

DEBATES OF THE SENATE

1st SESSION •

42nd PARLIAMENT

VOLUME 150

NUMBER 136

OFFICIAL REPORT (HANSARD)

Wednesday, June 21, 2017

The Honourable GEORGE J. FUREY Speaker

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THE SENATE

Wednesday, June 21, 2017

The Senate met at 11:30 a.m., the Speaker in the chair.

Prayers.

[Translation]

BUSINESS OF THE SENATE

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I seek leave of the Senate to move government business forward by calling the following items in this order and addressing them now: Motion No. 113, third reading of Bill C-54, and third reading of Bill C-44 as amended.

[English]

We will return to Senators' Statements and deal with business in its regular order afterwards.

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

Hon. Senators: Agreed.

ORDERS OF THE DAY

THE SENATE

MOTION TO EXTEND TODAY'S SITTING ADOPTED

Hon. Peter Harder (Government Representative in the Senate), pursuant to notice of June 20, 2017, moved:

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.

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

Hon. Senators: Question.

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

Hon. Senators: Agreed.

(Motion agreed to.)

APPROPRIATION BILL NO. 3, 2017-18

THIRD READING

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate) moved third 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.

Hon. Joseph A. Day (Leader of the Senate Liberals): Honourable senators. I was hoping there might be some comment from the Government Representative or the committee with respect to this particular piece of legislation, since honourable senators are being asked to approve the expenditure of \$3.752 billion. There should be some comment, in my view, with respect to the fact that we are approving that amount of spending.

Honourable senators will know that this is the third reading of this bill. The Supplementary Estimates (A) we received in this chamber earlier were sent to the Finance Committee and Finance looked at those estimates, like for a pre-study for the bill. It is not specifically defined as a pre-study, but it is where we get the inspiration for pre-studies, from the peculiar manner in which we have handled the estimates over the years.

So there is a report on the estimates that came back, we dealt with that report and Senator Mockler, as chair of the Finance Committee, spoke on the report yesterday and then we proceeded to second reading of the bill.

Now, my view was that we shouldn't go to committee on this supply bill, again, like we do on a pre-study; we don't go to committee in Finance with respect to estimates. So we dealt with the report, dealt with second reading and now we are into third reading, and it is somewhat of a pro forma bill in the front part.

It's important that we check the bill. I have checked it and checked the schedules, and honourable senators will recall that, not that long ago, we checked the schedules for a supply bill and they weren't there. That's why we check these things. It would have been total chaos if we had adopted that earlier bill without looking at it. Somehow, it got to us and it went through the House of Commons without any schedule and without any indication where the money was going.

And in this case it would have been \$3.752 billion that would have been floating around out there that the government could

have done whatever with because we authorized the expenditure without saying where it should go.

Fortunately, that's not the case here, but that's to remind you that this is an important process we do, as a Senate. We have an important role to play. That was the point I wanted to make on this, and it applies equally to the \$257 billion that we approved yesterday in relation to main funding for the rest of this fiscal year in Bill C-53.

Regarding the two schedules: Schedule 1 is what can be expended in this fiscal year and in schedule 2 are special agencies that, because of the nature of their business, have two years within which to spend the money. If it is not spent in one year or two years, depending on the schedule, then the money is ceded back to general revenue, not to the government, from various departments and the process starts again.

That's the process we are involved in. It always comes very late in June and December, honourable senators. I don't intend to propose any changes to this particular document. I think the work that was done by Finance was thorough. I've reviewed the report. I couldn't attend all the meetings, but I did review the report and the work that was done. I congratulate all members of Finance, including the chair and deputy chair, and I would recommend that we adopt this particular bill allowing for expenditure of \$3.72 billion.

• (1140)

Some Hon. Senators: Hear, hear.

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.

An Hon. Senator: On division.

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

BUDGET IMPLEMENTATION BILL, 2017, NO. 1

THIRD READING

Hon. Yuen Pau Woo moved third reading of Bill C-44, An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2017 and other measures, as amended.

He said: Honourable senators, I have probably said enough on Bill C-44. Maybe I've said too much even. In fact, I want to use the opportunity, at the outset, to retract a line of questioning I followed last night in relation to Senator Greene's debate speech.

I had heard that he said something to the effect of how the escalator clause on alcohol products would be an incentive to increase inflation. That, of course, would be an extraordinary proposition. I had the chance to speak with him privately during the break, and he explained to me that what he really meant was that the escalator clause would simply be a factor in potentially increasing inflation.

I accept his explanation fully. I think it's highly unlikely that the escalator clause would result in rapid inflation, given the very small share of alcohol in the consumption basket, but I do want to retract my line of questioning because it was not consistent with what he was trying to say.

Colleagues, we have had vigorous debate on this bill, including on the Parliamentary Budget Office, the Canada infrastructure bank and, last night, as I mentioned already, on the escalator clause for excise taxes on alcohol products.

The result of our deliberations is a bill before us at third reading that is different from the one that was first tabled in the House of Commons, different again from the one that arrived in the Senate a few weeks ago. Senators have also raised legitimate questions about other parts of the bill, such as the borrowing authority of the government, the Invest-in-Canada hub, and service fees.

Various Senate committees have studied the bill, amounting to a total of 15 committee meetings over 28 hours and involving 85 witnesses. The National Finance Committee met for an additional two meetings to consider the bill as a whole and to review it clause by clause.

We organized three technical briefings for senators and provided access to government officials to anyone who had further questions on specific items in the bill. There were, of course, many more hours of research and reflection that each of you and your offices put into the study of bill, and that hard work is reflected in the thoughtful interventions that were made in this chamber and at committee meetings.

The culmination of this work — and I hope it is the culmination — is the amended bill that is before us, which I hope we will pass quickly so that it can be sent to the other place for its consideration.

I want to take the opportunity to thank my staff, and the staff of many of your offices, who have worked so well together to advance our collective understanding of different parts of the bill. I want to especially thank the staff of the G3 representatives, who did their job with great professionalism, respecting always my position as an independent senator and not a representative of the government and providing only the information that was necessary for me and all of you to come to our own decisions on the bill.

I want to especially give a shout-out to the senior officials, indeed all officials, who participated in the many hours of hearings at committee meetings and technical briefings. Many of you were at those sessions, and you could see, in the galleries and in the corridors, the scores — literally, scores — of officials, standing room only, at the ready to provide answers and further clarification on any question that we might have.

I am told that the effort put in by departmental officials is unprecedented for just about any bill that has been considered by the Senate, and I want to stress that this comment was not made as a complaint but rather as a statement of respect for the Senate and respect for the process that we undertake in this chamber.

I want to thank colleagues also for your indulgence and your support on what, as you all know, is my rookie effort at sponsoring a bill, regardless of our potentially different views on the legislation. It, obviously, has been a tremendous privilege, a learning experience, as they say, but this is not an offer to quickly sponsor another bill.

But the work is not done yet, colleagues. We now, at third reading, have a budget bill before us. We have a chamber down the hall that is waiting for us, waiting to receive our amended bill. So let me just conclude by encouraging all of us, imploring all of us, to vote early, vote often, vote in favour, send it to the other place, so that we can allow the government to get on with the business that it has set out to do, which I know we will continue to scrutinize and monitor as they execute their program. In that sense, we are not finished with this budget. There are many items in it that many of us continue to have questions about, not least on the Canada infrastructure bank and how it will actually function.

This work is not finished. Giving approval to the budget allows the work to get started, but I know that we will continue to keep a close eye on the bank and on all the other aspects of the budget as we do our job of sober second thought.

Some Hon. Senators: Hear, hear!

[Translation]

Hon. Larry W. Smith (Leader of the Opposition): Honourable senators, when I rise in this place, be it to ask the leader a question, raise a particular issue, or get some answers, I do so with absolute humility and respect.

[English]

The voice I give to questions is a voice I share with millions of Canadians, and, although I do not reflect on this overwhelming responsibility perhaps as often as I should, there are times when issues come before us where all I can do or cannot do is not to.

• (1150)

Today is one of those times.

The decisions we will make in this place regarding Bill C-44, the budget implementation act 2017, No. 1 will not be small decisions.

Governing is hard work. Taking the time to properly assess the government's fiscal framework is also hard work and requires great discipline. For example, without changing a word in this bill, the public transit tax credit will be gone; the family caregiver tax credit will be gone; we will have a tax increase on beer, wine and spirits that will be with us, potentially, forever; and user fees will be added to taxes on things taxpayers already pay, such as tolls for bridges and roads or fees for water usage.

Much like building a house, the budget is the foundation of the government's overall fiscal framework from where policy ideas begin to take shape. If the concrete is mixed improperly or poorly poured, cracks start to emerge where, not long after, a "wallet-destroying relationship" begins between the homeowner and the whole host of experts proclaiming to have solutions.

Let me explain "great expectations." After Budget 2016, the government knew their election platform had unrealistic expectations, so they decided to appoint an Advisory Council on Economic Growth, chaired by the government's economic guru, Dominic Barton. "Canadians should anticipate," Barton proclaimed in advance of Budget 2017, "bold implementation of existing ideas that aim to 'jolt' the system."

I'm not sure what constitutes a "jolt" in Britain, but the \$1.2 billion worth of new programs in Budget 2017 is no "jolt" when we are operating a \$2-trillion economy. Imagine all the hoopla around this blue-ribbon panel of notable experts, and the only innovation this government can manage in this budget is to add five new innovative programs to supplement the 147 different innovative programs that already exist.

So, as we move into the second half of the government's mandate — combined with all the rain we've had in recent weeks — "sunny ways" isn't looking so sunny right now.

The Finance Minister still has trouble defining the middle class and the tired mantra being espoused by cabinet ministers is well past it's best-before date: "We promised a more open and transparent government."

Even the Parliamentary Budget Officer is struck by this government's inability to implement its fiscal plan. Let me quote from one the most recent reports, this one Supplementary Estimates (A), which is effectively the part of the complicated supply process that is supposed to contain all the funding specifics supporting Budget 2017:

Only 19 of the measures in Budget 2017 received funding, "and this funding only accounts for 20% of the budget's 94 spending measures."

Clearly exasperated, the PBO says there has been no meaningful improvement in the alignment of the budget in the management of supply. Yet, on page 32 of the 2015 election platform, under the title "Real Change - Giving Canadians a Voice in Ottawa," there is a different story being told. I quote directly from this document:

We will change Parliament's financial processes so that government accounting is more consistent and clear. We will ensure accounting consistency between the Estimates and the Public Accounts, provide costing analysis for all proposed legislation, and require the government to receive approval on borrowing plans.

This PMO is cementing its reputation as the champion of doublespeak.

Let's dig deeper into the government's fiscal framework and consider for a moment Division 2 of Bill C-44 — the enactment of borrowing authority act — entitled "Public Debt."

Many of you will recall how relentless retired Senator Willie Moore was in his pursuit to reinstate Parliament's borrowing authority. Many of you may also have noticed his bill, S-204, was effectively dropped from the Order Paper because Budget 2016 fixed the problem. Nothing could be further from the truth.

Again, please permit me a few observations to demonstrate just how clever the PMO thinks it is. Clause 107 in the bill now before us — on page 154 — says this change will come into force when section 183 of last year's Budget Implementation Act No. 1 comes into force. That's Budget 2016.

If you were to look at Budget Implementation Act, No. 1 of last year, section 183 states:

The provisions of this Division come into force on a day or days to be fixed by order of the Governor in Council.

So, after all the rhetoric — including the black-on-white commitment in the election platform — absolutely nothing has changed. When Bill C-44 is passed, all the authority to borrow money will remain vested in the cabinet and the executive branch of the government and not in Parliament. Clearly, not a sunny outcome.

I must commend the great work that our senator Joe Day did in terms of his speech, which outlined this particular issue.

Some Hon. Senators: Hear, hear!

[Translation]

Now let's talk about ministers' pay. Simply increasing the salaries of junior ministers, Liberal style, is not becoming of an "open and transparent government."

When the Leader of the Government in the House of Commons was recently asked why the government was using the estimates to hide pay increases for junior ministers rather than putting Bill C-24 through the legislative process as required by law, she answered, and I quote:

Under the previous government, there were important measures that were often brought through the back door, not providing members of Parliament the opportunity to debate them, because it knew that it could put in the quick bits, bring them in the back door, and not provide all members in this place the opportunity to debate and represent the voices of their constituents.

[English]

Hopefully, your translation works, because basically that is a clear indication of the issues of paying junior ministers.

[Translation]

Honourable senators, I am having a hard time understanding why the Liberals bothered to present an electoral platform that they did not plan to use. That platform states, and I quote, "We will not resort to legislative tricks to avoid scrutiny." The Liberals wrote that on page 30 of their election platform. By that they meant that they would not, and again I quote, [use] prorogation to avoid difficult political circumstances."

[English]

Infrastructure bank — it is in this context that the government wants Canadians to believe the immediate creation of the infrastructure bank, with a governance structure extending directly to the cabinet room, is good idea. Or that another investment agency to promote trade is needed because of the multitude of existing agencies and departments legislated to do exactly the same thing.

Are we building bureaucracy on top of bureaucracy? Then there is the CMHC, for the first time ever paying the government a dividend. When asked by the Finance Committee why they just wouldn't lower their service fees, there was no answer.

Clouds on the Horizon.

Honourable senators, despite these lapses in judgment that do little to instill confidence in the Canadian economy, let me tell you what concerns me the most about Bill C-44.

From the committee transcripts, public discourse and economic reports I have read, our public debt situation, coupled with household income-debt ratio of close to 170 per cent, is so disconcerting that both the IMF and the OECD are recommending the government take the draconian step of telling Canadians how much debt they can assume.

Let's put that in simple terms. Let's say you have a child who is 35 years old and buys a house with a \$200,000 mortgage at 3 per cent interest. Your child earns, say, \$75,000 or \$80,000. We are now hearing that the Americans will put their interest rate up to 1 or 1.25 per cent and that there will be further increases in the U.S. interest rate. What does do that the Canadian interest rate? If we go back to the prime lending scheme in the past in the States, for example there was a person in Baltimore earning \$20,000 a year. He had a house worth \$300,000 with a \$200,000 mortgage at 2 per cent. When they doubled the interest rate to 4 per cent, he went bankrupt. Why? It's because people with easy money rates can borrow as much as they want. However, when those rates change, there will be a reckoning. I'm not trying to be a dooms person because I'm very enthusiastic about my kids and, hopefully, their lives. But there is more pressure on the system. We have to be astute in how we manage it.

• (1200)

We are not reading about sound fundamentals. We are not reading about the booming export sector in southern Ontario that's taking advantage of a 75-cent dollar or unrelenting investment in capital. Many of the Canadian corporations have unspent capital in their reserve, but what are they spending on? They're not spending. These are indicators that we're really not doing as well as we think we're doing. That's not a scare tactic; it's fact

What we're reading about is an overheated residential market and an unprecedented level of consumer spending propping up a fragile economy. What we are reading about is the anticipated market correction in Vancouver or Toronto that would take the value right out of the housing markets in smaller cities and towns across the country.

What we are reading about — and you know this to be true — is that it is quite possible and becoming more readily apparent, even likely, that hard-working Canadians having trouble making ends meet may soon hold mortgages worth more than the value of their houses.

Does this government have a plan?

Many months ago I stood in this place and said the tax measures this government is putting in place will do little for those hard-working Canadians earning \$45,000 a year. Here I am repeating the same message. Bill C-44 will make life worse, not better, for those struggling to stay or enter into the middle class. Of course, we haven't defined what middle class is because people are afraid to put a tag on those income earners.

All we are able to do as parliamentarians, if we pass Bill C-44, is watch cabinet and the executive branch of government continue to borrow unbelievably huge amounts of money, with immunity not only on the backs of future generations but on the backs of the current generation.

Honourable senators, our Conservative caucus represents nearly 6 million Canadians that voted for better fiscal management of taxpayers' hard-earned money. I cannot support overspending and I won't support placing the burden on future generations.

Hon. Joseph A. Day (Leader of the Senate Liberals): Honourable senators, let me begin my remarks with respect to third reading of Bill C-44, budget implementation, by congratulating the sponsor again.

I was very pleased, Senator Woo, that you indicated that the government isn't finished with this bill and that work will continue. Perhaps we can give you a few things to take back to the government that would suggest further work.

I was also pleased to see Senator Smith, my former colleague on National Finance, get excited about finance matters. There are now two of us here that get excited about these matters.

Senator Smith: Those are similar to the speeches you used to give.

Senator Day: That's right.

Honourable senators, I spoke at length previously with respect to three items in this bill. One was the escalator issue. The second was the user fee part of the bill and, coincidently, escalation within the user fees. The third was the borrowing authority. I pointed out that there is a golden thread through those three items that is important for us to keep in mind, namely that each one of

them, in its own way, takes away power and responsibility of parliamentarians to oversee government expenditure, to act in the interest of the people of Canada to protect the public purse. That was with respect to each of the three, and I explained my concern.

