as you all know, there are various brackets. As you move up the income brackets, the marginal tax rate goes up. If you happen to be earning, colleagues, \$91,830 this year, and got a raise so that your income next year is \$91,832, I'm sorry to tell you, but your marginal tax rate will go up from 20.5 per cent to 26 per cent.

What has happened here is that the increase in your salary, in your income — part of an inflationary push — has moved you automatically into an escalated new tax bracket which is, by the way, 29 per cent higher than the previous bracket. By comparison, the increase in the excise tax on alcohol products is 2 per cent. Let me say that again. If you move from \$90,000 to \$92,000, your marginal tax rate is going to go up 29 per cent. The increase in the excise tax that is being proposed in this bill will only go up 2 per cent. That is why, as we have heard from Finance officials, the direct impact on a bottle of wine, on a 24 pack of beer, on a bottle of spirits, is really quite small.

• (1950)

Now, if you still don't believe that it is important to preserve the real value of taxes, I suggest you go to your bank and offer to give them your savings for zero interest indefinitely. It makes a genuine difference between nominal and real prices, and the ability of the government to protect the real value of its taxes on excised tax products is important — important and uncontroversial to my mind.

My fourth point, colleagues, has to do with an issue that has not yet been discussed to any extent in this chamber but requires our reflection. It has to do with the health impacts of this tax increase. Many of you are probably unaware that we had witnesses and received written testimony from a number of public health organizations, including the World Health Organization, the Association of Public Health of Quebec, the Canadian Centre on Substance Abuse, and the Toronto Cancer Prevention Coalition.

Let me quote first the representative of the World Health Organization, Dr. Saxena.

When we look at prices, taxes or revenues over time, we should always look at the real values.

I'm always impressed by doctors who understand economics. Continuing:

. . . excise rates should be adjusted annually to keep pace with the cost of living in the future . . .

Let me now cite Fiona Nelson, from the Toronto Cancer Prevention Coalition. The provision to increase the excise duty rates on alcohol products by 2 per cent and subsequently automatically index them annually to CPI is the:

. . . gold standard policy for protecting public health and our organization strongly encourages the federal government to retain this provision.

Let me also quote Lucie Granger.

[Translation]

The Association pour la santé publique du Québec applauds the decision by the Government of Canada to raise the excise tax by two per cent and automatically tie it to the consumer price index.

Absent any significant increase in excise tax, any kind of enforceable minimum, and indexation to the cost of living, we strongly encourage the federal government to keep this provision.

[English]

Colleagues, in saying all of this, including the health dimensions of the excise tax, I'm very sympathetic to the concerns of the industry and the fear they have about the detrimental impacts to their industry and of course the subsequent impact on jobs, on industries that are supported by alcohol producers, including tourism and other ancillary industries.

[Senator Woo]

I'm pleased, therefore, to learn that the government has said to us through one of the technical briefings that they will announce the amount of the inflation adjustment well ahead; that is to say four, five, six months ahead of the increase taking effect. That may not be sufficient protection for some of you, and for the industry, but it at least provides a measure of preparation for the industry, and perhaps can also be a way in which the government can take into account — and I certainly hope they take into account — the conditions in the economy, not just CPI, that could perhaps mitigate or even eliminate the need for any inflation adjustment.

Colleagues, I hope you will take these four additional points into consideration when voting on this report. I once again commend and thank the Finance Committee for such careful, detailed work. I thank Senator Marshall for this amendment. I cannot support it and I hope you will join me in voting against the report.

The Hon. the Speaker: On debate?

Hon. Elizabeth Marshall: Yes, thank you, on debate.

I would like to explain why I put forward this amendment before I make some other comments. I felt very strongly that when the government is imposing taxes or increases in taxes, they should bring it forward in a budget bill each year so that it can be approved. I felt that because it was buried in a formula, based on the Consumer Price Index and that it goes forward into eternity, I found that very offensive, and I think the government should come forward and make a case for whatever the tax increase is.

You'll notice the amendment I put forward was for only the part for the Consumer Price Index. There is still an increase there for the wine, the spirits and the beer, and I don't have a problem with that because you can look at it and you can see the fixed dollar amount. You know exactly what the tax increase is going to be, so we can debate that. People can make their comments and we can get representation from the industry. We know what the tax increase is going to be. I didn't have any problem at all with a fixed dollar amount.

With the Consumer Price Index, we don't know what the dollar amount will be. We don't know what the Consumer Price Index is going to be in the future. So here we are, approving a budget bill that says taxes are going to be increased a certain amount in the future, but we don't know how much that will be. Not only that, but there is no obligation on the part of the government to come back in a budget bill and ask that those tax increases be approved.

I know Senator Woo mentioned the government said they were going to give six months advance notice so people can know how much the tax increase will be. However, I don't think that's satisfactory. You're going to notify them, but there is going to be no debate on the amount that is going to be increased. So for me, it's not the taxes but it's the manner in which it is done.

As I was saying, the government should come back annually. If they want to increase the taxes next year to the Consumer Price Index or even higher, bring it back in so we can debate it. I do find it very offensive that there is a tax increase buried in the budget bill. We don't know what the increase is going to be. We don't

know what the percentage is going to be. It's sort of just out there. It's an unknown. But we know one thing: we're going to get it every year from now until eternity, but it's not defined.

Some Hon. Senators: Hear, hear!

The Hon. the Speaker: Senator Lang, do you have a question?

Hon. Daniel Lang: Yes, I do. Would the senator take a question?

Senator Marshall: Yes, I would.

Senator Lang: For those who have not been on Finance Committee studying the bill and the important content contained therein, I would like you to explain to us with the 2 per cent that is levied, over and above that then are the HST and PST levied on top of the 2 per cent? The question that I'm asking is, it's just not 2 per cent; it's a further percentage on that 2 per cent that's there? So the actual increase to the consumer could in theory be 3 per cent or 4 per cent depending on the inflation and the CPI. Perhaps you could explain that so the public fully understands that this is not just a 2 per cent tax.

Senator Marshall: Yes, I agree. I don't have those notes with me but I did have somebody from the industry provide me with some sheets that show how the taxes are incremental. You have a tax base and then it builds up and builds up. That's true, the 2 per cent increase isn't just a 2 per cent increase; it is actually much more than that.

• (2000)

Senator Lang: During your review of the bill, did the witnesses who came forward from the Department of Finance fully explain in context the implications of the 2 per cent plus the implications of the percentages charged between GST and HST, and what would be the final implication of that?

Senator Marshall: I found that the explanations weren't robust enough. Actually, Senator Woo had arranged to have a number of additional consultations with Finance officials to make sure that we understood different sections of the bill.

We did have a gentleman who came in to explain these tax increases. We had asked for additional information. We didn't get anything from them. We were looking for information that had been provided that would give more information on the tax increases and also how it would affect the industry, things of that nature. We were told that this was given to cabinet, and as a result, it wasn't to be made available to us.

Hon. Joseph A. Day (Leader of the Senate Liberals): I have a couple of questions for Senator Marshall, if you would be kind enough to help me with this. I wasn't able to attend all of the various hearings, and I've heard Senator Woo mention economic factors that might impact whether there should be an increase.

The way I look at this Excise Act amendment, proposed section 170.2, I don't see an exception for downturn in the economy. The Consumer Price Index can go up, but the economy

may go down. If this were looked at by the government at that particular time, they would be less inclined to ask for an increase. But if it's automatic, there is no opportunity to adjust.

Did you have an opportunity to discuss whether there is an opportunity to adjust the automatic adjustment, or is it an automatic thing based on the Consumer Price Index?