With the escalator, which Senator Marshall has picked up on, I appreciate the amendment. I was pleased to support the amendment yesterday and will continue to support it because I think it's a very important aspect of that issue of protecting the role of parliamentarians. If we don't make these amendments and these provisions pass quickly through the house, we would slowly be eroding the traditional role of parliamentarians. I suggest that is not in the best interest of Canada or the people of Canada.

I regret to say that some of my concerns with respect to user fees and borrowing — although we've talked about it since the speech I gave at second reading a week and a half ago — I have seen no movement on the part of the government to be inclined to deal with those two items. At the end of my speech today, I intend to make suggestions as to how we might handle these concerns.

We are aware, all of us, of the challenges we face in the Senate whenever we see problems in a budget bill.

Unquestionably, we have the power to amend or even defeat budget bills from the other place. That has been long established. There was a report in 1918 that outlined the role of the Senate in that regard. It has been a long established right. Indeed, it was confirmed by our Speaker just last week in his ruling.

However, we all know that it is always controversial if and when we choose to exercise that power. Government may like and value Senate amendments in theory, but they rarely are so appreciative when amendments are actually proposed and passed to their bills, particularly at this time, just before the summer break

But we do have a job to do, honourable senators, and that's one of the themes of my comments today. We in the Senate have a job to do, and we mustn't shy away from doing it.

Let me be clear. I do understand and I have sympathy for those who are reluctant to propose or support amendments to a budget bill. Indeed, there are a number of provisions in this omnibus budget bill that I find very troubling but I'm prepared to accept. There are many others that I haven't even had a chance to get to and develop and understand in such an extensive omnibus budget bill, but I'm prepared to accept them and take the government at its word in relation to these items.

However, there is an issue that I cannot let pass, and that has to do with the provisions of Part 4, which, you'll recall, "Various Measures." There are the fiscal matters at the front end, the first three parts of the bill, and then Part 4, all other matters. We're in one of those other matters — Division 2. "Public Debt" is the heading.

Honourable colleagues, those provisions go to the very core of what Parliament is all about, going back literally hundreds of years to the very origin of our parliamentary system, namely the power of the purse. I cannot, in good conscience, let these provisions pass in their current form without comment.

There are three very closely related issues that I believe urgently need to be corrected.

First is the absolutely critical repeal of section 43.1 of the Financial Administration Act. As I described in detail last week in my speech, 10 years ago, in 2007, Parliament passed an omnibus budget bill that contained a two-line clause that amended the Financial Administration Act. Two lines buried in a very extensive bill. This special new clause, section 43.1, allowed cabinet to authorize the government to borrow money, with no need to come to Parliament for prior approval — no need whatsoever.

This clause was revolutionary, colleagues. It undid Parliament's authority over government borrowing, authority that had existed literally for centuries and indeed has its roots in the Magna Carta, signed at Runnymede on another June day — June 15, 1215, to be exact — more than 800 years ago.

• (1210)

As I explained last week, parliamentarians did not knowingly give up this critically important power. Quite simply, no one noticed the clause. There was a lot of discussion after it was passed, with people saying, "What happened? Why aren't there any borrowing bills coming to the House of Commons or the Senate anymore?" They did not know they had given up that power.

It is a highly controversial two-sentence portion of an omnibus budget bill.

So this clause was missed by members of both houses until after the bill had actually been passed. Four of us here in the Senate then realized what had happened and tried through repeated private members' bills to have the authority over borrowing restored, but without success. All of the bills died on the Order Paper. We are experiencing that situation again today, where many of us will learn that many bills we'd really like to see passed will be dying on the Order Paper.

We were very pleased when the Liberal Party promised in the last election that they: "... will require the government to receive Parliament's approval on borrowing plans." That was one of the important aspects of a platform that resulted in the Liberal Party getting elected in the last election. That's what they promised, and then the 2016 Budget Implementation Act contained a clause we thought was meeting that promise.

In 2016, a clause that repealed this offending section 43.1 of the Financial Administration Act appeared in the Budget Implementation Act 2016. Minister Morneau appeared here in the Senate and effusively thanked honourable senators for the work we had done and assured us that the requirement of Parliament's approval was being restored. We passed the budget bill with that understanding.

That was the second assurance we received, honourable senators. But this did not happen.

The Finance Minister confirmed this was the case when he appeared last week before the National Finance Committee. Listen to his words:

On process, a question was raised as to why the government didn't declare the provision in force in 2016. Our objective from the start was to link the full framework, which was still in progress, to the budget process in the updated budget numbers. In other words, we needed two steps in the process. First step, the government amended the Financial Administration Act in 2016 to reinstate parliamentary approval, and second step, we are coming to you —

- coming to parliamentarians
 - with a borrowing authority act —
- which appeared a year later in this budget implementation bill, Bill C-44
 - which defines what Parliament will need to approve based on current budget figures.

If you followed that, it's an attempt to explain why the promise to take away this authority to borrow without parliamentary consultation and approval was never declared in force. We were shocked when we learned that; never proclaimed and never brought into force. Why? Because it was considered by the government a process matter that had to be coordinated with something that came about a year later, notwithstanding the minister being in this chamber and saying, "Thank you very much for doing this," and "We've got to correct it."

The two-step process, honourable senators, sounds like the old two-step, but we are now at the second of these two steps with Bill C-44: We are passing the borrowing authority act. So I assume the government is now prepared to finally declare in force the clause that we passed in last year's budget, a year ago. It's easy to do, honourable senators. The coming-into-force clause for this division of Bill C-44 already links the coming into force of the new borrowing authority act to bring into force another provision in the same division of last year's act — and that was referred to by Senator Smith. Let me explain.

Last year, the government explained there were circumstances when it may be called upon to quickly spend unanticipated large sums of money. They would need to borrow to do that. These include extraordinary circumstances such as a natural disaster or financial crisis. In these situations, it may not be feasible to obtain quickly Parliament's approval by way of a bill that would need to be passed in both houses. This, honourable senators, is completely understandable, and this was provided for in clause 183 of last year's budget bill, which Senator Smith has referred to.

This clause, however, was never brought into force either. Clause 182, which dealt with eliminating that complete right to borrow without consultation with parliamentarians, and clause 183, dealing with extraordinary situations, neither one had been brought into force. Presumably they didn't really need clause 183, the extraordinary power, because they had all the power they would ever want in section 43.1 of the Financial Administration Act, which never got removed.

The government has had all the power it needs to borrow money and continues to, until we do something about it in this bill or otherwise.

Bill C-44 states that clause 183, which was just referred to, will enter into force with Bill C-44 coming into force. That is clause 183, but what about clause 182, which cancelled the very offensive, earlier 10-year-old clause of no restrictions whatsoever? No reference is made to that particular clause that was never declared into force.

So I was surprised that this coming-into-force clause in Bill C-44 referred only to clause 183 and not to 182 as well, which repeals the terrible section 43.1. In other words, it would bring into force the exceptions but not the critical repeal of the provisions that specifically removed parliamentary authority.

Is there something that I'm missing in all of this? I'm sure this must have been an oversight by the government.

Accordingly, I will be proposing that steps have to be taken by this chamber that will fulfil what the minister told us was the government's intention, namely, to bring into force the clause that Parliament passed last year. The will of Parliament was expressed in the passing of that clause, repealing section 43.1. It should come into force at the same time that the new borrowing authority comes into force.

However, that alone is not sufficient to fulfil the government's election promise. Perhaps I can go on and spend a little time on that.

As I said last week, I was concerned to see the proposed section 3 of this new borrowing authority act, which is an act within Bill C-44, the budget implementation act. Proposed section 3 would appear to do the same thing as the original section 43.1. However, there's a new section 3 in the borrowing authority act that appears to do the same thing: the government can borrow money without the need to come to Parliament for authorization for the borrowing.

• (1220)

I'm sure, given the minister's statement and the election promise, that this is not the government's intention. Indeed, the minister was clear, most recently in his appearance before the National Finance Committee last week, when he stated that "... Parliament will be more empowered than ever before with the borrowing authority legislation that we are proposing."

Well, if we just did away with all of these steps over the last two years, and went back to the situation 10 years ago in 2007 and required a borrowing authority act each time the government wanted to borrow more money, that would have solved the problem. So that is the standard by which we must measure the government today. The minister said that parliamentarians would be "more empowered than ever."

You can see the schedule at the back of Bill C-44 that we're dealing with here today. There's a list that shows you that for each year the government needed funds there was a borrowing

authority act. They would bring it in and say, "We need this amount of money to reach our objectives for the year, so please authorize that the same way you've authorized the activity."

Returning again to the testimony of the Minister of Finance before our National Finance Committee, he said:

Ten years ago, Parliament's authority was revoked by the previous government, and it was left solely to cabinet. We're keeping our promise by empowering Parliament once again with the authority to approve the funding requirement of the government.

That is very clear, colleagues. This government intends by this new act to restore Parliament's power to at least what it was before 2007. However, as I detailed in my speech last week, section 3 of this borrowing authority act in Bill C-44 does not do that. Section 3, as currently drafted, would actually allow cabinet to authorize the government to borrow money without the need to come to Parliament first. There's no mention in this section of parliamentary approval, no mention at all. And, accordingly, I am most disturbed to see that particular provision, section 3, in this legislation.

Finally, the third issue or the third problem that I promised to outline for you. Many of us were surprised to see that the new borrowing authority act would only require reports to Parliament once every three years on the total amount of money borrowed by the government during those three years. Previously it was on an annual basis through borrowing authority bills. With respect, that is simply too long a period. Indeed, it would take us beyond the next election and into perhaps another government to find out what the last government did in borrowing, and then what will we be able to do about it? That is far too long a period, honourable senators. I believe there should be annual reporting.

This change to annual reporting would have a secondary effect, in cases where the government is to be allowed to borrow money without parliamentary authorization. These include where the government would be faced with extraordinary circumstances, such as a natural disaster or financial crisis as I referred to earlier. In last year's budget bill, we set out careful parameters around those exceptional circumstances. The government would be permitted to borrow without Parliament's authorization provided it reported after the fact to Parliament as quickly as possible, and specifically in the budget last year it said 30 days.

Now if we approve this legislation in Bill C-44, honourable senators, it will be three years — three years — before we learn about this extraordinary expense.

As I mentioned, since the government never declared the exception set out in last year's budget bill in force, the reporting clause was not brought into force either. Now Bill C-44 would finally declare the exception provisions in force, but notably it ignores Parliament's legislated reporting requirement. It just ignores it. It doesn't say anything about it. It would not come into force. Instead, that reporting on emergency borrowing would take, if everything stays the same, three years for us to learn what had been done.

So instead of tabling the report in Parliament within a month, Canadians would have to wait three years for the information. That is simply not acceptable and is not providing any opportunity for parliamentary oversight.

Honourable senators, Canadians deserve better. Of course this flies in the face of what Parliament mandated when it granted the exceptions last year and passed the legislation. But if we change the basic three-year reporting requirement on borrowing to reports that would have to be presented to Parliament every year, these so-called emergency borrowings would also have to be reported every year, so at least we could hear from the government every year as to what they've borrowed.

Colleagues, these are limited, focused amendments that I believe could significantly improve the bill and could significantly improve the relationship between cabinet, government, Parliament and our role.

As I described, far from going against an election commitment, these would implement a critical election commitment by the government. The Deputy Government Representative in the Senate has argued here in another context that, "... it is not legitimate for us to vote against an electoral promise" I do not and would not go that far, but turning it around, I think the Government Representative team would have to agree that it is absolutely legitimate for us to vote to uphold and implement an electoral promise that the people of Canada voted for, even if that means amending a budget bill.

Some Hon. Senators: Hear. hear!

Senator Day: Most important, honourable senators, if these changes were implemented, they would restore Parliament's critical authority over government borrowing.

Colleagues, Parliament's power of the purse goes to the very core of the parliamentary institution. We lost it in a clause buried in an omnibus bill 10 years ago. I'm now proposing that we reclaim it. The borrowing authority act as proposed by the government unfortunately does not restore this authority to Parliament.

Honourable senators, there are a number of ways we can do that reclaiming. We can propose an amendment here today to make the changes. I've thought long and hard about it. My view is that if we make this statement — that's why I went into so much detail to outline what I believe has to be done — after consultation with a significant number of outside advisers, I believe — the comments will have been made; the government can proceed, or we could consider a separate piece of legislation in the fall if the government doesn't act on these recommendations from the Senate.

In any event, honourable senators, I assure you that the long memory of the Senate will continue.

Senator Cools: It's a good memory too, very good.

Senator Day: We will be there for the people of Canada; they can be assured of that. We will ensure that this critical issue is not forgotten.

• (1230)

The Hon. the Speaker: Senator Woo, a question?

Senator Woo: Would you take a question, Senator Day?

Senator Day: I would be pleased to.

Senator Woo: You referred to the golden thread. It would seem you are also referring to a golden age before 2007, when in your speech —

Senator Day: I said that yesterday.

Senator Woo: For some of us, it might feel like yesterday.

You laud that period in which there was strong parliamentary oversight over borrowing. I'm sure, then, you can tell us the differences between the regime pre-2007 and the proposed measures in the budget implementation act. For example, can you tell us if there was any limit on the outstanding debt in the framework pre-2007 compared to what we have now, which is of course a limit on outstanding debt?

Can you tell us also if the pre-2007 regime included oversight of borrowings by Crown corporations compared to the budget implementation act we are considering, which does include oversight over Crown corporations? And can you also tell us if the pre-2007 regime had non-lapsing separate authority for temporary borrowing compared to the fixed percentage limits in the current budget implementation act, and if the pre-2007 regime had a provision for temporary borrowing compared to the prohibition in the current act?

Senator Day: My pencil broke before that last part.

Senator Woo, thank you very much for that briefing note from Finance.

Some Hon. Senators: Hear, hear!

Senator Day: I haven't received mine yet, but I did point out, honourable senators — and it's important to give credit where credit is due — that there is an upper limit in this proposed "act within an act," in this borrowing authority act within Bill C-44. I mentioned that and we discussed it at length previously, and the upper limit does include Crown corporations.

Previous to 2007, in ancient times as you have pointed out, if a government wanted to borrow more money it presented a bill, and in that bill parliamentarians, on an annual basis, would know what the upper limit is. You didn't have to write it in; they would know and they would debate it and determine it. The upper limit proposed here is fixed for three years, but of course the government can come back at any time and ask for more. So it's moving more to the United States' situation of the upper limit as opposed to Parliament continuing oversight on an annual basis.

Hon. Jim Munson: Honourable senators, I never realized how hard it was to write cursive anymore. I have been sitting here taking notes, and I rise briefly at third reading to state my sober second thought.

My concern is about the escalator excise tax and the escalator clause on wine and beer. This is in the government's budget implementation act, Bill C-44.

We all know the history but many of us worry about the future. This is a tax grab. Who is paying for it? Who will reach deeper into their pockets, their wallets and purses? Ordinary Canadians, brewery owners, winemakers and restaurant owners.

Honourable senators, in the world in which we live there is "Santa Claus" and there is "escalator clause." Canadians like Santa Claus. Although he is a fictional figure, he does give out goodies, but when you think about it, Canadians should be aware of "escalator clause." He is real and wants to dig deeper into your pockets, wallets or purses. He wants to do it every year and in perpetuity without asking for parliamentary approval.

If you are sitting in the Legion in Bathurst, New Brunswick, my favourite one-beer tavern, Carleton Tavern in Ottawa, or sipping a nice sauvignon blanc at the Ciao Wine Bar in Yorkville or the Water Hole in Patricia, Alberta, or how about the old Storm Crow in Vancouver, "escalator clause" is everywhere and he's digging deeper and deeper into your pockets.

Those who like to have a beer or glass of wine don't mind paying taxes, but they would like to see their parliamentarians have a say in the matter. That is all this is about, to have their parliamentarians have a say in the matter.

"Escalator clause" should pay attention; this is a regressive tax. What is wrong with simply just asking? All we're asking for is parliamentary oversight. It's as a simple as that. It's not that complicated.

Now, "escalator clause," it is almost summertime where the living is almost easy. So we're asking you to take a serious look at this today. We are asking, hopefully when this goes back to the other side, that those parliamentarians who do have to go home and pay attention to their constituents on a matter which is simply talking about parliamentary oversight, we are simply asking for this government to pay attention on a fundamental issue of parliamentary approval.

Hon. Terry M. Mercer: Honourable senators, here we are again. At this time of the year, I give the same speech. The speech is a little different because of this bill, but I start off by chastising the Department of Finance for not understanding that every year this has to happen. Every year they back us up to where we are down to the last days before the sitting ends. Every year they and their cohorts down the hall do this to us, and they will do it again in the fall and when it comes to Christmas break. We will have more estimates and expenditures that we will have to approve and we will be given days to do that.

I do commend the committee for their hard work. I also thank Senator Day and Senator Smith. It's an education for all of us, and I thank both of them for what they have said. But delays are unacceptable by the Department of Finance.

The borrowing issue that Senator Day has elaborated on this morning is extremely interesting. Perhaps someone should ask the lenders if they have done due diligence on their customer and has the customer followed all the rules, and if the rules say that they are supposed to get approval of Parliament, perhaps we are going to have to rely on the lenders to police this. If they don't listen to us, maybe they will listen to the people they want to borrow the money from. I think the two successive governments have gone too far.

I do not want to speak very long today, but I do want to be on the record as supporting the amendments that were proposed by the Finance Committee and by the Senate.

We are now being asked to approve a budget bill at third reading which does not include the escalator portions. I fully support the move. It is our job to provide sober second thought on all bills, and I believe we have done just that. And we have every right to do so.

Honourable senators, the escalator clause in Bill C-44 presupposes the will of Parliament and future parliaments in determining future courses of action.

While I may or may not agree with a 2 per cent increase this year, what happens next year when market volatility would require us to hold off on an increase in order to protect the industry and the thousands of jobs that would be at stake. I will talk about those jobs in a few moments. Including an automatic tax increase without going to Parliament to approve such an increase is taxation without representation. It does not take into account future changes to the market and possibly threatens the ability of producers to remain viable.

• (1240)

As I said in my question to Senator Mockler the other day on this very issue, if you are going to increase a tax, then at least have the guts to stand in front of Parliament yearly and try to increase that tax instead of hiding behind an omnibus bill this year and setting it automatically. Have the guts to do it.

An Hon. Senator: No taxation without representation!

Senator Mercer: Yes. Are you from Boston?

I believe many of you share this opinion as well.

Honourable senators, is it the job of current legislation to determine how an MP or senator would vote on future increases to taxes, or on anything in the future for that matter? I don't think so. What happens if Parliament wants to lower the excise tax next year? Would we then have to amend the escalator, stop the increase, and lower the increase the next year?

There will be an effect on industries across this country. Let's talk about the wine and grape industry. The Canadian wine industry generates \$1.7 billion in federal and provincial tax

revenue. That's across every province. We don't have a full liquor store in the community I live in. We have a corner in our general store. They are generating this money.

More than 37,000 jobs are created in Canada as a result of the grape and wine industry. That's a lot of jobs. As well, there are approximately 1,770 grape growers operating in Canada with a combined acreage of 31,100 grape-bearing acres. That's important. As Deputy Chair of the Agriculture Committee, I'm concerned about the vulnerability that this government is placing them in.

The Canadian wine and grape industry contributes annually to the Canadian economy. This is revenue of \$5.6 billion, tax revenue of \$1.7 billion, and wages of \$1.7 billion.

Honourable senators, to use a phrase from the Agriculture Committee, these are not small potatoes. This is important stuff.

The beer industry provides good middle class jobs, a very popular term down the hall. Domestic growers directly employ 13,000 Canadians at an average annual compensation of \$71,000 per employee. Those are good wages in this country. There are more than 13,000 people in the brewing business, 60 per cent higher than the average of all food manufacturing. Brewers buy 300,000 tonnes of prairie-grown malt barley every year to produce a product consumers enjoy while supporting 163,200 full-time jobs in the brewing side. This is the risk they are taking by not having the intestinal fortitude to come to Parliament each year to have these increases. Would it be easier to decide that we have these increases yearly or leave it up to the future Parliament? It's up to parliamentarians.

Some people are arguing about our right to talk about this. I would like those down the hall to realize what their right and duty is, and that is to do this yearly, not to pass a bill that will have an escalator clause in it. Senator Munson talked about the poor fellow at the Legion in Bathurst, New Brunswick, reaching into his pocket and realizing he might not have enough for that one pint because of the escalator clause. Remember, 2 per cent doesn't seem like a lot, but with 2 per cent added to a case of beer, that goes on before the provincial tax. Now the provincial tax is calculated on the federal tax. So you can't get away down the hall talking about just 2 per cent. To quote the president of the United States, that's fake news. That 2 per cent is fake because it's more than 2 per cent when you factor in the provincial tax that goes on top of a case of beer or a bottle of wine. Let's deal with the facts, honourable senators.

I will be supporting this bill as it is amended. I hope all of you will join us in doing the same thing.

Hon. André Pratte: Honourable senators, allow me to say a few words to explain why I will be voting for third reading of Bill C-44. I am tempted to abstain, but I don't like to. In my eyes, it's a non-position. As an editorial writer, I used to take a clear position on issues, even when I knew they were unpopular. I did not like to sit on the fence.

In this chamber, abstention is not a neutral position, however, and sometimes abstention can have extraordinary consequences, like my dear friend Senator Gold discovered earlier this week.

However, I do not think it is the Senate's role to defeat the government's budgetary policy; amend, yes, if some major principle is involved, but not defeat. Yet, I am uncomfortable with two aspects of Budget 2017. One — you will not be surprised — is the Canada infrastructure bank.

[Translation]

I have often said that I am in favour of creating the Canada infrastructure bank. However, I feel that the bill as worded does not offer enough guarantees with regard to several aspects of the governance of the institution and access to information.

As far as protecting provincial jurisdictions is concerned, despite the government's assurances, I believe that the bill could have been amended to ensure that the agent of the Crown status conferred on the bank does not exempt projects funded by the bank from the jurisdiction of applicable provincial laws. Since the government felt that there was no risk of that, I fail to see why it couldn't simply indicate that clearly in the legislation.

I still think that the government hasn't been honest with Canadians on the risks weighing on the \$35 billion in public funds being invested in the Canada infrastructure bank or on how Canadians are going to pay for the projects funded by the bank, in other words through taxes, tariffs, or tolls.

[English]

I would have liked to convince the majority of you, in particular a substantial number of my colleagues from the Independent Senators Group, to split the bill or at least to amend it. I failed in this regard, and I will reflect upon that failure during the next few days and weeks. However, my concerns remain.

There is another reason why I hesitate to vote in favour of the bill, and that has to do with the government's current large deficit spending. I strongly believe in government's role in society. But I also believe in a government that lives within its means. I think it's safe to go into a deficit position during difficult economic times and balance its books during the good times.

I'm concerned about the present deficit situation. According to the government's plans, in 2021-22, four years from now, it will still be \$18.8 billion in the red. I know the debt-to-GDP ratio is relatively low, and it is supposed to go down, but to have no plan to go back into the black puts the government into a vulnerable position. What happens if a recession hits? The deficit will have to increase even more and Canadians will have to endure terrible sacrifices so the government can eventually balance its books. Continuing deficits with no plan for a zero deficit is a message to the public service that the bar is open.

We daily see that in the National Finance Committee. There is a lot of money being spent, and it is far from evident that sufficient controls are in place to ensure that the money is well spent.

Should I endorse, by my vote, a \$27 million deficit with no plan to go back in balance in a period where the economy is going relatively well?

Yet, I cannot vote against this budget because it does not affect the fundamental rights of Canadians, nor does it go against the interests of some minority or region of the country which it is the Senate's role to protect. Besides, I agree with many other aspects of the government's budgetary policy, such as increased transfers for health, the focus on innovation and super clusters, support for Canada's research hubs and artificial intelligence, more help for students.

• (1250)

A word on the so-called "escalator tax": first, it should be called the "stabilizer tax" because, as many have explained, allowing the excise tax to increase with inflation will simply stabilize the value of this tax in real terms. Voting against the escalator means that, in fact, the tax diminishes in value each year. The excise tax is an exception, an anomaly in our tax system; other taxes go up with inflation.

In Budget 2014, the government decided to "restore the effectiveness of the excise duty on tobacco products" by indexing the duty on tobacco products to CPI, exactly what the current government is proposing now for alcohol products.

The alcohol industry complains loudly about the annual indexation of the excise tax, but I find it hard to believe that they would find it easier to adapt to a jump of 20 or 40 per cent that would happen suddenly every 10 or 20 years. I suspect they will simply enter the indexation — a very small amount — to their costs. It will be very predictable and will be passed on to consumers.

Canadians want more health care, more child care and more infrastructure spending. That has to be paid somehow. It hurts, but it has to be paid somehow.

The beer industry has insisted on the fact that their industry is already suffering because sales are down, but their allies in this fight, the wine industry, have been much quieter on the fact that they are, in part, responsible for the beer industry's difficulties because their sales have been growing very fast over the past 10 years. So are we to design one excise tax for beer and another for wine?

In being in favour of the excise tax adjustment, I don't consider that I was voting in favour of a tax increase. In reality, I was voting against a yearly tax degradation. We'll see what the government does with our proposed amendments on that score, but if the government decides against that amendment, I will not be shocked.

In summary, I'm in favour of many measures included in Budget 2017, but opposed to large deficit spending and concerned about the way the infrastructure bank is being set up. In the end, I consider the Senate's mandate to protect the fundamental rights of Canadians, minorities and regions; I consider that, in my view, our role is not to defeat the elected government's budget; and I consider the amendments that have been brought in.

[Translation]

After much hesitation, I will therefore be voting in favour of Bill C-44.

Some Hon. Senators: Hear, hear!

Hon. Raymonde Saint-Germain: Honourable senators, before I comment on Bill C-44, I would like to reassure Senator Day and all my colleagues that my speaking notes come from my office and are based on my analysis of all the feedback we collected so far, including what we heard from officials at the Department of Justice, Transport Canada and the Department of Finance. I wrote them objectively, based on my extensive experience offering constructive criticism on government bills in Quebec.

I believe that much of what has been said in the course of our deliberations on this omnibus bill, and on all omnibus bills, warrants clarification.

An omnibus bill is a tool available to the government and to parliamentarians that helps them improve the legislative process and expedite the implementation of programs that will benefit Canadians. At the same time, it is a tool that requires a great deal of vigilance, because it is true that with omnibus bills comes the risk that the legislator could be tempted to quickly pass certain initiatives that can be easily hidden in the bill because of the sheer number of pages.

I would like to point out, however, that the section of Bill C-44 dealing with the Canada infrastructure bank is 12 pages long and is no more succinct than it would have been in a specialized bill on that bank alone. Also, the provisions required to create such a bank would not have been any different, in my opinion. I wanted to add that to my remarks, because I think that a lot urban legends exist around that subject.

My comments on Bill C-44 will focus essentially on the Canada infrastructure bank. I really wanted to speak to this because the National Assembly of Quebec unanimously adopted a motion calling on us to ensure that the jurisdictions of Quebec, all the provinces and the municipal regulations authorities are respected. I will come back to that.

Honourable senators, Canada's infrastructure is in desperate need of attention. Estimates range from \$570 billion to \$1 trillion. The need is too significant for us to use a traditional approach to funding infrastructure. The Canada infrastructure bank is an innovative solution to minimize the risk and pressure on public funding in the current climate. That is the goal. Much concern was expressed over this new Crown corporation and I intend to address what seem to be the thorniest issues.

The Canada infrastructure bank act states in subclause 5(4) of Division 18, Part 4, that the bank will not be an agent of the Crown. This point caused a great deal of misunderstanding in this chamber, but it is a precautionary provision. It indicates that the federal government will not automatically endorse transactions that the bank takes part in. As advocates for taxpayers, we should applaud this provision.

Many people raised concerns over paragraph 5(4)(d). This provision would give the federal government the power to decree, as it sees fit, certain partners as agents of the Crown with all the privileges and immunities that this status entails, including from a tax perspective. I followed this specific issue quite closely because

some legitimate concerns were raised over respect for constitutional jurisdictions.

The Canada infrastructure bank will not be an agent of the Crown except under the circumstances set out in paragraphs 5(4) (a) to (d). These exceptions are essentially limited to the bank's dealings with the public administration and the federal government. That is critical, since neither the infrastructure projects nor the bank's private partners will be given any exemptions, privileges or immunity that are specific only to an agent of the Crown. That means that all federal and provincial statutes will apply to the projects that the bank participates in. It is important to emphasize and take note of that.

It is important to understand that agent of the Crown status can be granted in only two ways: it can be expressly granted by law to an organization or a legal person established in the public interest, or in the absence of such a legislative provision, it can be granted by an examination of the organization's connection to the government in terms of the functions it carries out or who controls its budget, administration and policies. As a result, a private company could not be given such immunity unless it can prove that it is truly acting as an agent of the Crown, something that cannot be assumed. It seems unlikely that such a situation would arise given the organizational structure and the primary objective of optimizing the returns of private investors.

Institutional investors must be assessed on a case-by-case basis. For example, in the case of the Caisse de dépôt et placement du Québec, an entity that acts and invests across the country, an Act respecting the Caisse de dépôt et placement du Québec gives this institution and its wholly owned subsidiaries the status of agent of the Crown. In contrast, the Canada Pension Plan Investment Board Act expressly states that the board is not an agent of the Crown. However, the federal government retains some regulatory power over the board. The same is true for most other public pension funds across Canada. They generally do not have agent of the Crown status. In short, even if an organization is an agent of the Crown, it does not have complete immunity because its immunity can be limited by a law or regulation.

This information was not widely known before the National Assembly of Quebec unanimously adopted a motion on May 31. The motion affirms the application of every law in Quebec to the projects supported by the bank and calls for amendments to that effect. If this concern were not addressed, I would be the first to stand up in this chamber to demand that respect for the division of powers be enshrined in Bill C-44.

• (1300)

In light of the answers we got from a number of individuals, including the Minister of Finance, and from the June 5 letter from the deputy ministers of Finance and Infrastructure, I do not believe that is necessary. The minister left no room for doubt when he appeared before the Standing Senate Committee on Banking, Trade and Commerce on May 31. Here is what he said:

[T]he bank does not encroach on provincial jurisdiction. We have every certainty that this bank will be subject to municipal, provincial and federal laws. It will respect the division of powers between the provincial and federal governments. All relevant provincial and territorial laws

will apply for all projects in which the bank invests. There are no special exemptions for the bank or for bank projects. We have sought counsel on this, and that is absolutely clear.

I am therefore convinced that all provincial and municipal laws, as well as municipal bylaws, will be respected and that it would be pointless to include such a provision in Bill C-44. It would create an irrelevant precedent in federal legislation and is apt to cause confusion in the interpretation of our laws. We must also take into account the presumption that every part of a statute is intended to be effective, which means that every word of a piece of legislation is meant to have a specific effect. There is a reason why the House of Commons said the bank will not be an agent of Her Majesty.

Essentially, when a company partners with the bank on an infrastructure project, it must comply with every aspect of the legislative framework, such as environmental assessments and working conditions on job sites, unless, of course, a particular law grants agent of the Crown status to an institution, such as the Caisse de dépôt et placement du Québec. Even for a project like the Montreal light rail system, the bank would comply with Quebec legislation, which grants specific status to the Caisse de dépôt.

Also, certain reservations were expressed about the \$35-billion envelope earmarked for the bank over 12 years. I would point out that the maximum fiscal impact is limited to \$15 billion for any charge added to the books in one fiscal year. The bank's equity investment in infrastructure projects could therefore not exceed the \$15-billion limit.

The other \$20 billion would be allocated to granting loans and loan guarantees. Those incentives would help create a competitive environment on financial markets, where the bank's partners would have to rigorously control their spending in order to reach a reasonable level of profitability to satisfy their shareholders. Ultimately, this innovative model will reduce the risk of default of payment and cost overruns for Canadian taxpayers.

Lastly, I would be remiss if I did not mention the balance inherent to the bank's structure. Future directors will be appointed to serve at pleasure by the Prime Minister. The Prime Minister will recommend the chief executive officer, who will ultimately be appointed by the board of directors. The board must be consulted, however, in the event of the dismissal of its chairperson or chief executive officer. This structure establishes a high standard of review relative to other similar federal Crown corporations. Indeed, some of them lack this kind of balance between institutional autonomy and government oversight.

For instance, the Business Development Bank of Canada is an agent of the Crown. The chairperson and chief executive officer are appointed at pleasure by the Prime Minister for the term designated notwithstanding the Financial Administration Act, and board members are appointed for a term of four years by the relevant minister with the Prime Minister's approval.

Second, the Canadian Mortgage and Housing Corporation is an agent of the Crown. The chairperson and the chief executive officer are appointed at pleasure by the Prime Minister for as long as he sees fit, and board members are also appointed at pleasure for a four-year term by the minister responsible, with the Prime Minister's approval.

Third, Export Development Canada is also an agent of the Crown. The chairperson and the chief executive officer are appointed at pleasure by the Prime Minister for as long as he sees fit, and board members are also appointed at pleasure for a four-year term by the minister responsible with the Prime Minister's approval.

These examples show that there is no one-size-fits-all solution to the dilemma of public governance. Nevertheless, in order to strike a structural balance that meets the highest standards, the government established that the bank would be a non-agent Crown corporation, as I described earlier.

What is more, the bank will be audited by the Auditor General of Canada without any restrictions and will be accountable to Parliament every five years by virtue of its enabling statute. These checks and balances are also consistent with best practices in public governance.

Honourable senators, given the facts and the documentation, and after carefully reviewing the sensitive issues related to the Canada infrastructure bank, I wholeheartedly support the passage of Bill C-44. Thank you.