Senator Marshall: Based on the discussions we had with Finance officials, it's automatically based on the Consumer Price Index. But based on the case that you just mentioned — I actually thought of that myself. Usually people don't think of the downside; they just keep thinking that taxes are going to go up and the CPI will continue to go up. That did occur to me.

But no, the officials didn't get into that aspect of it at all.

Senator Day: Thank you.

The Excise Act appears at clause 42 on page 24 of Bill C-44. We're now debating the eighteenth report of the Standing Senate Committee on National Finance. This is presented somewhat differently than were the seven different amendments that you presented at clause-by-clause today. All of this is happening rather quickly. Can you give us an assurance that the eighteenth report that we're now debating is reflective of the seven amendments you had presented and which had been accepted by the committee?

Senator Marshall: Yes. Actually, Senator Day, I did check. When I had the original amendments drafted, I went through my Bill C-44 budget and imposed all the changes on it. So I cross-checked what's just been tabled in the Senate to make sure that it fits. I can confirm that it does.

Senator Day: Thank you. I'm glad you had that optimism to do that.

Hon. Lucie Moncion: Senator Marshall, you're a very thorough senator when we get to National Finance and look at budgets. I admire that. I'm just surprised at the information you were giving us about the analysis that we did not receive from the government. We did receive a document explaining the hike.

Did you not receive this report so that you could maybe refer to the report before you presented your information?

Senator Marshall: Yes, we did receive some information from the Department of Finance, including what was in a briefing book. As I was saying, when Senator Woo had arranged for additional consultations with the Department of Finance, we did ask for additional explanations and information. At the time, the official in question said that he couldn't provide it because it had been sent to cabinet. Therefore, we could not get that information.

Hon. Pierrette Ringuette: Could you answer one or two little questions?

Senator Marshall: Sure.

Senator Ringuette: I, too, have great respect for your ability at National Finance.

From your comments a few minutes ago, I understood that you are not in favour of the principle of escalators. Is that right?

Senator Marshall: No. I wouldn't make that general statement. In this particular case, I'm not in favour of the escalator, because in the area of taxation, the government should come back and ask for approval to increase taxes. But we don't know at this point in time what the taxes are going to be in the future. We don't know what the Consumer Price Index is going to be, and it goes into eternity. The taxes are going to increase every year and it's going to increase into eternity.

Senator Ringuette: The same principle of escalator and the CPI, Consumer Price Index, applies to very important social programs; for instance, the old age pension, the guaranteed income and CPP. The principle of built-in escalators in regard to CPI is very much welcome in regard to very important social programs.

I understand that some might question that value in regard to excise tax. However, the principle remains the same; it's still building on the same Consumer Price Index.

Senator Marshall: Yes, but the items you mentioned aren't taxes. Those are social programs. What I'm talking about here are taxes.

Hon. Stephen Greene: Ladies and gentlemen, I rise today to speak in support of the Finance Committee's report on Bill C-44, otherwise known as the budget implementation act.

As I have said before in this place, in fact as recently as when I sat over there, I abhor deficit financing, except in cases such as recession, depression, war or some great national enterprise to which Canadians have given their consent. And, ladies and gentlemen, I do not believe Canada to be in any of those situations at the moment.

In the meantime, it's obvious that the fiscal priorities of the government lean toward deficit spending, which is sometimes paired with tax increases. This budget includes one such increase; namely, an increase to the excise tax on beer, wine and spirits, complete with an escalator clause.

There's nothing actually wrong with the taxes, in my view, but there is with the escalator clause, because it means that for every year following the adoption of this budget, the excise tax on alcoholic beverages will grow annually without continued parliamentary oversight. As Senator Day pointed out in his excellent second reading speech, enactment of this provision could set a precedent and encourage the use of other escalators on other taxes and fees, thereby further eroding Parliament's role as a reviewer of the nation's finances.

Senator Day went on to discuss the declining ability of the House of Commons to oversee the government's borrowing generally. While listening to his speech last week, I recalled that, from time to time, I hear from the new senators about their frustration at not being able to find an area on which to make a

contribution to Canadian life. I can think of no better advice for these senators than to read Senator Day's speech, specifically his sections on parliamentary oversight or lack thereof. It seems to me that there is much work for senators to do in this area and we should start that work as soon as possible.

• (2010)

So I commend the Finance Committee for taking a small first step towards maintaining parliamentary oversight by amending the budget to eliminate the escalator. In my view, this alone is a reason to commend the Finance Committee, but there's more.

The proposed escalator was to be tied to inflation. This, of course, would only encourage more inflation. The annual automatic rates were to be set by the Consumer Price Index and fall under the decision of bureaucrats to implement — or maybe we should call them 'beer'caucrats; that's a joke that I wish I hadn't said now.

As Senator Smith pointed out, the Department of Finance did not conduct an impact assessment on this increase, which I find personally incredible.

Some of us have been down this road before, for between 1980 and 1985, there was an escalator tax on alcohol in Canada that was put in by Pierre Trudeau and removed by Brian Mulroney. My office, in consultation with outside experts, have run the numbers, and we can say that had the escalator not been repealed in 1985 and was still in place today, the excise tax rate on alcohol would be 21 percent higher than the current rate.

Some colleagues have pointed to the recent escalator tax brought in for tobacco and wondered if this tax was the same or similar. I would simply point out that in the case of tobacco, an escalator was asked for by the tobacco industry as a means of stabilizing their tax regime, given the often fluctuating and varied tax rates on their product. To my knowledge, no one in the alcohol industry has asked for this escalator. In fact, the brewers, wineries and distillers are all opposed. I'm told that they are very seldom united, but this did it.

While we are on the idea of tax on alcohol generally, we must not forget that alcohol is already heavily taxed by the provinces and, in some instances, sold by provincially owned retail stores. In an effort to keep costs down for consumers, the manufacturers and retailers tell me that they will likely have to eat the costs of this growing tax, and that could lead to lower production and sales, which comes at a time when our wine industry in particular is trying to grow their export markets.

In conclusion, ladies and gentlemen, I want to state that I am opposed to an escalator tax on anything. It is a terrible and pernicious principle and it is not consistent with my understanding of the purpose of Parliament. I am certainly supportive of the Finance Committee's recommendation to remove the alcohol excise escalator from the budget. I urge you to join me in support as well.

Senator Woo: Senator Greene, would you take a question?

Senator Greene: Yes.

Senator Woo: Senator Greene, I'm sure you're aware about the independence of the central bank and the role that the Bank of Canada plays in inflation targeting. You made quite a scary statement about how this tax might encourage the government to artificially inflate the economy.

Are you questioning the independence of the central bank and its ability to do inflation targeting and its ability to be insulated from government influence on prices?

Senator Greene: No, I'm not questioning the independence of the central bank.

Senator Woo: Can you clarify your statement about how this piece of legislation will encourage the government to promote higher inflation?

Senator Greene: Could you repeat your question?

Senator Woo: I believe you made a statement about how this piece of legislation, because it ties the automatic increases in the excise tax to inflation, would be an incentive for the Government of Canada to have higher inflation. That's an extraordinary statement and it gets at the heart of the independence of the central bank of this country and the confidence of the economy.

If that anchor in our economic policy is removed, we would be subject to economic uncertainty that would be very bad for much more than just the brewers and the alcohol producers.

Senator Greene: I think you misunderstood what I said. I made no such statement.

Senator Moncion: Senator, will you take another question?

Senator Greene: Sure.

Senator Moncion: I'll ask about numbers this time. The price increase on beer is 5 cents. The wine increase is 1 cent and on spirits it is 19 cents.

If you add an escalator tax on 1 cent, how much is that?

Senator Greene: That's very small.

Senator Moncion: How much is it on 5 cents?

Senator Greene: It's still very small.

Senator Moncion: We're talking about really small numbers here.

If I go back to the statements that have been made here, the escalator clause is going to be driving jobs; people are going to lose their jobs and it's going to be a catastrophe for the wine, beer and spirit industry. Am I correct?

Senator Greene: I never made a comment on jobs, but that's what they tell me.

Senator Moncion: I go back to a question that I have asked before. Are these products part of the basic products that people need to live on or are these considered luxury products?

Senator Greene: I wouldn't call them luxuries.

Some Hon. Senators: Hear, hear!

Hon. Jim Munson: Honourable senators, I like beer and a glass of wine. For those who play hockey, do you ever have that beer after a one-hour game? When you first started paying for it, it was \$4 and then \$6 and then \$7. And now as you get older, you like these craft beers and put out \$10. Now it's \$11 or \$12, so you have to go back into your pocket.

This kind of tax grab, or getting after this money, has been around for some time. I'm sure that Finance Minister Flaherty had to beat back some of the people in the Finance Department. I know that former Prime Minister Jean Chrétien and Paul Martin had to do the same thing. There's nothing better than grabbing the cash and not having to go through Parliament so that the planners of our finances can have money that they know will be there every year without even having to talk to parliamentarians.

That's what we're here for, to review and take a look at these things. That's why I strongly support Senator Marshall's work today in the Senate committee. It's very important.

In the millennial generation, too, many young people are going out to buy beer or wine. And they're going out to support local craft beer people in different small communities around the country and in the Ottawa area. They are a small beer industry, about four or five of them, and they are thriving. Guess what they do? They employ 30 to 60 people in their communities and they pay taxes. And they pay enough taxes.

I'd like to identify some of the concerns that have been put together by others on this escalator tax on beer, wine and spirits, and also dealing with the restaurant industry, which doesn't like this at all.

The bill, as others have said, would impose an excise duty on beer that would continuously increase by the rate of inflation next year, starting next April. This escalator tax could lock Canada into guaranteed beer or wine tax increases each year without the need for the finance minister to table the increases in Parliament.

I think the important thing to remember is that Bill C-44 in this regard would therefore remove parliamentary oversight and release the government from the yearly accountability for beer tax increases.

In case you don't know, Canada's taxes on beer are already high. Canada's excise rates on beer are the third highest in the world.

The proposed escalator would continuously impose automatic tax hikes on top of the existing high tax rates. Additionally, the excise tax is unable to take into account certain important factors, as has been mentioned, including the rate of inflation. Determining the use of the Consumer Price Index does not take into account what is going on in a specific industry. Canadian

beer sales have actually decreased, while the Consumer Price Index continues to increase. The proposed excise tax cannot take this discrepancy into account.

Bill C-44 proposes to increase the tax on beer in perpetuity regardless of the state of Canada's beer industry and of the Canadian economy. This would negatively impact the Canadian beer industry.

Furthermore, the escalator tax on beer is a regressive tax, which would have a greater impact on low income beer consumers than it would have on higher income consumers. As a result, the escalator tax would disproportionately affect low-income Canadians.

• (2020)

While the government has communicated that the intention of the escalator tax is to ensure the effectiveness of the excise tax as prices change over time, the inflexible nature of the escalator could have problematic consequences.

Parliament is fully capable of taking the rate of inflation into account for tax adjustments in future budget bills. That practice would maintain government accountability for each yearly tax increase.

So, honourable senators, like others here today, I ask you to consider that the beer or wine tax unnecessarily locks Canada into a fixed escalator that would dictate greater and greater taxes on beer and wine without proper government oversight and accountability for these increases. At the end of the day, it's Parliament that is accountable for this, not officials in the Finance department.

The Hon. the Speaker *pro tempore*: Senator Woo, do you wish to ask a question?

Senator Woo: I have a question.

The Hon. the Speaker *pro tempore*: Senator Munson, will you take a question?

Senator Munson: I don't know if I can answer it, but I'll take it.

Senator Woo: Senator Munson, in my few months here, I've come to see you as a great champion on health issues. In fact, you often speak out very passionately in favour of those who are marginalized because of health conditions that are beyond their control, and I see you as someone who is very aware of the factors that go into a healthy lifestyle.

You've put a lot of weight in your argument on the need for parliamentary oversight, accountability and transparency. You've put a lot of weight on the economic impact on the industry, all of which I do not disagree with, but you've not said a word on the one issue that I identify as being what you stand for. I'm sorry; I'm sure you represent many other issues as well, but I really respect and see you as a champion on health issues.

May I ask how you weigh the health considerations on this subject, particularly when all of the public health agencies that we heard from are in favour of the escalator?

Senator Munson: I think that what you've said in the earlier part of your preamble, senator, is right. I do fight for Canadians with intellectual disabilities and others in other parts of the country who have physical disabilities, and I'm very proud of that. I'm really glad you brought that up.

In modesty, I think that if you have a balanced lifestyle, if you have one really thirst-quenching cold beer with ice around the bottle at the end of each hockey game and you're sitting there watching, as I've always said to my wife, it's only one beer, because we have rules and regulations of what you should or should not drink after that moment. I would be saying to those who live in the community I work in that you should take a look at life, and at the end of a day, I don't think it is unhealthy to have a nice glass of white Sauvignon or a nice red Beaujolais or a beer just to sit back and relax. If you're talking about telling all Canadians to abstain and not have anything to drink, I'm afraid we would be a pretty dull country.

I want to thank you for that question. I will continue the fight for those who I feel like I make a wee bit of a difference, but I think that I will also still stand before you to protest what is truly an easy tax grab by the government.

Hon. Lillian Eva Dyck: Senator, would you take another question?

Senator Munson: I'm getting nervous now.

Senator Dyck: I'll take that as a "yes."

Senator Munson: Yes.

Senator Dyck: I wonder if the honourable senator is aware that there have been many studies done — and I haven't kept in touch with the literature over the last decade, but many studies have shown that a moderate, small amount of alcohol is actually good for your health. In fact, you're probably drinking the wrong kind of wine, because they say that it's red wine with alkaloids and resveratrol that's good for your health, but no more than one glass. Are you aware of those studies?

Senator Munson: I thank you for the question, and I am truly aware of those studies. I just wish that somebody had told me about that 40 years ago when I was in the press gallery and didn't pay a whole lot of attention to it. Now that I've become a mature senator, I've taken that advice and yes, obviously, I'm a living example of good health. Thank you very much.

The Hon. the Speaker *pro tempore*: It was moved by the Honourable Senator Mockler, seconded by the Honourable Senator MacDonald, that the report be adopted.

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

Some Hon. Senators: Agreed.

[Senator Munson]

Some Hon. Senators: No.

The Hon. the Speaker *pro tempore*: Those in favour of the motion will please say “yea.”

Some Hon. Senators: Yea.

The Hon. the Speaker *pro tempore*: Those opposed to the motion will please say “nay.”

Some Hon. Senators: Nay.

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

And two honourable senators having risen:

The Hon. the Speaker *pro tempore*: I see two senators rising.

An Hon. Senator: One hour.

The Hon. the Speaker *pro tempore*: The vote will be at 9:25 p.m. Call in the senators.