[English]

Hon. Serge Joyal: Honourable senators, I was not intending to speak in this debate, but a question raised by Senator Woo to Senator Day triggered a reflection in my mind. It was the question about the limit to the authorization of borrowing that was included in the bill that should satisfy us, or, in a particular context, quiet our apprehension that in fact everything is under control.

I want to mention what this amount of money is, the limit that the bill contains. It's in clause 103 of the bill, on page 67, and I will read it:

4 Despite section 3 and any other Act of Parliament, but subject to section 6, the total of the following amounts must not at any time exceed \$1,168,000,000,000:

That's the credit card of the Minister of Finance. In other words, if you take the amount of money that is the debt of Canada now, which is \$653,444,473,000, this bill creates the authority for the Minister of Finance to double the overall debt of Canada without Parliament in any way knowing before three years how much has accrued to the Canadian credit card for which each one of us is responsible.

This is a very serious issue, and it's not because there is a limit that it doesn't deserve sober second thought. If the limit were \$2 billion, the principle would be the same, in my opinion. Put that into your own personal situation. We all have two, three or four credit cards in our pockets. Imagine that for all your credit cards, by the stroke of a pen, your margin would double without you ever going back to your banker to check if your assets are still

worth the amount of authorization that you receive. We all know that. We negotiate our personal finances with banks, and we know how it works.

What we want to do with this is frame the borrowing authority in a way where we still control the purse of Canadians, and that's what Senator Day is proposing. That's the essential question put in simple terms, the way I see it.

It's the same with the infrastructure bank. I was listening to Senator Saint-Germain, and will I tell you why I supported a division of the bill and why I thought it was important to look into the infrastructure bank. It's because of the section of the bill that authorizes the Minister of Finance, and it's proposed section 23 of Division 18 of the bill.

• (1310)

It reads as follows:

The Minister of Finance may pay to the Bank, out of the Consolidated Revenue Fund, amounts of not more than \$35,000,000,000.

My reaction to that, when I first read it, was, "My God, is this a slush fund for the Minister of Finance?"

Some Hon. Senators: Oh, oh!

Senator Joyal: Is this what the Minister of Finance will now have as authority to give direction to the bank? Read the various terms and conditions for loans or loan guarantees. A minister from a region will say, "Listen, this infrastructure project is so important for our re-election, and the bank has given authorization to another region. We have to balance it."

We know how strong regional identity and pressure are in Canada. We all know; we have all lived through it.

I just give you an example. I was saying to my friend Senator Baker that when there was a seat available on the Supreme Court bench, there was pressure from Newfoundland to have a judge on the bench, and there was pressure from all the Maritime provinces to have a Maritime judge on the bench.

That's fine; I have no problem with that at all. But we all know how easy it is for one region to pit itself against another region on any sensitive issue. We all know how those projects become symbolic of the dynamism of a region. Mayors, MPs, chambers of commerce and boards of trade all rally behind a project. Who controls the soundness of the decision and how arm's length it is from government? I repeat: How arm's length is the government from decisions that are given or could be given under political pressure to play with the \$35 billion slush fund?

That's essentially the question that I thought was important: that there were governance issues in relation to the bank that needed to be satisfied. I thought the proposal to divide the bill was a sound approach — not to change one cent of the \$35 billion, not a dollar — to ensure that the structure of the governance was waterproof from political play and gimmick.

All of us are senior citizens. We have experience in life, especially those of us who have had political experience in the past.

That was my essential question in relation to the bank. To me, to give the Minister of Finance the authority to double the debt of Canada within three years, without any control of Parliament, is an abdication of responsible government. Responsible government exists as much in the other place as it exists in this place. The government is responsive in this place — not only to issues, Senator Pratte, dealing with minorities or regions, but with regard to any of its decisions.

That's what section 53 of the Constitution says. Section 53 of the Constitution does not say the Senate should amend or defeat budget bills. It states:

... Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

For the rest, it is section 91, which is very clear. I will read it to you to make sure it's part of your reflection. Section 91 states the following:

It shall be Lawful for the Queen, by and with the Advice and Consent of the Senate and the House of Commons, to make Laws for the Peace, Order and Good Government of Canada . . .

I humbly say to you that we have a role in the good governance of Canada. We have a role to give our advice and consent. Before I give my advice and consent on an authorization, as we say in French —

[Translation]

— *de piger dans la sacoche*, or to raid the public purse, when we have a \$600-billion debt, I think we need to be able to verify what is happening with that money every year and whether its use can be justified.

[English]

I think there is a need to pause — sober second thought. Maybe the government has a good reason to set the level of our borrowing authority without any control before three years, but that should be part of our daily preoccupation in this chamber. It is as important for me, as a parliamentarian, to make sure that I control the purse as it is for me to make sure that linguistic minorities are protected, that regions have their voices heard and that other minorities in Canada are included in the government's priorities.

I am not at all of the view that we have no role. I keep hearing in this chamber that we should yield to the other place because we're not elected. Well, I'm sorry; the structure of the Parliament of Canada is one elected, one appointed. That is bicameral at its best

Some Hon. Senators: Hear, hear!

Senator Joyal: To try to instill in my mind that I should have a bad conscience if I look into decisions that come from the other place that will affect each and every Canadian in their daily work and in their way of managing their own affairs and how they pay taxes — and I also pay taxes, like any Canadian — I think is to change the nature of the Parliament of Canada. Mind you, I don't want to put on trial the other place.

I will quote to you from our dear, esteemed friend, former senator John B. Stewart. He was a professor, an MP and a senator. He was one of the authorities when I entered this place, a senator we always listened to, at the same level as former Senator Lowell Murray. They were always keen in relation to the scrutiny of estimates and the study of budget bills.

This is how Senator Stewart saw the other place approaching the study and debate of estimates, budget bills and supplementary estimates in terms of any financial bill. I read from this famous book, where he states:

Various explanations may be offered —

— to the limited role that parliamentarians in the House of Commons assume in relation to financial bills —

Let me mention a few. First, the rapid turnover of Members means that many Members never achieve more than a limited understanding of policies and programs.

That's not what we do in the Senate. Our friend Senator Day has been on that committee for 12 years, and Senator Cools has been on that committee for probably 20 years.

Second, detailed work is far too dull and mundane for many ambitious politicians.

When I listened to Senator Day going through all the estimates and reporting on each of them, my first reaction was, "My God, I prefer to sit on the Legal and Constitutional Affairs Committee."

Third, detailed work on a committee is not news and is not susceptible to bring a lot of votes.

So you won't be in *The Hill Times* on a daily basis.

I'm looking at my friend Senator Tkachuk now.

Fourth, some Opposition Members really do not want to suggest improvements in programs and policies; the worse a government's programs and policies are, the greater the chance of defeating that government in the next election.

I like that one very much, honourable senators.

Finally:

Fifth, a House Leader and a Whip who get their Members to support their estimates and get them through quietly are "smiled upon" by their master.

Those are the words of former Senator Stewart.

Honourable senators, this is, of course, a bill that contains a lot of other sections, divisions and issues. I have listened carefully to Senator Munson and those who talk about the escalator clause on the booze and whatnot. The government can decide to run the risk of losing what I call political capital. The government sometimes has to go to bat because they believe in some policy issue that challenges public opinion and so forth. I totally agree with that. I've been part of a government that was famous for that under Prime Minister Pierre Elliott Trudeau.

• (1320)

I don't need to remind you how much that Prime Minister enjoyed doing that, to a point. He liked to challenge Canadians on matters of principle and on matters of policies that affected our status and conditions as Canadians. I was defeated in 1984 because of that and I have absolutely no regrets at all about having been defeated on the basis of a commitment to those kinds of changes that bring about a Canada that is more reflective of our aspirations and ideals.

But when I'm confronted with a bill like this that proposes to curtail the power of the fundamental institution that represents Canadians in its two capacities, the sober second thought we have to bring to legislation and the political imperative in the other place, I think that we have to be very well aware of what we do. As long as I am in this chamber, nobody will prevent me from telling you and sharing with you my concern about a budget bill that has so many implications for the future conditions of Canadians.

Some Hon. Senators: Hear, hear!

Senator Woo: Would Senator Joyal kindly take a question?

The Hon. the Speaker: Senator Joyal's time has expired. Are you asking for more time to answer a question, Senator Joyal?

Agreed, honourable senators?

Hon. Senators: Agreed.

Senator Woo: Thank you, colleagues. My question, Senator Joyal, is indeed based on briefing notes from the Department of Finance, the same briefing notes that all of you have received. I do sincerely hope you have them in front of you, because it will help you provide an accurate answer. You talked about the importance of detailed work on budgets and I would ask you now for accurate details on the borrowing authority that you mentioned.

You correctly talked about the stock of government debt that is in place, something in the order of \$690 billion. Then you asserted that the government is seeking authority to double its borrowing over three years.

Can you tell us the amount of the outstanding stock of debt of Crown corporations that are, in fact, included in the borrowing authority under the Budget Implementation Act? Based on that higher number, what is the correct amount of incremental borrowing that the government is actually asking for over the three-year period?

Senator Joyal: Thank you, Senator Woo, for that question. I don't have the figure in front of me, but what I do have in front of me is section 6 of article 103, which states that even beyond that \$1,168,000,000,000, the Minister of Finance is allowed to borrow even more in specific circumstances:

The Minister may borrow an amount under an order made under paragraph 46.1(a) or (b) of the *Financial Administration Act* even if that borrowing causes the maximum amount referred to in section 4 of this Act to be exceeded.

In other words, there's another possibility to add to it. We can play with the figures, Senator Woo. We can say this one has more than \$1 billion or this one has \$150 billion. It's the principle that is there. I'm concerned with the principle. I'm not an accountant; I'm a lawyer. But when I see the structure of the system that is put in place, then I can put my finger on it and say, "There is something that's not right there."

Senator Woo: If I may follow up, would you also agree, Senator Joyal, with the principle that, as our debates are widely broadcast and information is disseminated, we provide, as far as possible, accurate information on such an important matter as the amount of incremental borrowing that the government is proposing? Would you perhaps undertake, when you have the time, with your office, to do the research to come up with that figure so that if there is a clarification that's needed, you could provide that to the public?

Senator Joyal: Thank you, Senator Woo. I have absolutely no problem and I don't want to quarrel about the figures. That I totally recognize. As I stated, it's not my preoccupation.

My preoccupation is the special authority that we give here to the Minister of Finance, without us receiving a yearly report or a balance sheet. On a monthly basis, each one of us receives a bill telling us how much money we have put on our credit card and how much we have to pay back. I can tell you how much I received last month on my credit card, and I know where my finances stand. What we want is that Canadians know, on a regular basis, how much there is on their credit card and how much the Minister of Finance has put on it. That's the only thing we want to know.

Some Hon. Senators: Hear, hear!

The Hon. the Speaker: Order, colleagues, please. Are honourable senators ready for the question?

Hon. Senators: Question.

The Hon. the Speaker: It was moved by the Honourable Senator Woo, seconded by the Honourable Senator Cools, that the bill, as amended, be read the third time.

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

Some Hon. Senators: Yes.

Some Hon. Senators: On division.

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

SENATORS' STATEMENTS

HEAVY FUEL OIL

Hon. Dennis Glen Patterson: Honourable senators, larger cargo carrying ships, tankers and cruise ships are increasingly travelling in Arctic waters. These vessels almost always use heavy fuel oil, or HFO, also known as either Bunker B or Bunker C fuel, one the dirtiest and most polluting fuels in the world. According to the World Wildlife Fund:

... these large vessels comprise only 28 per cent of vessels, but consume 75 per cent of the total annual fuel used ...

- in Arctic regions.

In October of 2016, the International Maritime Organization, or IMO, a specialized agency of the United Nations, met in London to discuss various issues. The IMO is responsible for setting global standards regulating the safety, security and environmental performance of international shipping.

Six Arctic indigenous leaders representing Alaska, Canada and Russia attended to participate in the Marine Environment Protection Committee plenary sessions. These six are part of an environmental coalition campaigning for sustainable practices in circumpolar regions and were granted a closed-door meeting with IMO Secretary-General Kitack Lim on October 28, 2016.

One of Canada's representatives, Tagak Curley, the founding president of Canada's national Inuit organization, ITK, hails from Rankin Inlet, Nunavut. During his private meeting with Secretary General Lim, Tagak spoke about the realities of the North, the reliance on goods brought by sea and the need to protect the environment.

Colleagues, tourism initiatives such as Arctic cruises, which are welcome, are bringing more and more people to experience the beauty and wonder of Canada's North, while global warming has opened up the Northwest Passage, causing an influx of pleasure and commercial crafts in what was previously a relatively inaccessible region. Additionally, due to Nunavut's lack of roads or a highway system, Nunavut's growing population is increasingly dependent on air and marine transportation of goods and services.

All of these factors contribute to much higher marine traffic and it is important that Canada take the precautions necessary to respect the pristine and fragile Arctic environment. Honourable senators, the IMO's Marine Environmental Protection Committee is scheduled to meet again July 3 to 7, 2017. During an interview with Radio Canada International, Tagak described Canada as quietly taking stock of other countries' positions on HFO and not voicing a strong opinion back in October. I recommend that Canada take a strong stance next month and join countries such as Norway, who have protected their coasts by banning HFO in favour of cleaner fuels.

• (1330)

I would urge Canada to consider the views of the people who are directly affected by increased marine traffic, who live on the Arctic coast and are a pillar of Canada's sovereignty in the Arctic. I would also ask that Canada support the request to have a permanent seat on the IMO's Marine Environment Protection Committee for indigenous peoples of the Arctic, much like seats created at Arctic Council. As Tagak said:

The Arctic voice is very important. It's been heard now. It's not going to stop.

[Translation]

ALBERTA

FRANCOPHONE SERVICES

Hon. Claudette Tardif: Honourable senators, on June 14, the Alberta government officially announced its first French policy.

French was the first European language spoken in Alberta and the most common European language in the territories until 1870, and it is still the most widely spoken language in my province after English. According to Statistics Canada, over 238,000 Albertans express themselves in French, and for 81,000 of them, it is their first language.

Also according to Statistics Canada, that number is expected to rise by 25 per cent to 50 per cent by 2035.

I wanted to share those numbers because it took over 100 years and plenty of perseverance on the part of the Franco-Albertan community, led by the Association canadienne française de l'Alberta, for the Province of Alberta to adopt this policy. I congratulate the Government of Alberta, especially Premier Rachel Notley and her minister responsible for the Francophone Secretariat, Ricardo Miranda.

Thanks to their leadership, Alberta now joins the majority of Canadian provinces that have a law or a policy about French services and the Francophonie. In other words, Franco-Albertans will now have a government that is more attentive to their needs in terms of service delivery to their community. The government also committed to improving the scope of its consultations with the Franco-Albertan community and its French-language communications to build a respectful, effective relationship with the community.

Alberta will also recognize the Franco-Albertan flag as a symbol of distinction under the Emblems of Alberta Act. As a proud member of the community, I join them in expressing my enthusiasm for this historic and transformative initiative.

Hon. Senators: Hear, hear!

[English]

RIGHTS OF INDIGENOUS WOMEN

Hon. Lillian Eva Dyck: Honourable senators, today is National Aboriginal Day. It is a day to recognize and celebrate the contributions of the original inhabitants of this land, the Aboriginal people, to the making of Canada.

However, it is hard to celebrate under the circumstances. Not only is there still a long way to go before Aboriginal people gain a significant measure of equality and equity compared to other Canadians, but the very first government bill that affects indigenous bill that this government has initiated falls short of restoring the rights of indigenous women. It is unconstitutional.

On National Aboriginal Day, it is hugely ironic, disappointing and unacceptable that the first government bill, Bill S-3, which is likely to return to the Senate tonight, has been gutted by the government. The Senate equality amendment, dubbed "6(1)(a) all the way" has been removed by the government. This equality amendment would have restored status to most indigenous women whose status was stripped away. This equality amendment would have restored their Charter, constitutional and international rights.

The gutting of Bill S-3 is unexpected and unacceptable from a government that has pledged to not only establish a new relationship with indigenous people but also to review legislation affecting indigenous peoples, to ensure that their rights are protected.

Colleagues, we should note that Bill S-3, as amended by the House of Commons, fails to meet the standards set by Prime Minister Trudeau in his mandate letters to both Ministers Bennett and Wilson-Raybould.

In his mandate letter to Minister Bennett, Prime Minister Trudeau wrote:

As Minister of Indigenous and Northern Affairs, your overarching goal will be to renew the relationship between Canada and Indigenous Peoples. This renewal must be a nation-to-nation relationship, based on recognition, rights, respect, co-operation, and partnership.

In his mandate letter to the Minister of Justice, he wrote:

... your overarching goal will be to ensure our legislation meets the highest standards of equity, fairness and respect for the rule of law. I expect you to ensure that our initiatives respect the Constitution of Canada, court decisions, and are in keeping with our proudest legal traditions.