• (2120)

Motion agreed to and report adopted on the following division:

YEAS THE HONOURABLE SENATORS

Andreychuk
Ataulahjan
Batters
Beyak
Boisvenu
Carignan
Dagenais
Day
Doyle
Dyck
Eaton
Eggleton
Enverga
Forest
Fraser
Frum
Green
Griffin
Housakos
Hubley
Joyal
Lang
MacDonald

Manning
Marshall
Martin
McInnis
McIntyre
Mercer
Mockler
Munson
Ngo
Ogilvie
Oh
Patterson
Plett
Poirier
Runciman
Seidman
Smith
Stewart Olsen
Tannas
Tardif
Tkachuk
Unger
White—46

NAYS THE HONOURABLE SENATORS

Bellemare
Black
Boniface

Lankin
Massicotte
McCoy

Bovey
Campbell
Christmas
Cools
Cordy
Dawson
Dean
Duffy
Dupuis
Gagné
Gold
Harder
Hartling

McPhedran
Mégie
Mitchell
Moncion
Pate
Petitclerc
Pratte
Ringuette
Saint-Germain
Wallin
Watt
Wetston
Woo—32

ABSTENTIONS THE HONOURABLE SENATORS

Cormier—1

• (2130)

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

Some Hon. Senators: Now!

Some Hon. Senators: No!

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

Some Hon. Senators: Question!

Some Hon. Senators: No!

The Hon. the Speaker: I hear a “no.” When shall this bill, as amended, be read the third time?

Senator Woo: I move that third reading be at the next sitting of the Senate.

Some Hon. Senators: No!

The Hon. the Speaker: Honourable senators, as you all know, in order to consider third reading now, we would need unanimous consent. I heard a number of nos.

It has been moved by the Honourable Senator Woo, seconded by the Honourable Senator Cools, that third reading be adjourned until the next sitting of the Senate.

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

Some Hon. Senators: No!

Some Hon. Senators: Agreed!

The Hon. the Speaker: All those in favour of the motion will please say “yea.”

Some Hon. Senators: Yea!

The Hon. the Speaker: All those opposed 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: I see two senators rising. Do we have agreement on a time?

Senator Plett: Now.

The Hon. the Speaker: Senator Plett?

Senator Plett: Your Honour, I heard you say it needs unanimous consent. If it needs unanimous consent, I don't think you have that. Then we wouldn't need a vote. If we need a vote, we would like to vote and we'll vote now.

The Hon. the Speaker: Honourable senators, we're voting on a procedural motion that third reading take place at the next sitting of the Senate.

Senator Plett: Okay. No, we'll let it go, then. I'm sorry, I misunderstood.

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

Hon. Senators: Agreed.

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

BUSINESS OF THE SENATE

Hon. Yonah Martin (Deputy Leader of the Opposition) Your Honour, may I ask for leave to revert to item number 37, under reports of committees, which is the thirteenth report of Internal Economy? There is an amendment on the Order Paper at this time. I will then defer to Senator Fraser, who had moved that amendment. **The Hon. the Speaker:** Senator Martin, leave has to be granted to revert to item 37.

Is leave granted honourable senators?

Some Hon. Senators: Agreed.

Some Hon. Senators: No.

The Hon. the Speaker: I hear a “no.” Sorry, leave has not been granted.

ABORIGINAL PEOPLES

BUDGET AND AUTHORIZATION TO ENGAGE SERVICES—STUDY ON A NEW RELATIONSHIP BETWEEN CANADA AND FIRST NATIONS, INUIT AND METIS PEOPLES—SEVENTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the seventh report of the Standing Senate Committee on Aboriginal Peoples (Budget—study on the new relationship between Canada and First Nations, Inuit and Métis peoples—power to hire staff), presented in the Senate on June 19, 2017.

Hon. Lillian Eva Dyck moved the adoption of the report.

She said: Honourable senators, this report deals with a budget request that was for an event called Indigenize the Senate, that was held two weeks ago, on June 7, for the Standing Senate Committee on Aboriginal Peoples.

We had invited a group of 60 high school students from the Ottawa area and nine youth leaders from across Canada to come to Parliament for a day of workshops and brainstorming sessions under our new order of reference.

The budget that we submitted includes funds for lunch for the high school students, to pay for facilitators for workshops for the high school students and for some of the cultural facilitators, as well as other supplies. We are happy to note that, although the final numbers are not yet in, we believe that we will be under our budget by about \$700.

This event was very fruitful for our committee, and in fact Youth Ottawa appeared before our committee, along with three members of the youth group, this morning — it seems like yesterday, but it was only this morning — to discuss the results of their discussions.

We had a representative from Youth Ottawa, and I believe that all of the committee members were very much impressed by their testimony. They had some very concrete and helpful suggestions on what their vision of a new Canada would look like between the Crown and the Aboriginal peoples of Canada, the First Nations, the Metis and the Inuit.

• (2140)

This was the first year that our youth event was expanded to include high school students, and the decision to get emergency funds was made late in the process. We will submit a budget

earlier in the process next year, because it seems that the committee will most likely sponsor a similar event in the future.

We have found that accessing ideas from youth is a source of information and wisdom that is invaluable to the work of the committee. The youth this morning said they don't want us to forget about them and that they see it as an opportunity to continue to interact with the committee.

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

Hon. Senators: Question.

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

(Motion agreed to and report adopted.)

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

THIRTEENTH REPORT OF COMMITTEE—MOTION IN AMENDMENT WITHDRAWN

Leave having been given to revert to Other Business, Reports of Committees, Other, No. 37:

On the Order:

Resuming debate on the motion of the Honourable Senator Housakos, seconded by the Honourable Senator Neufeld, for the adoption of the thirteenth report of the Standing Committee on Internal Economy, Budgets and Administration (Budget—pursuant to rule 12-7(1), consideration of financial and administrative matters—power to hire staff), presented in the Senate on May 16, 2017.

And on the motion in amendment of the Honourable Senator Fraser, seconded by the Honourable Senator Cools:

That the report be amended to provide that, in the Summary of Budget, under Professional and other services, the sum of \$108,000 be deleted and replaced by \$250,000.

Hon. Joan Fraser: Colleagues, this is one of the numerous reports from the Internal Economy Committee. This is the report concerning communications persons.

Colleagues may recall that some time ago I proposed an amendment to this report, and I announced at the same time that I would even vote against my own amendment. So I'm seeking leave of the Senate simply to withdraw my amendment.

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

(Amendment withdrawn.)

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

Hon. Senators: Question.

The Hon. the Speaker: It was moved by the Honourable Senator Housakos, seconded by the Honourable Senator Neufeld, that the thirteenth report of the Standing Senate Committee on Internal Economy, Budgets and Administration be adopted.

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

(Motion agreed to and report adopted.)

POINT OF ORDER

Hon. Michael Duffy: I rise on a point of order.

The Hon. the Speaker: Senator Duffy on a point of order.

Senator Duffy: I denied unanimous consent to revert to hear the previous report. I think other senators heard that, because they came and spoke to me about it. So how do we get to withdrawing an amendment to a report for which I did not give unanimous consent that we could consider at this time?

The Hon. the Speaker: Honourable senators, Senator Duffy raises an important point of order. I did not hear a "no" when I asked for unanimous consent, and unfortunately you didn't rise at the time to tell me that, Senator Duffy. So I'm in the hands of the chamber for anybody who wishes to participate in this point of order or make a comment.

Hon. Yonah Martin (Deputy Leader of the Opposition): If I may, honourable senators. Your Honour just explained what we were trying to achieve. There was considerable discussion and an understanding that we would adopt the four Internal Economy reports that are on the Order Paper — the twelfth, thirteenth, fifteenth and sixteenth report — today.