Honourable senators, Bill S-3 definitely is not in keeping with our proudest legal traditions.

Today, the Prime Minister announced renaming a building as the Canadian Indigenous Centre. Well, colleagues, that's not good enough. Indigenous women need more than a building. We need our fundamental rights enshrined in Bill S-3, as the Senate amended it, so that we have equal, full status as citizens of our respective indigenous nations. The Prime Minister should have announced that today. Shame on him.

PULSE ATTACK

Hon. Daniel Lang: Colleagues, I'm pleased to rise to invite all members of chamber to join me in room 256 at 4 p.m. today for the book launch of *Pulse Attack: The Real Story Behind the Secret Weapon that Can Destroy North America*, by Anthony Furey. Mr. Furey is a national columnist and editor for Postmedia, Canada's largest chain of newspapers and news sites. He hosts the national morning show on Sirius XM Canada and has written for *Time*, the *New York Daily News* and *Human Events* and also has been a guest on many international TV shows and various other programs.

Colleagues, *Pulse Attack* is the first book for the general public that delves into the science and implications behind the consequences of an electromagnetic pulse attack or a natural solar flare that could occur. To put it in simple terms, the author notes that when a nuclear explosion happens or there is significant solar flare in the atmosphere, it emits an electromagnetic pulse that hits everything in its line of sight. If detonated many miles up into the atmosphere, it has the possibility of affecting a large area, just as large as continental North America.

The EMP wave form couples into power lines and electronics, causing them to shut down, short circuit or melt down.

This subject was only recently declassified, and now legislators in the U.S. have begun to propose legislation to confront this possibility.

Because of the test ban treaty signed by John F. Kennedy in the 1960s, there is much about EMP that we still do not know, and more research is definitely required. Russia has performed electromagnetic pulse attacks in the past, and reference to it appears in the recent strategic writings.

North Korea, obviously, is a very real threat. The U.S. and Canada are vulnerable to such an attack due to a lack of surge protectors, in large part, in our electricity grid.

Colleagues, the book is a fascinating read. It's a history of the electromagnetic pulse and its possibilities and implications. In fact, it goes back to 1850, and there's a section on how a solar flare affected the telegraph lines at that time and how some people actually died when that natural occurrence took place.

I will note that the National Security and Defence Committee did hold some hearings last year on the electromagnetic pulse threat, and since then a number of questions have been put to the government leader in this chamber about the threat of electromagnetic pulse.

The Hon. the Speaker: Sorry, Senator Lang, but your time as expired.

[Translation]

ENERGY EAST PIPELINE

Hon. Percy Mockler: Honourable senators, before this parliamentary sitting comes to a close, I want to say a few words about the Energy East Pipeline.

When it comes to oil reserves, Canada ranks third among the wealthiest countries in the world, after Venezuela and Saudi Arabia. The oil and gas sector is a major economic driver for Canada. It accounts for roughly a quarter of Canadian exports and employs more than half a million people.

[English]

If Canada wants to take full advantage of its abundant oil reserves, it must expand to export markets beyond the United States.

• (1340)

In order to fully seize this opportunity, Canada must overcome a lack of pipeline infrastructure — a challenge which results for eastern Canadians, especially our refineries relying primarily on imported foreign sources of crude oil rather than accessing crude oil from Western Canada.

[Translation]

TransCanada's Energy East Pipeline project is an excellent way to get some of our oil, which has high economic value, to export markets all over the world.

[English]

The Energy East Pipeline, Senator Mercer, represents a private investor segment of almost \$16 billion to build a 4,600 kilometre pipeline with the capacity of transporting 1.1 million barrels daily from Hardisty, Alberta to Saint John, New Brunswick, to serve both domestic — via refineries in Montreal, Quebec City and Saint John, New Brunswick — and export markets.

Here are some of the facts: job creation for Canada, 14,000 people; and for New Brunswick, 3,800 jobs; tax revenues for Canada, \$10 billion; tax revenues for New Brunswick, \$900 million.

[Translation]

The oil and gas industry is Canada's largest private sector investor, with the oil sands alone injecting \$23 billion into the overall economy. If we want to continue to grow our economy, prosper as a country and provide benefits to all Canadians, the Energy East project is a must.

[English]

Energy East is a must, and we should be moving on it and not going at a slow pace. We need action. We need action now.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Bob and Joan McArel from Dartmouth, Nova Scotia. They are the guests of the Honourable Senator Cordy.

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

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

SPEAKER OF THE SENATE

VISIT TO SCOTLAND AND ENGLAND, UNITED KINGDOM, OCTOBER 12-16, 2016— REPORT TABLED

The Hon. the Speaker: Honourable senators, with leave of the Senate, I would like to table, in both official languages, the following document: Visit of the Speaker of the Senate to Scotland and England, United Kingdom, from October 12 to 16, 2016.

Is leave granted, honourable senators?

Hon. Senators: Agreed.

STUDY ON THE DEVELOPMENT OF A NATIONAL CORRIDOR IN CANADA AS A MEANS OF ENHANCING AND FACILITATING COMMERCE AND INTERNAL TRADE

FIFTEENTH REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE TABLED

Hon. David Tkachuk: Honourable senators, I have the honour to table, in both official languages, the fifteenth report of the Standing Senate Committee on Banking, Trade and Commerce, entitled *National Corridor: Enhancing and Facilitating Commerce and Internal Trade*, which deals with the study on the development of a national corridor in Canada as a means of enhancing and precipitating commerce and internal trade.

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

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

Hon. Senators: Agreed.

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

Hon. Senators: Agreed.

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

[Translation]

STATISTICS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-36, An Act to amend the Statistics Act.

(Bill read first time.)

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

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

[English]

CANADIAN NATO PARLIAMENTARY ASSOCIATION

JOINT VISIT OF THE NINETY-SECOND ROSE-ROTH SEMINAR, THE UKRAINE-NATO INTERPARLIAMENTARY COUNCIL, THE SUB-COMMITTEE ON NATO PARTNERSHIPS AND THE SUB-COMMITTEE ON TRANSATLANTIC ECONOMIC RELATIONS, JUNE 14-16, 2016—REPORT TABLED

Hon. A. Raynell Andreychuk: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canadian NATO Parliamentary Association respecting its participation at the Joint Visit of the Ninety-second Rose-Roth Seminar, the Ukraine-NATO Interparliamentary Council, the Sub-Committee on NATO Partnerships and the Sub-Committee on Transatlantic Economic Relations, held in Kyiv, Ukraine, from June 14 to 16, 2016.

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

COMMITTEE AUTHORIZED TO DEPOSIT REPORT ON STUDY OF ISSUES RELATING TO FOREIGN RELATIONS AND INTERNATIONAL TRADE GENERALLY WITH CLERK DURING ADJOURNMENT OF THE SENATE

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

That the Standing Senate Committee on Foreign Affairs and International Trade be permitted, notwithstanding usual practices, to deposit with the Clerk of the Senate a

report relating to its study on recent developments in Venezuela, if the Senate is not then sitting, and that the report be deemed to have been tabled in the Chamber.

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.)

COMMITTEE AUTHORIZED TO EXTEND DATE OF FINAL REPORT ON STUDY OF ISSUES RELATING TO FOREIGN RELATIONS AND INTERNATIONAL TRADE GENERALLY

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

That, notwithstanding the order of the Senate adopted on Wednesday, January 27, 2016, the date for the final report of the Standing Senate Committee on Foreign Affairs and International Trade in relation to its study on such issues as may arise from time to time relating to foreign relations and international trade generally be extended from June 30, 2017 to June 30, 2018.

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.)

SENATORIAL DIVISIONS OF THE PROVINCE OF QUEBEC

NOTICE OF INQUIRY

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

I will call the attention of the Senate to the fact that the twenty-four senatorial divisions of the Province of Quebec do not include the northern portion of the province and, as a consequence, the population of this area, the Inuit in particular, is deprived of representation in the Senate of Canada.

QUESTION PERIOD

IMMIGRATION, REFUGEES AND CITIZENSHIP

VEGREVILLE CASE PROCESSING CENTRE

Hon. Betty Unger: Honourable senators, my question is for Senator Harder. It's a follow-up on the Vegreville questions.

It's difficult to find anyone outside of the Liberal government who agrees with the decision to close the Vegreville case processing centre. In fact, the list of communities, councillors, associations and parliamentarians and others are lining up to denounce this action, and that speaks volumes.

Let me name a few of these: Alberta Association of Municipal Districts and Counties; Alberta Federation of Labour President, Gil McGowan; Alberta Minister of Labour Christina Gray; Alberta Urban Municipalities Association; Angela Pitt, Alberta MLA; Beaver County; City of Cold Lake; County of Two Hills; Elk Island Public Schools; Federation of Canadian Municipalities.

• (1350)

I could go on and on. I have four pages of people who have added their names to this list.

Senator Harder, can you update this chamber on whether or not the government will in fact be restarting the review process to properly consult with the people of Vegreville?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question and her ongoing advocacy on this matter. The Government of Canada continues to believe that this is a business decision made in the best interests of taxpayer funds and the efficiency and effectiveness of the department concerned.

Senator Unger: Senator Harder, are you saying that in the short period of time since I last asked you, the government is proceeding with this wrong-headed decision without any sort of consultation with the Town of Vegreville about this decision?

Senator Harder: Again, I thank the honourable senator for her question, and I would repeat what I've said earlier. The department has undertaken consultations with the municipality of Vegreville on an ongoing basis. Obviously there is a view within the municipality that differs from the policy of the Government of Canada. The Government of Canada continues to move ahead with its intentions and is looking to ensure that taxpayer dollars are spent in an effective fashion and in the relocation of the processing centre to Edmonton.

FINANCE

GOVERNMENT SPENDING

Hon. Larry W. Smith (Leader of the Opposition): My question is also for the Leader of the Government in the Senate.

In a report released yesterday, the Parliamentary Budget Officer warned Canadians that "... the financial vulnerability of the average household would rise to levels beyond historical experience."

Yesterday Senator Woo implied that the Bank of Canada alone was responsible for influencing inflation. In basic economic principles, increasing the money supply by borrowing what you don't have creates inflation. The Bank of Canada's response is to raise rates, effectively tightening supply. For those living off a trust fund, high interest rates are positive; but for the average hard-working Canadian with a mortgage or business loan to pay, high rates of interest cause concern.

The PBO estimates that if the Bank of Canada were to raise key interest rates from the current 0.5 per cent to 3 per cent, the average Canadian family would have to use 16.3 per cent of its disposable income for debt repayments by the end of 2021. As mentioned in my speech earlier, the CMHC, Moody's and other major organizations are concerned about the dangerous level of mortgage debt in markets like Toronto and Vancouver.

Given that we are heading toward massive deficits and higher interest rates and currently facing instability in the housing markets of several cities, what will the government do to promote change in the trajectory it has set in place by dangerously overspending?

Hon. Peter Harder (Government Representative in the Senate): I thank my honourable colleague for his question. I would, of course, take issue with a number of points in the premise of his question. I do not believe nor does the government believe that its spending is outrageous and uncontrolled. It is a fiscal plan that matches the economic circumstances of the time. It is deliberate and prudent, and the investments being made in infrastructure are necessary for preparing the Canadian economy for the future.

With respect to interest rates, I would also suggest that our interest rates are at historic lows, and that is unsustainable over the long term of the economic cycle. However, the government believes that the risk of explosive interest rate growth is not in the foreseeable future, although some flexibility in interest rates does take place, as the honourable senator will know.

With respect to the housing market, the government has undertaken a number of measures, particularly through CMHC, to better prepare consumers for the challenge of a changing economic and interest rate environment and is also working in particular markets, particularly Toronto and Vancouver, and at the provincial level. I'm happy to report, as the senator will know, that effects are already being shown in the housing markets in those locations.

Senator Smith: As a supplementary, if I have a house valued at \$300,000 with a \$200,000 mortgage, and I'm at 3 per cent today and it went up to 5 per cent, I would be paying almost a double rate for each \$100 or \$100,000 of debt. We don't have to have significant rate increases, but if we have a rate increase that takes us from 3 to 4 or 3 to 4.5, it is significant enough, even at a lower level. Once you get into one and half or one and three quarters of your base amount, even at a low interest rate, it can be very difficult for the average Canadian family.

This leads to our greater question: Do you foresee a period of time when we actually will start to look at trying to control the debt and get ourselves back to some form of balance, or will this just go off to the next 10 years and we will try to equate it to the time of our infrastructure expansion program?

Senator Harder: Again, I thank the honourable senator for his question.

Let me repeat what the Minister of Finance stated in his economic documents and most recently in the budget. It is the view of the Government of Canada that in the reporting period of the fiscal plan there will continue to be deficits, but there is also in the ongoing plan a lowering of the debt-to-GDP ratio, which is the fiscal anchor for this government.

NATIONAL DEFENCE

DEFENCE POLICY REVIEW

Hon. Dennis Glen Patterson: My question is for the Government Representative in the Senate, and it's about the defence policy review released earlier this month in which the government confirmed a commitment to build five or six Arctic offshore patrol ships known as the AOPS. Two of these Arctic offshore patrol ships are currently being built in the Irving shipyard in Halifax with the other three or four to follow, we hope. Some will be based out of Halifax; some may be based out of Esquimalt. The patrol ships are to be able to operate in the North and refuel at a facility in the North currently under construction.

These are important patrol vessels for the surveillance of Canada's North. Can you let us know whether these Arctic offshore patrol ships are on schedule?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for his question and obvious concern that the appropriate defence vessels are available for the Arctic. I will inquire of the minister as to the state of the delivery of the vessels, determine with him whether we are on schedule or not, and report that to the honourable senator.

Senator Patterson: I would like to ask about the reference in the defence policy review to Canada's submarine fleet.

In that review the government pledged to "modernize the Victoria-class submarines." Canada currently has four submarines. But what the announcement failed to particularize, and what I would like to ask, is when will the modernization of Canada's submarines be completed, and will this modernization ensure that they will have capability to operate under Arctic waters?

Senator Harder: I thank the honourable senator for his question. He is right to point to the commitment the government has made in the defence review to the refurbishment of the submarines and ensuring that Canada has a submarine capacity. In many ways, that capacity contributes to our responsibility for Arctic sovereignty and assertion of proper surveillance of our waters. The senator will know that the submarines have performed outstandingly in terms of surveillance

in patrol of waters and in international operations, and that they are a strategic asset for the Government of Canada. That is why it is the intention of the government to continue to operate and modernize the four Victoria-class submarines.

• (1400

My understanding is that there is a time frame for that. I will inquire as to the precise time frame, but it is multi-year and it is an ongoing renovation of the submarines so that we continue to have existing capacity while refurbishment takes place. That's anticipated to be multi-year as the vessels are upgraded and modernized

INDIGENOUS AND NORTHERN AFFAIRS

STATEMENTS OF MINISTER

Hon. Marilou McPhedran: Senator Harder, on National Aboriginal Day, I wish to follow up on my previous question to you, asking if the government has corrected the record at Indigenous and Northern Affairs, at the committee, and has clarified that indeed Senator Sinclair did vote for the amendments to Bill S-3, unlike what the minister indicated to the committee when she said that he voted against.

Hon. Peter Harder (Government Representative in the Senate): Let me simply say that the record speaks for itself.

Senator McPhedran: I'm sorry. With all due respect, I don't understand your answer.

The Hon. the Speaker *pro tempore*: Do you want a supplementary?

Senator McPhedran: Yes, please.

With all due respect, I don't understand your answer. What I asked is whether the record has been corrected. Are you saying to me that yes, the record has been corrected? It has changed from the previous summary of the presentation to the committee by the minister?

Senator Harder: Let me simply say that the minister is aware of the record. I am unable to report whether or not the minister has made a public statement one way or the other, but my statement is intended to reaffirm that the record is the record.

NATIONAL DEFENCE

DEFENCE POLICY REVIEW

Hon. Daniel Lang: Honourable senators, just an observation or comment I would like to make with respect to the response that the government leader gave to Senator Patterson with respect to the Victoria submarines and the retrofit that has been committed to continue so that they have a longer life. I think that should be a question of full debate of whether or not we —

The Hon. the Speaker *pro tempore*: Senator, this is Question Period. Do you have a question?

Senator Lang: Yes, I do. I think that's an area that should be debated, which way Canada should go.

At any rate, I have a question here. Last week the House of Commons Defence Committee called on the government to acquire a second Resolve-class auxiliary oiler replenishment ship to meet the urgent capability gaps facing the Royal Canadian Navy. Our Senate committee made a similar recommendation in our May 8 report, urging the government to move to acquire a second oiler replenishment ship.

Could the government leader tell us what steps the government is taking to heed this advice and move forward with acquiring a second Resolve-class auxiliary oiler replenishment ship?

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

With respect to the preamble, of course, I'm sure that this chamber in its full and in committee will look forward to having ample opportunity to discuss the defence white paper with the minister, as does he wish to engage with the committee, as the honourable senator will know. Unfortunately, the longer briefing with the minister has had to be postponed because of Senate business.

I want to assure him and all members of the committee and all senators that the defence paper that the minister presented outlines a very robust response to the changing security and international circumstance that the government faces. It is a detailed outline over a multi-year strategy with many recommendations, and it is the minister's hope and the government's hope that there can be widespread engagement with parliamentarians and other Canadians.

With respect to the specific question, I will reference that to the minister. I'm not aware of the government's plans with respect to the recommendations that have come from both the other place and this place, but the honourable senator will know that the plan put forward by the minister is very broad and specific. In that context, the government looks forward to engaging with Canadian parliamentarians and stakeholders.

The Hon. the Speaker *pro tempore*: Do you have a supplementary question?

Senator Lang: Honourable senators, I'd like to go to another area on the question of the defence file. Back home in Yukon, the legislature adopted today as National Aboriginal Day and declared it a holiday in Yukon.

I want to refer to our recommendations in our defence policy review that the Senate committee here undertook. We had a number of recommendations: that the Rangers increase from 5,000 to 7,000; we recommended that there be a reserve regiment established in Yukon; and we also recommended that the Rangers be allowed to have access to naval capabilities for search and rescue. Yet that's not referred to in the defence policy review that has been presented by the minister.

I want to put this on the table. One of the areas that our deputy chair, Senator Jaffer, has been very concerned about is the diversity within the establishment of our military. The fact is that we have a great number of First Nation communities in Northern Canada in totality. It would seem to me, if we're serious about making those opportunities available to those young men and women that happen to be of First Nation ancestry, you should go where they live, and that in part is the North.

The Hon. the Speaker pro tempore: Senator Lang, please ask your question. We have a lineup of other people. That's a statement.

Senator Lang: I would ask the government leader if he would bring these recommendations forward to the minister and see what type of direct response we could get for it.

Senator Harder: I thank the honourable senator for his question and for his comments. Of course, the government will take his suggestions to heart, as it has the recommendations of the standing committee. Indeed, you will know that in presenting his report on the defence paper, the Minister of Defence referenced and paid tribute to the work done by the Standing Senate Committee on National Security and Defence here in this chamber. As the honourable senator will know and all senators should know, the minister specifically asked the committee for its input as part of this process. The objective of tabling a report as comprehensive as the minister has is to engage in exactly the kind of conversation the honourable senator has suggested, and I will bring his perspectives to the attention of the minister, as I always do, because his perspectives are worthwhile.

HEALTH

PHYSICIAN-PHARMACEUTICAL COMPANY RELATIONSHIPS

Hon. Jane Cordy: My question is also for the Leader of the Government in the Senate. I saw in the media yesterday that an audit has shown that doctors in Canada are receiving millions of dollars from pharmaceutical companies. In the United States there's a sunshine law, so it's revealed openly what doctors are being given by big pharma.

It's my belief that patients should be aware of whether or not their doctor has received a golf trip or is being paid by a pharmaceutical company or is being taken out to dinners at very expensive restaurants so that they can make reasonable decisions when a doctor prescribes a medication to them. They can say, "Well, yes, I know he's being paid thousands of dollars by this company and I can do the research on my own."

I wonder if the government is considering a policy or indeed legislation similar to the sunshine law so that doctors and patients in Canada can make more informed decisions based on whether or not they're getting income, money or gifts from big pharma.

• (1410)

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question. I will make inquiries of the minister responsible with respect to the federal government's role in this area. I also note from news reports that provincial ministers have made comments and some have made commitments in this regard.

IMMIGRATION, REFUGEES AND CITIZENSHIP

APPLICATION FEES FOR MINORS

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

Now that Bill C-6 has received Royal Assent, minors who are permanent residents and meet all eligibility requirements but do not have a parent or they have a parent who is unwilling or unable to apply can submit an individual application for a grant of citizenship. However, there is an issue created by the maintenance of differential fees that requires immediate attention.

A lawyer shared with me a letter that he received from Immigration, Refugees and Citizenship Canada with regard to the application of a minor she has worked with for the past two years. The letter notes that minors who submit an application with a parent under subsection 5(2) of the Citizenship Act will continue to pay a processing fee of \$100. In contrast, minors who apply alone under subsection 5(1) will be required to pay the adult processing fee of \$530.

The explanation provided for the differential fee is that applications made under subsection 5(1) have been limited to applicants over the age of 18, apart from on an exceptional discretionary basis.

The minor the lawyer works with is from a low-income background. Despite now having the right to apply for citizenship on his own, he will be unable to submit an application because of the higher application fee.

Has the issue been acknowledged and addressed? More specifically, will the minister use his discretionary authority to change the regulations respecting fees for services in the Citizenship Act to ensure that all applicants under the age of 18 pay the same fees regardless of whether they are applying with a parent or on their own?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for his question and his advocacy. I am unaware of the issue and will bring it to the attention of the minister and be happy to report back to the honourable senator.

ORDERS OF THE DAY

RECOGNITION OF CHARLOTTETOWN AS THE BIRTHPLACE OF CONFEDERATION BILL

THIRD READING

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): Honourable senators, I have been asked by the sponsor of this bill to say a few words. Senator Griffin, I will try to do so, and you can take back the message to the premier that I was not holding up this bill.

Honourable senators, Bill S-236 is entitled "An Act to recognize Charlottetown as the birthplace of Confederation," and perhaps we should start by wondering what "birthplace" means. If we mean that's where the actual birth took place, then Charlottetown isn't the birthplace because the actual birth took place in London when the bill that created Canada was passed.

Now, maybe you're talking about conception. God knows what went on in Charlottetown at that time, or perhaps it was part of the gestation. That is as far as I will go with this metaphor.

Senators Joyal and McIntyre spoke very well, outlining the points that this was part of a process. It's rarely consistent that we all agree on something like this. This bill only had one debate at second reading. In fact, we only heard one speech at second reading, and that was from the sponsor. The bill only had one day of committee study. The committee heard from only one witness, apart from the sponsor.

Needless to say, I'm very grateful for colleagues like Senators McIntyre and Joyal who ensured that the record will show that a rapid study of a bill does not necessarily mean absolute agreement with the subject matter. I would like to follow their lead to establish that the proper historical context is reflected in our deliberations.

I'm pleased that my fellow New Brunswicker, Senator McIntyre, introduced amendments at committee stage. These created a more accurate historical description of the process leading to Confederation in the preamble to the bill. I thank honourable senators for that. I thank all the committee members, including the bill's sponsor, Senator Griffin, for supporting those amendments. As has been rightly pointed out, both in committee and during third reading debate by Senator McIntyre, Charlottetown may have been the site of the first formal conference, but it was not the only conference. I'm glad he noted the idea for these conferences — the brains behind the operation, if you will — came from New Brunswick. That was our Lieutenant-Governor at the time, Arthur Hamilton Gordon. Goodness knows why he was so keen on a Maritime union, but I suspect in part it was because of the Fenian Raids that were happening all along the west coast of New Brunswick, and New Brunswick needed some help in holding back the Irish from northwest United States. There has been a lot written on that situation.

In any event, there was to be a Maritime union meeting in New Brunswick. In fact, as Senator McIntyre explained, the original plan was to hold a conference for a Maritime union in Fredericton. It later got changed to Charlottetown, and we are told by a number of historians the reason was because the

Lieutenant-Governor of Prince Edward Island refused to come to New Brunswick — a real good way to start out on talks of a union, I would think.

• (1420)

I hope that honourable senators will agree with me that I feel that my province has a right to claim to be at least a place to "celebrate where it all began." That's the terminology that New Brunswick is using now because all of this is tied into not so much the historical fact but, rather, the current ability to attract visitors to our region for tourism purposes.

Colleagues, we all come from different parts of Canada, and we all enjoy the opportunity to feel pride in our own communities and in their contributions to the creation and the maintenance of this great country. As Senator Joyal so eloquently told us, ours is a nation that struggled with unity, both during its creation and indeed throughout its history. He called Canada a work-in-progress, and I would like to echo his wise words.

We're about to celebrate the one hundred fiftieth anniversary of Canada, and I can think of no better time and opportunity to reflect on not only where we came from but where we would like to see our country go.

[Translation]

Hon. Renée Dupuis: Would Senator Day agree to take a question?

Senator Day: Yes, of course.

Senator Dupuis: Senator Day, I find it interesting that you referred to New Brunswick, which existed before Confederation, and to Nova Scotia.

Would you say that the provinces of Upper Canada and Lower Canada also existed before the discussions in Charlottetown? The city of Charlottetown is where this first conference was held. In fact, what was created, as stipulated in the Constitution Act, 1867, was a federal union, not a confederation. Not only might Charlottetown not be the birthplace, but we might not be talking about Confederation at all. Would you agree with that assessment?

[English]

Senator Day: Thank you for your comments. It's quite interesting when one reads the history and the role of Upper Canada in inviting themselves to the Maritime union and being accepted because they agreed to bring the beer and wine along. I understand that Sir John A. Macdonald was in charge of that.

As I understand it, the initial discussion was for a legislative union. Then Quebec said that might not work very well for the francophone minority, which would be much smaller, so a Confederation was then considered as an alternative. All of that discussion went on in Charlottetown, but in Charlottetown now, they'll tell you about the balls and the parties that they had.

One of the very interesting activities taking place now is a display of a quilt of Ms. Parlee, a seamstress living in my area of Hampton, New Brunswick. She was involved in helping the ladies with their gowns for the balls in Charlottetown that took place as part of the conference. For many years she maintained and kept pieces of the material from the gowns that the ladies wore. As is often the case in the winter in the Maritimes, ladies get out the quilt rack. She took all the pieces of material that she had and made a quilt.

That quilt has been authenticated, restored and was on tour recently across Canada and is now relocated in New Brunswick. It's interesting that that should have been in New Brunswick rather than Charlottetown, but we can all speculate as to why the ladies' gowns were prepared in New Brunswick.

Hon. Joan Fraser: Would Senator Day take another question?

Senator Day: I'm running out of historical facts here.

Senator Fraser: Well, I will put a question and then I'll make a little comment, which is my real reason for standing up.

I hope you will remember the importance of the Quebec conferences in the creation of our federal union.

The little comment I wanted to make was just to put on the record something that happened a few years ago. You referred to the Fenian raids, which were, of course, a matter of great concern at the time, in the 1860s.

A few years ago I was with the Canada-Europe Parliamentary Association, and we visited Dublin; a beautiful city in a beautiful country. We met, of course, with Irish parliamentarians.

In one of our meetings — I think it may have been our first meeting — the ranking parliamentarian opened by apologizing for the Fenian raids. I just wanted to put on the record that confirmation of enduring Irish-Canadian friendship.

Senator Day: Well, thank you. Your comments prompt two things. I would certainly not forget about the Quebec Conference, which was an important, more business-like conference, where the work got done. That was in the same year, actually, that went from Charlottetown in 1864.

The Fenian raids, the next time you have a beer on Sparks Street at D'Arcy McGee's, have in mind that the person who was alleged to have assassinated D'Arcy McGee, a parliamentarian at the time, on Sparks Street was a Fenian who was not happy with his stance in relation to Canada-U.S. and the Irish Protestant-Catholic situation.

Hon. Larry W. Campbell: Would the senator take a question? I just want to confirm with you, senator, that British Columbia has no claim to be the birthplace of Confederation.

Senator Day: But it's the reason for the cross-Canada rail.

[Translation]

Hon. René Cormier: Senator Day, in the event that Charlottetown is recognized as the birthplace of Confederation, do you believe that Charlottetown would have a responsibility in terms of how it presents and reflects Canada's bilingualism? If so, what could Charlottetown do to affirm Canada's bilingualism?

Senator Day: Thank you for the question. I totally agree with what you are saying. I am sure that Senator Griffin will pursue her initiative because it is very important to promote bilingualism throughout the entire celebration period.

[English]

Hon. Sandra M. Lovelace Nicholas: Would the senator entertain another question?

Senator Day: Certainly.

Senator Lovelace Nicholas: With all these arguments I've been hearing, did anyone think to ask indigenous people? After all, it was their land.

Senator Day: Thank you very much. I am absolutely certain that no one thought to ask them. That's one of the disappointing things about the formation of Canada, and we owe it to the indigenous people to make up for that at this time.

Hon. Terry M. Mercer: Honourable senators, to echo Senator Lovelace Nicholas' question, I think that's an oversight that we continue to perpetuate in our history. If you walk around this building and look at the ceiling here, you hear talk about the symbols on the ceiling being from the founding groups that came to Canada — Ireland, Scotland, England, France — but there is no recognition there of the people who were here before us. I'm not suggesting that we change it, but we always need to recognize it, and I appreciate the intervention of Senator Lovelace Nicholas.

It's typical of Canada that we would go to Prince Edward Island to enjoy ourselves, and then somebody would take us someplace else to do some hard work. P.E.I. has always been the place I've always gone and have always had a good time, whether it be summer vacation or going there in the winter.

• (1430)

The problem with the council meeting in Charlottetown then was that it was supposed to be a meeting of Maritimes provinces, and they were going to talk about a Maritime union. It's too bad Sir John A. had not come a few days earlier, because maybe they would have gotten something done regarding the Maritime union. It would have made our provinces a lot more efficient if we had a Maritime union. I'm not proposing that at this stage of the game — and I don't have any intention to do so — but it would allow us to be more efficient in governing ourselves not only provincially but also with respect to the economy, because of the crazy economic barriers we put up at Confederation — and some still exist in interprovincial trade.

It is typical that Sir John A. would show up with beer and wine. I still have no idea where the dancing comes into the conference, but there are constant references to balls and celebrations in the evening.

I invite colleagues, if they have a chance, to drop by my office on the third floor of the East Block. I have a series of cartoons on my wall that were drawn many years ago for the Young Liberals, when I was director of the Young Liberals. The one I'm most proud of is a caricature of the Charlottetown Conference where it depicts the "Mothers of Confederation" instead of the fathers. The sign says, "Whatever happened to the Mothers of Confederation?" Not only did we not recognize the Aboriginal people but the other sex wasn't recognized at the conference, either

Senator Cordy: They were the ones who were doing all the work.

Senator Mercer: You are absolutely right, Senator Cordy, as always.

I want to remind people of what Senator Joyal raised yesterday, namely that after a year of the union my province wanted out. They wanted out because it was costing a lot of money. At that time we were wealthy compared to others because we were a trading region and a lot of ships were coming through the Port of Halifax, et cetera. It was very costly for Nova Scotia in the long run and in the short run; we had to pay a lot.

I'm glad to hear that Senator Tkachuk from Saskatchewan wants to say "thank you." You're welcome.

I just wanted to put on the record the fact that Nova Scotia's attendance at the meeting was primarily to talk about the Maritime union and some guy from Ontario showed up and hijacked the meeting. That is so typical. It is also so typical that, as Maritimers, we welcomed him to the party. The fact that he showed up with booze may have had something to do with that. I understand that Sir John A. was a charming fellow.

Honourable senators, as we come to a conclusion on this, I wanted to ensure that we recognized that not everyone was happy after this party was over. A year after the party was over and we went down the line, Nova Scotia said, "Maybe this wasn't a good idea." I'm happy that they didn't step back, but it is a demonstration that as the country evolves — and we are still evolving — we will still have these bumps along the road. We need to acknowledge that, but we also need to learn from the mistakes we made in Charlottetown — that is, not having the Aboriginal people at the table, not having women at the table and all the other mistakes that were made.

Charlottetown is a great place. Some bad examples may have been set there, but hopefully we've all learned from those. Senator Duffy just reminded me that we picked up one bad habit from Sir John A. — at least, some of us did.

I encourage you to support this motion.

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

Hon. Senators: Question!

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

Hon. Senators: Agreed.

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

NATIONAL STRATEGY FOR ALZHEIMER'S DISEASE AND OTHER DEMENTIAS BILL

THIRD READING

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.

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 the Honourable Senator Stewart Olsen, seconded by the Honourable Senator Seidman, that the bill be read the third time now.

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

Hon. Senators: Agreed.

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

JUDICIAL ACCOUNTABILITY THROUGH SEXUAL ASSAULT LAW TRAINING BILL

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Andreychuk, seconded by the Honourable Senator Seidman, for the second reading of Bill C-337, An Act to amend the Judges Act and the Criminal Code (sexual assault).

Hon. Frances Lankin: Honourable senators, I intend to take a couple of moments to put —

Hon. Joan Fraser: On a point of order, this item stands in my

Senator Lankin: It does; I'm sorry.

Senator Fraser: I'm delighted to see the senator wishes to speak to this, but I would like the adjournment to remain in my name when she has concluded.

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

Hon. Senators: Agreed.

Senator Lankin: Thank you very much. I say to the honourable senator that had she let me finish my sentence, I was about to indicate that this was to be adjourned in her name and ask for that

I intend to only put a few comments on the record on this bill.