Normally, we would have them in the order that they are listed, but today we had an extraordinary sitting where there were many interventions where leave was asked for other things and we got interrupted.

When we were at the thirteenth report, which is the one we were asking leave for, Senator Duffy, initially we passed by it because the discussions that were happening had not quite concluded. But I can assure you that Senator McCoy, Senator Ringuette, Senator Fraser, and all of the respective senators who are at the scroll meetings, et cetera, have all had these discussions. So if some of the internal communication may not have been done, we apologize. Tonight has been an extraordinary kind of sitting.

I would like to say that we did adopt it. I know you had not heard the "no," but there was consent from the chamber to adopt these reports that had been there for quite some time. They are important Internal Economy reports, and I hope that Senator

Duffy will accept this explanation and agree — well, I guess the chamber has to make that decision, but the Speaker is asking for all of us to weigh in on such an explanation.

That's what happened, Senator Duffy. This is not something myself or anyone else is trying to push through and ignore others. But there was so much discussion on it already, so we had hoped that we could revert and address these items so that we could adopt the Internal Economy reports in the order they appear on the Order Paper.

Senator Duffy: Your Honour, all of this means nothing. Senator Gold came over to me just now. He heard exactly that I had denied unanimous consent and asked me about it. There is no mystery. There is no secret. I have denied unanimous consent, and other senators heard that. I'll leave it at that.

Hon. Terry M. Mercer: I didn't hear Senator Duffy, but I believe that he did speak. The problem we're having here is a bit of the decorum. There is no question that I'm one of the more guilty ones who ignores it on occasion.

However, one of the things that I noticed over the past few days is that some of the standard rules of this place — for example, when the Speaker rises, everybody is supposed to be quiet and you're not supposed to move. You're not supposed to be up walking around, especially at the end of the session, when the Speaker is getting ready to say the words that he needs to in order to end the session. You're supposed to be standing in your place or sitting at your seat. I would hope that people would start to understand some of those rules.

Senator Duffy said that he said “no.” I take it as such, and I would hope you would rule that there was no vote and that we have to defer until the next sitting.

Hon. Joan Fraser: Your Honour, I'm sure there must be precedents for a situation like this, because it does happen that somebody, particularly fairly distant from you, may deny leave and not be heard. I don't know what the precedents are, so I would like to propose that we put this whole matter in abeyance, because it is complicated. Senator Duffy — and it has been testified to by more than one senator — said “no,” which was his right, to deny leave. But we had a Speaker's ruling. In essence, the Speaker said we're going to go ahead with this vote. We went ahead with this vote, and it has been registered.

I have no idea what the precise precedents may be on this occasion, but I would suggest that, with a modicum of goodwill in the chamber, if you take this under advisement and we are all aware that, depending on your ruling, we may be asked to revisit the vote that we have just taken — which would undoubtedly require leave — I would suggest that senators, as a group, would be willing to give leave if you rule that that is required. At the moment, I have no idea, and I would like you to take it away and think about it, Your Honour.

The Hon. the Speaker: Honourable senators, I think I have heard enough.

Senator Housakos, is there something new you wanted to add?

Hon. Leo Housakos: In this chamber, we know there's a tradition that, when the Speaker asks for leave, every senator has a right not to grant leave. That's an important right, and we have to defend that right. That's how the chamber acts. It's a longstanding rule that we have to be respectful of. If Senator Duffy did not grant leave and people recognize that, I think we have to respect that.

The Hon. the Speaker: Honourable senators, I was going to take this under advisement, but I am now ready to rule. The standard rule in proceedings in this chamber is that you need unanimous consent for certain matters. I made the mistake of not hearing Senator Duffy. I do not think there was ever any question that Senator Duffy said “no.” The thing is that I was unable to hear him, so I made the mistake of proceeding.

So I would ask the leave of the chamber to reverse the decision to have dealt with this matter, so it goes back on the Order Paper.

Hon. Senators: Agreed.

(With leave of the Senate, decisions taken earlier today in relation to the thirteenth report of the Standing Committee on Internal Economy, Budgets and Administration and the amendment relating thereto, were rescinded.)

• (2150)

RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT

SIXTH REPORT OF COMMITTEE ADOPTED

Leave having been given to revert to Other Business, Reports of Committees, Other, Order No. 31:

On the Order:

Resuming debate on the consideration of the sixth report of the Standing Committee on Rules, Procedures and the Rights of Parliament, entitled *Report on the Case of Privilege Relating to Leaks of the Auditor General's Report on the Audit of Senators' Expenses*, presented in the Senate on April 13, 2017.

Hon. Joan Fraser: I trust honourable senators will recall that Senator Baker earlier had raised a comment, a query, a criticism, a suggestion about the proposal in the Rules Committee report to have a definition in the rules of what “in camera” means. He thought we should — and I think it's a perfectly acceptable suggestion that — we should delete the phrase originally proposed, “in camera means in private.”

MOTION IN AMENDMENT

Hon. Joan Fraser: Therefore, honourable senators, I move in amendment:

That the sixth report of the Standing Committee on Rules, Procedures and the Rights of Parliament be not now adopted, but that it be amended by deleting the words “in

camera means in private.” wherever they appear in the report.

They actually appear, I believe, twice: in the summary of recommendations and then in the body of the recommendations as the report proceeds.

The Hon. the Speaker: It is moved by the Honourable Senator Fraser, seconded by the Honourable Senator Hubley:

That the report be not now adopted, but that it be amended by deleting the words “in camera means private.” wherever they appear in the report.

Are senators ready for the question?

Hon. Senators: Question.

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

Hon. Senators: Agreed.

(Motion in amendment agreed to.)

The Hon. the Speaker: Resuming debate on the report, as amended.

Are senators ready for the question?

Hon. Senators: Question.

The Hon. the Speaker: It was moved by the Honourable Senator Fraser, seconded by the Honourable Senator Tardif, that the report, as amended, be adopted.

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted, as amended.)

THE SENATE

MOTION TO AMEND RULE 4 OF THE *RULES OF THE SENATE*—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Enverga, seconded by the Honourable Senator Runciman:

That the *Rules of the Senate* be amended by replacing rule 4 by the following:

“Prayers and National Anthem

4-1.(1) The Speaker shall proceed to Prayers as soon as a quorum is seen, and, on a Tuesday, shall then call upon a Senator or guests to lead in singing the bilingual version of O Canada.

Guest singers

4-1.(2) The Speaker may invite guests to enter the galleries to lead in singing the National Anthem.”

Hon. Tobias C. Enverga, Jr.: Honourable senators, I rise to speak to my motion to change the *Rules of the Senate* by including a new part in our procedures in our upper house. This is in no way a contentious amendment of our Rules and does not at all interfere in the legislative process or tamper with our composition. It is rather adding a national symbol to our proceedings in an effort to remind us of who we serve and to unite us all in a common purpose.

Honourable senators, let me explain what the motion would entail. Every sitting week, we enter this chamber and are surrounded by symbols of our nation and of the many sacrifices made by generations past so that we can reap the fruits of our democracy. One of the greatest symbols of Canada is undeniably our national anthem, “O Canada.” By passing this motion, we senators would, after prayers on what is usually the first sitting day of the week, sing “O Canada.” In addition, considering our voices may or may not be able to fill this chamber to the extent that “O Canada” deserves, soloists or groups can be invited to our galleries and lead us in song. Formalizing this practice by including it in our Rules will ensure that we are bound by it.