I'm very concerned at how some of the discussion has taken place with respect to this bill in its current form. I do hear and understand from certain senators that there are concerns with respect to this bill. I have heard the sponsor of this bill in the Senate, Senator Andreychuk, say that some of these are quite reasonable issues to be explored in committee and that if we would send it to committee, the committee could begin to do its job.

I want to pay tribute to the intent of this bill. In that, I want to pay tribute to the people who I think this bill speaks to and speaks for, namely, the victims of sexual assault. The victims of sexual assault in our country are not — let me say again — are not being treated appropriately, justly, with the understanding of the issues involved in sexual violence and they are not receiving justice through our court system at this point in time. That's all victims of sexual violence, women and men. It is worse for women if they are from marginalized populations, if they are Black, if they are indigenous, if they are poor.

Sexual violence is a plague in our society. The only place that victims have an opportunity for justice to be done is in our court systems. We have seen all too often the insensitivity and, dare I say, the sexism and misogyny play itself out in the courts of our land where that has no business.

• (1440)

I listened to carefully to some of the criticisms of the bill. I know there are learned lawyers and former members of the judiciary in this chamber, and I have the utmost respect for all of them. I see that they don't all agree on everything as it comes forward here and it would be naive of me to think they would. Individual judgment must play a role. But there is no judgment that is being exercised or that should be allowed to be exercised that would allow for the treatment of victims as we have seen.

Senator Andreychuk put many comments on the record and I will not repeat those. Also the critic of this bill, who is supportive of the bill, Senator Pate, talked about the horrific treatment of

Angela Cardinal, an indigenous woman. As she has put it so clearly, it is hard to imagine that a non-indigenous woman would have been treated by the legal profession, including the preliminary inquiry judge, the way this woman was — incarcerated for days and shackled. You are all aware of the story.

There are arguments to be made. Some have put forward that this may be challenged and unconstitutional because of its dalliance into provincial jurisdiction. I would say that there are reasonable arguments that would oppose that. Let's have that discussion at committee.

I would say that the issue of how people would seek this training before applying for a position and what that might do to their career path within their law firms is a reasonable question. Let's have that discussion.

I think the question of where and when all people involved in our legal and justice system are trained with respect to greater sensitivity and understanding of sexual violence is a good question. Let's explore that question in committee.

What I fear is that the individual objections, questions or concerns that people are raising, which they should raise and which should be part of our deliberative approach in this chamber, are being aired here and in the hallways. They are not being put before a committee that can bring forward witnesses to understand how best to accomplish this, who can take this from the theoretical and the debate about what creates a bias for an independent judiciary and what doesn't.

Let's take this matter into committee and have that discussion, but let's understand that the victims of sexual violence are every day in our courts subject to treatment that none of us in this chamber should find acceptable and that all of us in this chamber should want to be part of finding a solution to. I would suggest that well-thinking people of good heart and good intention in the judicial system will want to find a response to this too.

I do not stand as a lawyer or constitutional expert. I am not Senator Joyal and will not answer any questions from you on the Constitution and your interpretation of this, except to say that all the issues that have been raised deserve consideration and deserve to be addressed in committee. At this time, this bill sits here, and I don't understand the reason why we can't bring this forward for those very good issues that have been raised to be examined in committee.

I thank the originator of this bill, MP Ambrose and I thank Senator Andreychuk for bringing it forward. I stand in solidarity with them and with their concerns for the victims of violence, and I stand in solidarity with all honourable senators here who have and share this concern. I ask us to consider moving this to committee.

Thank you very much, Your Honour, and I do ask that this item be adjourned in the name of Senator Fraser.

(On motion of Senator Fraser, debate adjourned.)

STUDY ON THE DEVELOPMENT OF A STRATEGY TO FACILITATE THE TRANSPORT OF CRUDE OIL TO EASTERN CANADIAN REFINERIES AND TO PORTS ON THE EAST AND WEST COASTS OF CANADA

SIXTH REPORT OF TRANSPORT AND COMMUNICATIONS COMMITTEE AND REQUEST FOR GOVERNMENT RESPONSE— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator MacDonald, seconded by the Honourable Senator Patterson:

That the sixth report of the Standing Senate Committee on Transport and Communications, entitled *Pipelines for Oil: Protecting our Economy, Respecting our Environment*, deposited with the Clerk of the Senate on December 7, 2016 be adopted and that, pursuant to rule 12-24(1), the Senate request a complete and detailed response from the government, with the Minister of Natural Resources being identified as minister responsible for responding to the report, in consultation with the Ministers of Transport and Fisheries, Oceans and the Canadian Coast Guard.

Hon. Terry M. Mercer: Honourable senators, acknowledging that this is in Senator Day's name, I wanted to make a very brief comment.

The Hon. the Speaker pro tempore: Is it agreed, honourable senators that this will remain in Senator Day's name?

Hon. Senators: Agreed.

Senator Mercer: Thank you very much, Your Honour and colleagues. I just want to talk briefly about the study of the Standing Senate Committee on Transport and Communications on pipelines for oil for protecting our economy while respecting our environment, which was deposited with the Clerk of the Senate on December 7.

It is an important document that the Standing Senate Committee on Transport and Communications has produced, but I wanted to get it on the record because Senator Mockler and I have been exchanging barbs about the pipeline.

I think the real issue is that after our study, we concluded that pipelines are the safe way to move petroleum across this country. It's important that we all recognize that for a number of years the provinces of Alberta and Saskatchewan have been driving the economy of this country because of the production of energy.

It's important for us to recognize also that many people from other parts of the country have been out there working. I know in my province, thousands of young men and women go to Alberta every week to work in the oil fields and then come back home every couple of weeks with their paycheques. The downturn in Alberta was felt more in New Brunswick, Nova Scotia and Newfoundland and Labrador than it was felt on Bay Street, and it's important to recognize that moving bitumen out of northern Alberta to tidewater to the customers we need to develop will do two things. First, it will allow those jobs to continue to flourish. Then — God forbid — we would actually get the world price for our product instead of the discounted price that we get from our American friends. Then maybe at some date in the future when our American friends want to buy more from us we will say, "Sorry, we're selling to the higher bidder who is somewhere else in the world," and maybe they will then step up to the plate and pay the world price.

This is an important issue not only for Alberta and Saskatchewan but also for Atlantic Canadians. It is an important situation for Quebecers and Ontarians as well. When the committee was in Montreal, I happened to be in the chair that day. As we know, our good friend Senator Dawson had been ill and Senator MacDonald was delayed in coming to Montreal, so I took the chair.

I also participated in a couple of interviews in Montreal, and I will tell you about one interview I had with a radio station. Of course, we all know that the mayor of Montreal, Mayor Coderre, has expressed opposition to that. I know Denis Coderre; I've known him for years.

The reporter asked me: "What are you going to say to Mayor Coderre about your support of pipelines going through the province of Quebec?" I said: "I'm not going to say anything to him, but he's going to have to speak to the workers in Montreal and the workers in Quebec who will not have jobs if the pipelines don't go ahead." If the pipeline does not go through Quebec, there are thousands of jobs that Quebecers will not have. And if done properly, there will be thousands of jobs that young Aboriginal people are going to have. If anything good has come out of all this mess, it's that I think the pipeline people have finally caught onto the idea that "Gee, we shouldn't go talking to these people now when we are in crisis. We should be talking to these people all the time. We should be trying to engage the Aboriginal community, recruiting young Aboriginal men and women to do jobs on the pipelines, demonstrating the benefits to people in their communities and making sure there are benefits in employment and financially to the communities."

• (1450)

It frustrated me every time we had somebody from the pipelines come to the committee. "Oh, yes. It's very important to us." And I wanted to ask, "When did that light go on? After the fire in Fort McMurray? After the price of oil dropped?"

You have to pay attention. You can't develop something as large as getting bitumen to tidewater overnight. This is an ongoing job. This is a nation-building job. This is important to every Canadian. If somebody doesn't believe that, then they are not paying attention. The success of our ability to get the product from northern Alberta to tidewater, both east and west, is important for everybody, whether you live in downtown Vancouver, Iqaluit, Halifax, Calgary, Fort McMurray or points in between. Even if you live in Saint John, New Brunswick, the pipeline could be important, too, as the pipeline is on the way to the Strait of Canso.

This is an important issue for an energy-rich country such as ours. When I pull into the gas station in Halifax tomorrow or maybe Friday and fill up my tank, I will be putting gas that came from oil from the Far East. That doesn't make any sense to me. We are one of the richest countries in the world, energy-wise, and I'm buying gas that comes from oil from Saudi Arabia, a country with a questionable human rights record? I'd rather keep someone in Alberta employed. I'd rather keep somebody working the pipeline across the country employed than somebody in Saudi Arabia, who is not probably getting paid a decent wage and who is certainly not getting respect for proper human rights from his or her government.

Colleagues, this is an important report. If you have not read it, it's not that technical. It is a very worthwhile study. I want to compliment all the members of the committee who took the time to do the travelling that we did but also took the time to take this as a serious matter. We didn't go in with a *fait accompli*; we didn't go in that we were all in favour of this, because we had so many questions. After the Lac-Mégantic disaster, I was predisposed and the light went on for me that I would rather have a pipeline go through my backyard than a train going through my backyard with bitumen on it.

Some Hon. Senators: Hear, hear.

Senator Mercer: Honourable senators, this will stay adjourned in the name of Senator Day, but when it comes up for a vote, I encourage you that this is about nation-building. It is not about the economy of northern Alberta; it's about the economy of Canada, from coast to coast to coast.

(On motion of Senator Day, debate adjourned.)

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

THIRTEENTH REPORT OF COMMITTEE—MOTION IN AMENDMENT WITHDRAWN

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: Honourable senators, this item stands in the name of Senator Ringuette, but she has agreed to let me speak to it at this time.

Technically, what we are debating now is a motion in amendment that I put forward a while ago. I should make it plain to senators that even at the time, I was not in favour of the substance of this amendment. It was a procedural move to enable the debate to be adjourned and continued.

While that happened, the adjournment occurred, and debate was allowed and given time to continue. The purpose of my amendment has been served, and I would now seek leave of the Senate to withdraw my amendment.

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

Some Hon. Senators: Agreed.

(Motion in amendment withdrawn.)

[Translation]

Hon. Pierrette Ringuette: Honourable senators, as you know, I had concerns about this report, but I want to tell you about a deal that was reached following a series of discussions with Senator Housakos.

The agreement is as follows. First, the media relations position will be filled through a public competition that will include a job description. Second, the subcommittee on communications will be responsible for holding interviews and screening candidates. Third, before a candidate is selected, each of the four groups or caucuses will be made aware of the candidates through its subcommittee on communications representative. Finally, no candidate will be selected without the consent of each group or caucus.

I believe Senator Housakos is ready to confirm our agreement.

[English]

Hon. Leo Housakos: Indeed, honourable senators, I have had discussion with Senator Ringuette and others in regard to this issue. I'm putting on the record here that I'm comfortable with the agreement. The subcommittee on communications will have a public competition, which we will direct HR to have, in order to fill the post. I've discussed with Senator Ringuette that the subcommittee on communications will be the Selection Committee, as is appropriate by the *Rules of the Senate*.

It has always been the intention and the practice on that committee. That committee — and I have said this many times — is one of consensus. We've never had votes or disagreements on issues, and we will continue in that vein. I will vouch for that in this particular process that if there isn't full consent from all four caucuses on the committee, the hire will not take place.

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

Some 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 Committee on Internal Economy, Budgets and Administration be adopted.

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

Some Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

STUDY ON RECENT POLITICAL AND ECONOMIC DEVELOPMENTS IN ARGENTINA IN THE CONTEXT OF THEIR POTENTIAL IMPACT ON REGIONAL AND GLOBAL DYNAMICS

THIRTEENTH REPORT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE COMMITTEE— DEBATE ADJOURNED

The Senate proceeded to consideration of the thirteenth report of the Standing Senate Committee on Foreign Affairs and International Trade, entitled *A turning point in Canada-Argentina Relations?*, tabled in the Senate on June 1, 2017.

Hon. A. Raynell Andreychuk: Honourable senators, if there is time, I wish to speak on this item. We do have a committee meeting of the Ethics Committee, and if I start, I may have to interrupt it, so I'm going to adjourn it now. If there is time, and only with concurrence of the house, I would ask for leave to revert back to it.

(On motion of Senator Andreychuk, debate adjourned.)

STUDY ON OPPORTUNITIES FOR STRENGTHENING COOPERATION WITH MEXICO SINCE THE TABLING OF THE COMMITTEE REPORT ENTITLED NORTH AMERICAN NEIGHBOURS: MAXIMIZING OPPORTUNITIES AND STRENGTHENING COOPERATION FOR A MORE PROSPEROUS FUTURE

FIFTEENTH REPORT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE COMMITTEE ADOPTED

The Senate proceeded to consideration of the fifteenth report of the Standing Senate Committee on Foreign Affairs and International Trade, entitled *North American Neighbours: Canada and Mexico Cooperation in Uncertain Times*, tabled in the Senate on June 14, 2017.

Hon. A. Raynell Andreychuk moved the adoption of the report.

She said: Honourable senators, I am going to speak to this item, as mine is a short intervention.

In June 2015, the Standing Senate Committee on Foreign Affairs and International Trade released a report entitled North American Neighbours: Maximizing Opportunities and Strengthening Cooperation for a more Prosperous Future.

The committee's 2015 report focused on Mexico's fundamental significance to Canada as a bilateral and hemispheric partner beyond shared commitments together with the United States in the North American Free Trade Agreement.

• (1500)

The committee emphasized that in order to improve cooperation among the three countries and, ultimately, to foster competitiveness and greater prosperity on the continent, Canada needs to engage more strategically with Mexico. In fact, we referred to our report as "the trilateral report."

The 2015 report included recommendations calling upon the Government of Canada to engage more closely with Mexico on issues of mutual concern, including the facilitation of trade, the energy sector and international education, as well as issues relating to governance, security and the rule of law.

Since the release of the committee's 2015 report, Canada and Mexico have addressed two priority irritants in their bilateral relationship. Mexico expanded access for Canadian beef to its domestic market, and in line with the recommendation from the committee's 2015 report, Canada announced that it was lifting the visa requirement for Mexican citizens.

In recent months, the new U.S. administration has evoked a number of policy changes that are creating an uncertain environment for North American cooperation. The renegotiation of NAFTA, the trade and economic integration process that has been at the core of the North American relationship since 1994, as well as fiscal and regulatory issues, changes to U.S. immigration policy, and the building of a wall along the U.S.-Mexico border figure among the priorities that could test the existing parameters of North American cooperation and the future of Canada's relationship with our two continental partners.

In light of these potential changes, the committee heard from witnesses in order to assess the continued relevance of the committee's 2015 report. In addition, on the request of the Parliament of Mexico — more particularly, the two committees that are tasked with foreign affairs — we were invited to address the Parliament and to provide content to our report and to have a dialogue with our counterparts in Mexico. A committee of four members, being the Subcommittee on Agenda and Procedure of the full committee, undertook a two-day fact-finding mission to Mexico City in March 2017 to hear the most up-to-date analysis on the possible political, economic and social implications for Mexico and the trilateral relationship that could result from such policy changes. The mission gave Canadian and Mexican parliamentarians the opportunity to strengthen the bilateral dialogue on issues of common concern.

The initiative was especially well-received by Mexican parliamentarians, as well as by other Mexican stakeholders, government officials, academics and businesspeople that the delegates had an opportunity to meet with in Mexico. We were told that the mission had been very timely and that the bilateral relationship would also benefit from ongoing and more frequent

interparliamentary dialogue. Our visit came shortly after a bilateral visit of our Prime Minister and the President of the United States. Mexico was wondering where they fit in that relationship.

Much discussion in Mexico took place with us as we were practically the first government officials or parliamentarians to visit Mexico after that important moment for the Mexicans. We reassured them of our continuing interest in developing a strong relationship with Mexico to the benefit of all parties. While we were not government officials, we underscored that we believed that where Mexico and Canada and the United States should meet, we would encourage the same. Where our interests diverged, we would certainly respect our governments in doing so.

We trust that we brought the parliamentary perspective to a very vital relationship. If you go back to our report in 2015, you'll see the statistics on trade and other issues that are extremely important to Canadians and Mexicans.

In light of what we heard in Mexico and Ottawa, the committee remains convinced that strategically engaging with Mexico while also continuing to nurture ties with the United States will open up new possibilities and a new resolution to face our respective challenges.

To borrow the words of a committee witness, Canada should "stay the course" on the road to engagement with Mexico. Witnesses reiterated that mutual importance of Canada-Mexico trade and, in particular, energy cooperation. We heard that all three neighbours benefit from the ongoing facilitated cross-border flow of goods and services in a world where global value chains reign. We were also told that Mexico represents "a historic opportunity" for Canadian companies in the oil and gas sector.

Witnesses also repeatedly emphasized that areas of mutual interest extend beyond those related to trade and investment, as a secure, stable and prosperous Mexico is indispensable to Canada's own prosperity and security. Accordingly, the committee's witnesses and interlocutors in Mexico stressed that Canada-Mexico cooperation should include issues related to regional security, human and drug trafficking, human rights, good governance, respect for the rule of law, managing health pandemics and energy systems integration, amongst other issues.