This is quite a timely motion, colleagues, as most here are well aware that a fiery debate has been taking place in this chamber surrounding our national anthem. As many of you have spoken passionately on one side of that debate or the other, it is safe to say that all here have a very strong opinion and a very strong attachment to “O Canada,” one of our great national symbols.

As all here have demonstrated a very healthy respect and reverence toward our national anthem, I am hoping that will be reflected in your support of this important motion.

Honourable senators, our national caucus meetings start with the singing of “O Canada.” I do not know what the independent senators do in their group meetings, but the adoption of this motion will give all senators the reward of joining in the unifying act of singing our national anthem as a collective at least once a week.

Members in the other place have had a practice of singing the national anthem every Wednesday. It has been part of their practice since 1995. It is not part of their standing orders, but it became a practice after a motion to that effect was recommended by the Standing Committee on Procedure and House Affairs. The intent was to sing “O Canada” after prayers when the doors to the galleries were opened to the public. However, it was quickly realized that the entry of the public would disturb the song and

would take away the solemn aspect of the exercise. It is therefore sung before the public is admitted to the House of Commons galleries.

Honourable senators, the Standing Committee on Procedure and House Affairs adopted what was then their ninety-eighth report on November 9, 1995. One day later, on November 10, without debate, the House of Commons itself adopted that report. Let me repeat: It was adopted by the committee on November 9, and the follow day it was adopted by the house without debate. This firmly established the singing of “O Canada” in the other place each Wednesday, following prayers.

Although it is now some 22-odd years later, it is my hope that this chamber might follow this important example set by the Commons. It is also my hope that this chamber can act as quickly in embracing and adopting this motion as they did in the other place with their ninety-eighth report, which achieves the same goal.

Honourable senators, my motion is really quite simple and straightforward. I propose that we embed in our Senate Rules, so as to formalize the practice, the singing of our national anthem once a week in this chamber. I also think that doing this on Tuesdays to mark our usual first sitting day of the week would allow for us to start our week with an appropriate symbol of unity. I would argue, colleagues, that this is the type of unity that we need in our chamber now more than ever.

It also serves as a reminder to all of us of our roles, responsibilities and duties, and to whom we ultimately serve in this place. It is not about our policy or our region. It is not even about us; it is about Canada.

Additionally, I am of the belief that Canada 150, which is approaching very quickly, would be a wonderful time to initiate this new nation-building exercise in the Senate. This would be a timely, poignant and symbolic gesture indeed.

As you can see from the motion, I propose we sing the unofficial bilingual version. It allows for all of us to take part with our own respective linguistic preference, every week. This would also work to show the symbolism that we are, at a federal level, a truly bilingual country.

Honourable senators, the provision of my motion which allows for guests to lead senators from the gallery creates an opportunity for individuals and groups to come and sing “O Canada” before our august chamber and will provide an opportunity for members of the public to take part in our proceedings. This makes for good outreach, and it can be considered as an avenue for special recognition of a person or persons, or to mark a special day or event. One example would be if we were to invite members of the Canadian Armed Forces to lead senators in the singing of our anthem during the first week of June in recognition of Canadian Forces Day, which is celebrated on the first Sunday in June.

Honourable senators, as you know, I am a strong advocate for Canada’s diversity and multiculturalism, and I am convinced that it is the continued success of our policies in those areas that makes Canada one of the best countries in the world, both domestically and abroad. The key to Canada’s successful multiculturalism is

that we celebrate our differences, while also coming together to unite under one country. It is my belief, and one that I think is shared by many here today, that one of the strongest symbols of our unity and identity is “O Canada.”

Honourable senators, it is my sincere hope that we can embody the very unity for which “O Canada” stands and come together as a united Senate to embrace this timely and symbolic gesture as a part of our Senate Rules.

I look forward to your support. Thank you very much.

• (2200)

[Translation]

Hon. Éric Forest: Would the senator accept a question?

[English]

Senator Enverga: Yes.

[Translation]

Senator Forest: Senator, do you not think that we should first try to agree on the words to the national anthem, before adopting a motion to sing it in this chamber?

[English]

Senator Enverga: Thank you, honourable senator. Of course, we have to establish that. I propose is that we establish the rules and what version of “O Canada” we will sing.

Actually, as I mentioned, I propose the bilingual one.

(On motion of Senator Cormier, for Senator Omidvar, debate adjourned.)

MOTION TO ENCOURAGE THE GOVERNMENT TO
TAKE ACCOUNT OF THE UNITED NATIONS'
SUSTAINABLE DEVELOPMENT GOALS AS IT
DRAFTS LEGISLATION AND DEVELOPS POLICY
RELATING TO SUSTAINABLE DEVELOPMENT—
DEBATE ADJOURNED

Hon. Dennis Dawson, pursuant to notice of May 30, 2017, moved:

That the Senate take note of *Agenda 2030* and the related sustainable development goals adopted by the United Nations on September 25, 2015, and encourage the Government of Canada to take account of them as it drafts legislation and develops policy relating to sustainable development.

He said: Honourable senators, I am really sorry to have to do this tonight, but I had promised at the Inter-Parliamentary Union that I would be delivering this speech before the next conference. I was reminded a month ago when the president of the Inter-Parliamentary Union was in the room that I hadn’t done it.

For obvious reasons, last year I did not deliver this speech and I implore your cooperation. It will be a short speech.

I think you will all find it very interesting. If not, I will not be offended if some people decide to leave. I have been known to do that myself.

Honourable senators, I am delighted to have this opportunity to draw your attention to the 2030 Agenda for Sustainable Development and its offspring, the sustainable development goals or SDG. It also gives me the chance to touch upon Canada's commitment, and notably those of the federal government, in regards to the implementation of this initiative in general and its sets of goals in particular.

Finally, I stress that these SDGs represent an opportunity for parliamentarians, as encouraged by the Inter-Parliamentary Union, to demonstrate our commitment to improve people's lives and the health of the planet on which all human existence depends.

[Translation]

These sustainable development goals, or SDGs, are an opportunity for parliamentarians to demonstrate their desire to improve the lives of Canadians and the health of the planet on which human existence depends.

[English]

Agenda 2030 and the sustainable development goals were adopted by the United Nations in September 2015. That's why I was supposed to give this speech last year. According to Marc-Andre Blanchard, the Canadian ambassador from the UN who appeared before the Standing Senate Committee of Foreign Affairs last week, it is one of the most significant multilateral achievements in years.

He added:

If we get this right, millions of people globally will join the middle class, have access to better jobs, girls will go to school and not be forced into marriage, women will be empowered, and there will be real economic opportunity.

Agenda 2030 and SDGs were meant to drive global efforts to end poverty and place the planet on a sustainable course over the next 15 years.

As described in the background of the Inter-Parliamentary Union, the SDGs are intended to focus and coordinate national policy towards a more common realistic vision for humanity. They bailed on past efforts to implement a poverty reduction agenda known as the millennium development goals or MDGs.

They aspired to realize the human rights of all and achieve gender equality and the empowerment of all women and girls.

[Translation]

Basically, the SDGs focus on three pillars of sustainable development, and they are economic, social and environmental. They are not legally binding, but we must bear in mind that various governments have made moral commitments to implement them to the best of their ability and in line with their own national priorities.

The capacity measurements of a G7 country like Canada should lead us down a path of success in terms of achieving the agenda. Agenda 2030 and the SDGs are the result of a vast consultation and negotiation process that lasted several years.

[English]

As touched upon above, the new 2030 Agenda for Sustainable Development has emerged with 17 sustainable development goals. Poverty eradication remains the overarching achievement of this new agenda alongside the promotion of economic, social and environmental development.

There are currently 17 SDGs and 169 targets. I'll give you the 17 SDGs and I won't mind the 169 targets. They were designed to encapsulate all three pillars of sustainable development that I mentioned above.

[Translation]

Here is a quick outline of the SDGs underlying the 169 targets: no poverty; zero hunger; good health and well-being; quality education; gender equality; clean water and sanitation; affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure.

[English]

There are also reduced inequalities, sustainable cities and communities, responsible consumption and production, climate action, life below water, life on land, peace, justice and strong institutions and partnership for these goals.

[Translation]

It is quite the agenda, as you can see, and it covers almost every aspect of human activity. Not only do these SDGs identify the sectorial priorities and set new ambitious targets, but they also bring new opportunities. This is the first time that an international pact recognizes the importance of having effective, responsible, and inclusive institutions in support of development. Every country is expected to set its own priorities and adapt the targets and indicators to the local specificities in order to direct the implementation of a national program.

The Inter-Parliamentary Union recommends that the countries develop or update their own development plan for adapting the SDGs to local specificities. These objectives and targets that are specific to each country should then be supported by the relevant

local progress indicators in order to evaluate the results on the ground. It would be best that the public is closely involved in the process as much as possible.

[English]

Here in Canada, the Federal Sustainable Development Strategy, or FSDS, provides Canadians with the Government of Canada's sustainable development priorities, establishes goals and targets, and highlights government actions from 41 organizations.

The 2016-2019 FSDS were actually tabled in Parliament in October 2016, less than a year ago. With its 13 aspirational goals and for a more sustainable development, the 2016-2019 FSDS is meant to demonstrate federal leadership, mainly on such items such as climate change, and includes environment-related 2030 sustainable development goals, measurable and ambitious targets, and the role that the partners must play.

[Translation]

This strategy is certainly a step in the right direction, and an important one. It is commendable and appropriate to consider sustainable development from an environmental perspective. Sustainable development is a concept that progressively developed out of environmental considerations.

In Canada, we find many SDG aspects in various national policies, but they are often fragmented. It would likely be useful and necessary to codify these initiatives in a way to incorporate them in a more informed and transparent manner into the Federal Sustainable Development Strategy in order to demonstrate that the strategy goes beyond the environment in our national sustainable development goals.

• (2210)

The provinces often play a significant role by innovating or complementing the federal government's actions. I am thinking, for example, of Quebec's daycare program.

We can be proud of the advances that Canada has made when it comes to sustainable development, but again, we need to draw more attention to them and continue to improve them.

As a prosperous developed country, Canada can certainly be on the leading edge worldwide by continuing to play a leadership role in a multilateral framework and adopting national policies that contribute to sustainable development and help meet the sustainable development goals and targets.

[English]

In this regard, we should applaud the initiatives mentioned by Ambassador Blanchard last week at the committee, who reminded us that Canada is a leading group on financing SDGs. There would now be 55 countries, according to the ambassador, "... that have joined us and actually are working

with us." And those friends are not only made of ambassadors and countries, but also from the business and finance communities.

As parliamentarians we must support efforts including, of course, in our own country to reach these new goals in ways that respect our respective countries' national specificities.

Borrowing from the Hanoi Declaration of 2015, "Turning Words into Actions," I'd like to underline that our responsibility is clear — to hold our governments accountable for the goals they have subscribed to and to make sure that enabling laws are passed and budgets adopted.

We must seek to overcome the silo mentality within our own parliaments and national administration to reflect the inter-sectoral and broad nature of these goals. To this end, we must do our utmost to institutionalize the goals in every parliament, with sufficient time for discussing and monitoring.

Implementing these ODDs is certainly a challenge, but they represent an opportunity for parliamentarians to demonstrate our commitment to improve people's lives and the health of the planet on which all human existence depends.

More immediately, I, for one, consider SDGs as a robust framework around which we parliamentarians can base our strategic plans and pursue our own oversight accountability work to lead our governments in the right direction.

And to quote from Ambassador Blanchard: "This is the plan to take the world away from the cliff of unsustainability where it currently stands."

Thus, as parliamentarians, let us continue to support efforts and initiatives towards the betterment of our Mother Earth and for the benefit of mankind.

(On motion of Senator Ataullahjan, debate adjourned.)

[Translation]

NATIONAL SECURITY AND DEFENCE

COMMITTEE AUTHORIZED TO EXTEND DATE OF
FINAL REPORT ON STUDY OF ISSUES RELATING TO
CREATING A DEFINED, PROFESSIONAL AND
CONSISTENT SYSTEM FOR VETERANS AS THEY LEAVE
THE CANADIAN ARMED FORCES AND DEPOSIT
REPORT WITH CLERK DURING ADJOURNMENT
OF THE SENATE

Hon. Jean-Guy Dagenais, pursuant to notice of June 19, 2017, moved:

That, notwithstanding the order of the Senate adopted on Tuesday, March 7, 2017, the date for the final report of the Standing Senate Committee on National Security and

[Senator Dawson]

Defence in relation to its study of issues related to creating a defined, professional and consistent system for veterans as they leave the Canadian Armed Forces be extended from June 30, 2017 to October 31, 2017; and

That the committee be permitted, notwithstanding usual practices, to deposit with the Clerk of the Senate its report if the Senate is not then sitting, and that the report be deemed to have been tabled in the Chamber.

He said: Honourable senators, we have almost finished examining the report, but we likely will not finish before the Senate adjourns.

I therefore ask for leave to deposit the committee's report with the Clerk of the Senate.

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

Hon. Senators: Agreed.

(Motion agreed to.)

[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(g), I move:

That when the Senate adjourns today, it do stand adjourned until Wednesday, June 21, 2017 at 11:30 a.m.

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

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 Wednesday, June 21, 2017, at 11:30 a.m.)

CONTENTS

Tuesday, June 20, 2017

	PAGE		PAGE
SENATORS' STATEMENTS		State of Political Prisoners in Tibet	
World Sickle Cell Day		Notice of Inquiry.	
Hon. Jane Cordy	3532	Hon. Dennis Glen Patterson	3536
Visitors in the Gallery		<hr/>	
The Hon. the Speaker.	3532	QUESTION PERIOD	
City of Montreal		Official Languages	
Three Hundred and Seventy-fifth Anniversary.		Appointment of Commissioner.	
Hon. Jean-Guy Dagenais	3532	Hon. Rose-May Poirier.	3536
Visitors in the Gallery		Hon. Peter Harder	3536
The Hon. the Speaker.	3533	National Defence	
World Refugee Day		Dismissal of former Vice-Admiral Mark Norman.	
Hon. Ratna Omidvar	3533	Hon. Daniel Lang	3536
Visitor in the Gallery		Hon. Peter Harder	3537
The Hon. the Speaker.	3534	International Trade	
Nathan Hood		Procurement of Aircraft.	
Hon. Elizabeth Hubley	3534	Hon. Daniel Lang	3537
Visitors in the Gallery		Hon. Peter Harder	3537
The Hon. the Speaker.	3534	Public Safety	
World Refugee Day		Segregation of Prisoners.	
Hon. Marilou McPhedran.	3534	Hon. Kim Pate	3537
<hr/>		Hon. Peter Harder	3537
ROUTINE PROCEEDINGS		Finance	
Royal Canadian Mounted Police		Infrastructure Bank—Consultation with Indigenous Groups.	
Use of the Law Enforcement Justification Provisions—		Hon. Daniel Christmas	3537
2016 Annual Report Tabled.		Hon. Peter Harder	3537
Hon. Peter Harder	3535	Government Spending.	
South China Sea		Hon. Yonah Martin	3537
<i>Disputes in the South China Sea</i> —Document Tabled.		Hon. Peter Harder	3538
Hon. Thanh Hai Ngo	3535	Immigration, Refugees and Citizenship	
National Anthem		Revocation Provisions.	
<i>Unofficial Vietnamese Translation of O Canada</i> —		Hon. Ratna Omidvar	3538
Document Tabled.		Hon. Peter Harder	3538
Hon. Thanh Hai Ngo	3535	<hr/>	
The Senate		ORDERS OF THE DAY	
Notice of Motion to Extend Wednesday's Sitting.		National Security and Intelligence Committee of Parliamentarians	
Hon. Peter Harder	3535	Bill (Bill C-22)	
Inter-Parliamentary Union		Bill to Amend—Third Reading—Debate Adjourned.	
One-Hundred and Thirty-Sixth IPU Assembly and Related		Hon. Peter Harder	3538
Meetings, April 1-5, 2017—Report Tabled.		Hon. David M. Wells	3540
Hon. Salma Ataullahjan	3535	Hon. Daniel Lang	3541
Fisheries and Oceans		Business of the Senate	
Committee Authorized to Meet During Sitting of the Senate.		Hon. Peter Harder	3542
Hon. Fabian Manning	3536	Recognition of Charlottetown as the Birthplace of Confederation	
Official Languages		Bill (Bill S-236)	
Notice of Motion to Allow Committee to Meet During Sitting of		Third Reading—Debate Continued.	
the Senate.		Hon. Paul E. McIntyre	3542
Hon. Claudette Tardif	3536	Hon. Frances Lankin	3544
		Hon. Serge Joyal	3544
		Hon. Carolyn Stewart Olsen	3546
		Hon. Michael L. MacDonald	3546

	PAGE
National Security and Intelligence Committee of Parliamentarians Bill (Bill C-22)	
Bill to Amend—Third Reading	3546
National Strategy for Alzheimer's Disease and Other Dementias Bill (Bill C-233)	
Third Reading—Debate Continued.	
Hon. Marie-Françoise Mégie	3547
National Strategy for Safe and Environmentally Sound Disposal of Lamps Containing Mercury Bill (Bill C-238)	
Third Reading	3549
The Estimates, 2017-18	
Main Estimates—Sixteenth Report of National Finance Committee Adopted.	
Hon. Percy Mockler	3549
Hon. Larry W. Smith	3550
Hon. Elizabeth Marshall	3551
Supplementary Estimates (A)—Seventeenth Report of National Finance Committee Adopted.	
Hon. Percy Mockler	3554
Appropriation Bill No. 2, 2017-18 (Bill C-53)	
Second Reading—Debate Suspended.	
Hon. Diane Bellemare	3556
Hon. Anne C. Cools	3557
Business of the Senate	
The Hon. the Speaker	3560
National Anthem Act (Bill C-210)	
Bill to Amend—Third Reading—Motion in Amendment— Motion in Subamendment Negatived	3561
Business of the Senate	
The Hon. the Speaker	3561
Appropriation Bill No. 2, 2017-18 (Bill C-53)	
Second Reading.	
Hon. Anne C. Cools	3562
Third Reading.	
Hon. Diane Bellemare	3562
Appropriation Bill No. 3, 2017-18 (Bill C-54)	
Second Reading.	
Hon. Diane Bellemare	3562
Hon. Anne C. Cools	3563
National Anthem Act (Bill C-210)	
Bill to Amend—Third Reading—Motion in Amendment— Vote Deferred.	
Hon. Michael L. MacDonald	3568
Motion in Subamendment.	
Hon. Michael L. MacDonald	3569
Hon. Frances Lankin	3569
Hon. Yonah Martin	3569
Hon. David Tkachuk	3571
Hon. Carolyn Stewart Olsen	3571
Constitution Act, 1867 (Bill S-221)	
Bill to Amend—Second Reading—Debate Continued.	
Hon. Yonah Martin	3572
Study on Issues Relating to Foreign Relations and International Trade Generally	
Seventh Report of Foreign Affairs and International Trade Committee and Request for Government Response Adopted.	
Hon. Diane Bellemare	3573

	PAGE
Recognition of Charlottetown as the Birthplace of Confederation Bill (Bill S-236)	
Third Reading—Debate Continued.	
Hon. Joseph A. Day	3575
Rules, Procedures and the Rights of Parliament	
Sixth Report of Committee—Debate Continued.	
Hon. Joan Fraser	3575
Hon. George Baker	3576
Hon. Yonah Martin	3577
Internal Economy, Budgets and Administration	
Twelfth Report of Committee Adopted.	
The Hon. the Speaker	3577
Study on the Reports of the Chief Electoral Officer on the Forty-Second General Election	
Seventeenth Report of Legal and Constitutional Affairs Committee and Request for Government Response Adopted.	
Hon. Marc Gold	3578
Study on Matters Pertaining to Delays in Canada's Criminal Justice System	
Nineteenth Report of Legal and Constitutional Affairs Committee and Request for Government Response Adopted.	
Hon. Bob Runciman	3578
Hon. George Baker	3579
Budget Implementation Bill, 2017, No. 1 (Bill C-44)	
Eighteenth Report of National Finance Committee Presented.	
Hon. Percy Mockler	3579
Hon. Yuen Pau Woo	3581
Hon. Elizabeth Marshall	3582
Hon. Daniel Lang	3583
Hon. Joseph A. Day	3583
Hon. Lucie Moncion	3583
Hon. Pierrette Ringuette	3583
Hon. Stephen Greene	3584
Hon. Jim Munson	3585
Hon. Lillian Eva Dyck	3586
Business of the Senate	
Hon. Yonah Martin	3588
Aboriginal Peoples	
Budget and Authorization to Engage Services—Study on a New Relationship Between Canada and First Nations, Inuit and Metis Peoples—Seventh Report of Committee Adopted.	
Hon. Lillian Eva Dyck	3588
Internal Economy, Budgets and Administration	
Thirteenth Report of Committee—Motion in Amendment Withdrawn.	
Hon. Joan Fraser	3589
Point of Order	
Hon. Michael Duffy	3589
The Hon. the Speaker	3590
Hon. Yonah Martin	3589
Hon. Terry M. Mercer	3590
Hon. Joan Fraser	3590
Hon. Leo Housakos	3590
Rules, Procedures and the Rights of Parliament	
Sixth Report of Committee Adopted.	
Hon. Joan Fraser	3590
Motion in Amendment.	
Hon. Joan Fraser	3590

	PAGE
The Senate	
Motion to Amend Rule 4 of the <i>Rules of the Senate</i> — Debate Continued.	
Hon. Tobias C. Enverga, Jr.	3591
Hon. Éric Forest	3592
Motion to Encourage the Government to Take Account of the United Nations' Sustainable Development Goals as it Drafts Legislation and Develops Policy relating to Sustainable Development—Debate Adjourned.	
Hon. Dennis Dawson	3592

	PAGE
National Security and Defence	
Committee Authorized to Extend Date of Final Report on Study of Issues Relating to Creating a Defined, Professional and Consistent System for Veterans as they leave the Canadian Armed Forces and Deposit Report with Clerk during Adjournment of the Senate.	
Hon. Jean-Guy Dagenais	3594
Adjournment	
Motion Adopted.	
Hon. Diane Bellemare.	3595

Published by the Senate

Available on the Internet: <https://sencanada.ca>