While the North American relationship is currently facing a period of flux, the new report reiterates the findings from the 2015 committee report that an enhanced Canada-Mexico relationship can result in significant benefits for the realization of the continent's full potential. Accordingly, different avenues for cooperation, whether bilateral or trilateral, should continue to be pursued as appropriate and as necessary when responding to specific circumstances and priorities.

In conclusion, while the relationship between Canada and Mexico is positive and continues to deepen, the committee maintains that there is room for both countries to engage further bilaterally. The two partners should, therefore, build on recent bilateral developments to enhance cooperation within the North American framework.

I note that my deputy chair cannot be with us. He is on other parliamentary business, but he would want me to underscore that education is one of the benefits. From both studies and from our visit, it would appear that Mexicans need to know more about Canada, and Canada needs to know much more than tourism in Mexico. One of the benefits is education. We have great opportunities to bring students to Canada and, respectively, Canadians going to Mexico. In fact, since our 2015 report, we've been told that the numbers have increased. There may be other reasons, but we'd like to take credit, from our report, for doing

Also, Mexico has indicated that while they have an excellent education system, they have the need for more specialized, highly skilled work in specific fields, notably in energy. We have the kind of specific expertise in Canada that we can build on in Mexico. So the relationship is necessary. The relationship, I think, is one that we should all explore beyond our mutual interest in exploring our respective countries.

On behalf of the committee, I would like to ask for the adoption of this report. It's here as a follow-up to the original report.

The Hon. the Speaker: Are you moving the adoption of the report, Senator Andreychuk?

Senator Andreychuk: Yes. I thought I had. I move the adoption of the report.

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

FIFTEENTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fifteenth report (interim) of the Standing Committee on Internal Economy, Budgets and Administration, entitled Senate Administrative Rules (Caucuses), presented in the Senate on June 15, 2017.

Hon. Leo Housakos: Honourable senators, I move adoption of the report.

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

[Senator Andreychuk]

• (1510)

SIXTEENTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the sixteenth report (interim) of the Standing Committee on Internal Economy, Budgets and Administration, entitled Senate Administrative Rules (Caucuses), presented in the Senate on June 15, 2017.

Hon. Leo Housakos moved the adoption of the report.

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

STUDY ON THE DEVELOPMENT OF A NATIONAL CORRIDOR IN CANADA AS A MEANS OF ENHANCING AND FACILITATING COMMERCE AND INTERNAL TRADE

FIFTEENTH REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE AND REQUEST FOR GOVERNMENT RESPONSE ADOPTED

The Senate proceeded to consideration of the fifteenth report of the Standing Senate Committee on Banking, Trade and Commerce, entitled *National Corridor: Enhancing and Facilitating Commerce and Internal Trade*, tabled in the Senate earlier this day.

Hon. David Tkachuk moved:

That the fifteenth report of the Standing Senate Committee on Banking, Trade and Commerce, tabled on Wednesday, June 21, 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 Innovation, Science and Economic Development being identified as minister responsible for responding to the report.

He said: Honourable senators, I'm going to say a few words. Half a century ago, Canada had a number of visionaries. I'm quoting right from the report. One example was the honourary Lieutenant-General Richard Rohmer who identified, planned and wrote a report suggesting the creation of a national corridor in Northern Canada from coast to coast.

Fifty years later, we're doing our own study and we invited Mr. Rohmer to appear as a witness. Mr. Rohmer is now 92 years of age and he was a great witness for us. We talked about his report and about the follow-up to his report, which was done by the University of Calgary. The School of Public Policy did an actual study and they got the idea from Mr. Rohmer. They talked about the feasibility of this and whether it would be a national corridor through northern Ontario, that would have to clear all of

the environmental, legal and indigenous hurdles that we'd always faced in this country every time we want to build an infrastructure project.

Which leads me to talk about one particular witness who I think jarred us all a little bit when he said that we could not build a transcontinental railroad in Canada today because of the legal, regulatory, environmental and political issues that would affect it. It would take too long to get it approved making it a near impossible task. How is it possible that we cannot duplicate the efforts of our forefathers who built a railroad that tied the country together after Confederation?

That is one of the big questions our own study raised and it was interesting to all of us. I'm going to table this report, and I hope that you adopt it and that you read it. I'm sure we'll be talking about it in the future.

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

Hon. Senators: Question.

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

THE SENATE

MOTION TO STRIKE A SPECIAL COMMITTEE ON THE ARCTIC—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Watt, seconded by the Honourable Senator Cordy:

That a Special Committee on the Arctic be appointed to consider the significant and rapid changes to the Arctic, and impacts on original inhabitants;

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

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

That the committee be authorized to hire outside experts;

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

That the committee be empowered to report from time to time and to submit its final report no later than December 10, 2018, and retain all powers necessary to publicize its findings until 60 days after the tabling of the final report.

Hon. Patricia Bovey: Honourable senators, I would like to thank Senator Omidvar for giving me the opportunity to speak to this measure before she does.

Honourable senators, on this National Aboriginal Day, I rise in support of a special committee on the Arctic to consider the significant and rapid changes to the Arctic and impacts on original inhabitants. The issues are wide, multi-dimensional and the need great. While individually they may relate to specific Senate committees, from my perspective, I think it is important to take time to look at the North through one lens to give a wider context as to their interrelationships, enabling deeper investigations.

Senator Watt and Senator Patterson have spoken eloquently about the changing circumstances in the North and I support their initiative, concerns and passion. Though I am not from the North, I have many personal and professional connections to the North and feel strongly that the complexities and issues that the North is facing must be defined and addressed.

As senators, we are responsible for the minorities within our country, and there are many in the North, including the Inuit of Holman Island, Cape Dorset, Rankin Inlet, Baker Lake, Labrador, Northern Quebec, to mention only some, and of course the Cree and the Dene. We need a sense of the full scope of the issues affecting the life and cultures of Canada's northern peoples in order to develop a framework to seek strategic solutions to these critical problems. Issues include those of sovereignty, food security and cost, natural resources, climate change and the effects of melting sea ice, and the impacts on living standards.

The circumpolar links are important and as evidenced with the relationship between Canada's Inuit peoples and the Sami of the Scandinavian countries, and the relationships between universities in the circumpolar areas and circumpolar studies. Canada is very much part of all these issues and initiatives. We must get a greater understanding of the concerns, not only of the North but for the North

Climate change is a particularly critical threat, causing alarming changes to the ecology and habitat with the decreasing levels of sea ice and, in turn, the opening of the Northwest Passage, access to oil, creating international claims to the North, lengthening the shipping season and opening the North to large cruise vessels.

Every day, newspaper headlines around the world warn us about the potential impacts of global warming on our climate. Canada's polar regions have been widely predicted to be the first and most severely affected. Continuing scientific research is needed to improve our knowledge and understanding of the challenges of global warming.

How are climate, oceanic and atmospheric changes related to different levels of sea ice in the Arctic? How would changes in this relationship affect marine ecosystems?

We need better tools to predict and curve the harmful effects of the variability and change in the Arctic climate, and that is precisely what combined teams have been undertaking. Canada Research Chair in Arctic-System Science at the University of Manitoba, Dr. David Barber, has been leading this research for a number of years, though this year sea ice conditions have curtailed the 2017 explorations.

This work is expanding scientific knowledge about both the physical and biological processes in the ocean-sea ice-atmosphere system, and is developing innovative modelling tools to predict changes in the system both in space and over time. They are sharing all their discoveries with key stakeholders, Aboriginal peoples of the Arctic and private sector industry. This groundbreaking work is shedding light on how changes in these systems affect the quality and sustainability of the environment and in turn the quality of life. They are collaborating with Aboriginal organizations in collecting, analyzing and integrating data from locations across the Arctic, and the findings of Barber's team are valuable in predicting harmful effects and thus managing the Arctic and consequently our planet.

I think it would be advantageous to learn directly from Dr. Barber how his interdisciplinary team is approaching the scientific realities and impacts on the environment, flora and fauna and livelihoods of those in the North.

The economy of the North has shifted exponentially over the decades, with oil, diamond mines and mineral extraction attracting international interests and investments, and providing jobs. Yet, traditional lifestyles have been compromised and these shifts have been cataclysmic. The suicide rates are alarmingly high, living conditions are far below Canadian standards, with a serious lack of running water, small uninsulated houses, lack of educational opportunities and recreational resources, and of course health being a major concern.

The issue of northern security has been addressed by both Senator Watt and Senator Patterson in this chamber. We know with the opening of the Northwest Passage that many nations are lining up with claims and many countries including Russia, China, Japan, South Korea, the U.S., Norway, Denmark and more have also increased their capabilities to monitor the region.

• (1520)

With cruise ships now going through the Northwest Passage — one last year, two this year — there are further strains on the economy, community and ecology. Can you imagine 4,500 people disembarking in a tiny community? I understand many porta potties were delivered to the North last summer; that all the available fish were purchased by tourists; that the tourists were told not to buy local crafts or art using fur, bone or ivory and, indeed, they were told not to eat while on land.

While that advice was realistic given food supplies in the region, and the international laws prohibiting the import of fur and bone into many countries, one has to wonder if the impact on the community was positive or negative. I know that the Canadian Border Services Agency has planned to have extra staff arrive from the south for the arrival of these ships this summer, and some have told me that they are scheduled to stay there at least until mid-September.

There has also been very real positive international interest in the art of our Inuit peoples: their sculpture, prints, drawings, textiles and paintings. Their work has been collected by private collectors and by corporations and public galleries since the 1950s, though recently, unfortunately, the international collecting levels have fallen off, creating yet another economic issue for the North. As Senator Moncion so aptly highlighted in her initial speech to this chamber, the Inuit Co-operative movement was strong and important.

This year marks the 30th anniversary of the Inuit Art Foundation, whose work has been truly impactful to the artists and cooperatives alike, with the 2017 summer issue of the *Inuit Art Quarterly* noting that the work of Inuit artists, historical and contemporary, has "travelled the globe." Janet Kigusiuq's work, for instance, is "a potent reminder of how we can unite in our shared resistance for sovereignty over our land, resources and culture." And the recently deceased Annie Pootoogook's work viscerally portrayed the alarming social crises in the North.

The role of artists in documenting life and changes in the North is very important, as it is for understanding Northern life. I have to say again that their works, contemporary and historical, have added significantly to the annals of Canadian art, portraying myths, lifestyles and place.

I have spoken, too, to the issues of fresh food and food security before, both with regard to access and cost. This is a critical issue. In Churchill and throughout the northern regions, why does it cost so much more in the North? Why is alcohol so much less expensive than milk and juice? Why are the health concerns so much greater than in the south?

Senators, the issues that face the Arctic touch on almost all of our Senate standing committees. Aboriginal Peoples; Energy, the Environment and Natural Resources; National Security and Defence; Social Affairs, Science and Technology; Foreign Affairs and International Trade; Transport and Communications; and Fisheries and Oceans — all study the Arctic and its challenges in some way.

All of these committees do exceptional work, but a special committee to take all of the issues at hand and examine them through the lens of those who actually inhabit the land would be beneficial to our work here in this chamber.

As a house that is tasked with representing the regions of this country, we should keep in mind that the Canadian Arctic composes forty per cent of Canada's total land mass, a vast land that is deserving of special attention.

Special Senate Committees have provided some very useful studies in the past, from anti-terrorist legislation to aging, health care and Senator Nolin's cannabis report. We are currently in the midst of a special committee study on modernization, which is doing a thorough job addressing that topic.

For those senators worried about duplication or the committee overstepping its mandate, I would stress that the rules are quite explicit regarding this: Once the parameters of a special committee are established, permission to stray from those must be granted by the Senate.

I agree with Senator Watt that we are entering a pivotal moment in the history of Canada's Arctic. Climate change has caused, and will continue to cause, a sea change to life in the Arctic and, indeed, to the whole planet. It is with this in mind that I support Senator Watt's proposal; a special committee on the Arctic would be a timely and responsible use of the resources of the Senate.

Hon. Ratna Omidvar: Honourable senators, I also want to respond to Senator Watt's motion to strike a special committee on the Arctic, but I want to start by commenting on two other motions on the floor to strike two other committees. One is Senator Mercer's motion, No. 206, to appoint a special committee on the charitable sector and the other is Senator Ringuette's motion, No. 189, to study human capital in our country.

I believe all these three issues are vitally important to the future and prosperity of our nation and I imagine that all these special committees will have their work cut out for them. Senator Watt proposes a one-year timeline.

Before I speak to the substance of the committee, I want to make some observations about creating infrastructure for our institution and, perhaps, observe that when we create more infrastructure, we need to be wise, careful and intelligent.

I have heard from colleagues across all caucuses and all parliamentary groups — well, the one parliamentary group, sorry — that our committee work is intensive. Consider the numbers: We have 20 committees in total, including one special committee, Modernization. There are usually between 9 and 15 senators on each committee. Doing a quick count, you will find that there are 264 committee seats shared among 98 of us. Mind you, the 98 will, at some point, rise, but that's an average of 2.7 committees per senator. That does not take into account the work we do as members of groups or caucuses.

In fact, the Modernization Committee has struck a special committee — again, I think it's chaired by Senator Tkachuk — to look into this whole issue, to take the temperature of senators and determine what our priorities are in going forward.

I'm not afraid of hard work. I want to put that on the table. I don't think any of us are afraid of hard work. I'm afraid of not doing the work well enough, and this is really important work. Previously, the Senate has done amazing work when it has created special committees, and I would cite the work of the Special Committees on Aging, Anti-terrorism, the Constitution, Euthanasia and Assisted suicide, Land Use in Canada, Postsecondary Education and so on .

The outcomes have included reports with powerful findings and recommendations: for example, the euthanasia and assisted suicide report in 1995, or the series of reports on Canada's aging population. There is absolutely no doubt that all of these issues are extremely vital, but moving forward, how do we triage which issues to examine in order to ensure the same kind of robust focus in outcomes?

Some questions I ask myself, and I'm sure others will ask other questions, include: Is this issue urgent or vital for Canada or Canadians? What are the expected outcomes of the special

committee? Can the issue be covered by an existing committee? Is there other value in appointing a special committee; for example, raising the public profile of an issue? And, of course, do we have the financial and emotional resources and the will to do this?

With these questions and concerns in mind, I've tried to answer them in response to Senator Patterson's proposal to strike a committee of the Arctic. I come to the conclusion that yes, this is really important work, but I think it is important to assess the creation of the committee against those questions. Much enthusiasm has been shared in this chamber on your idea of striking a special committee by Senators Harder, Eaton and Bovey. I looked at the map of Canada and understood, again, today, that the Arctic makes up 40 per cent of our land mass. It does not feel that way on Parliament Hill, and I think we need to amplify the issues, the concerns and the potential of what is in the Arctic. I will be perfectly honest that I'm one of those Canadians: The furthest north I've ever been, I think, is Banff.

• (1530)

I will admit that I am frightened of winter and snow, but one of the glorious things about being a senator is you have to step out of your own experience and embrace the issues and realities of all Canadians. I'm willing to step out of my comfort zone, so to say. I don't know about ice fishing, but we do have a responsibility to look beyond our own lives and examine those that make up our country. This need for northern perspectives, this collective aspiration, to expand our horizons extends into our committee work.

During previous debate, Senator Patterson has rightly observed that, while valuable, the standing committees in both chambers dealing with indigenous issues are southern-oriented. I agree with Senator Patterson. I also agree that the Inuit population may be much smaller than those of First Nations and Metis, but their perspectives and issues matter equally.

During debate, Senator Watt proposed that this committee conduct smaller studies, for example, on the oil and gas moratorium, infrastructure and conservation. There are other ideas that could be studied as well — climate change, affordable housing in the Arctic, northern migration and settlement and food security, for instance.

I look forward to further debate on this motion, if that is the will of the chamber. I hope that as this special committee on the Arctic comes into being we can simultaneously lend our attention to optimizing the work of all committees of this institution.

(On motion of Senator Plett, debate adjourned.)

MOTION TO STRIKE SPECIAL COMMITTEE ON THE CHARITABLE SECTOR—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Mercer, seconded by the Honourable Senator Fraser:

That a Special Committee on the Charitable Sector be appointed to examine the impact of federal and provincial laws and policies governing charities, nonprofit organizations, foundations, and other similar groups; and to examine the impact of the voluntary sector in Canada;

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

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

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

That the committee be empowered to report from time to time and to submit its final report no later than September 28, 2018, and retain all powers necessary to publicize its findings until 60 days after the tabling of the final report.

Hon. Ratna Omidvar: Honourable senators, this was not accidental but designed that I would speak to both motions on the creation of special committees. I don't want to take up your time by repeating what I said, but my remarks on the creation of special committees hold good for this as well.

Here is a difference: I actually do know a lot about the not-forprofit charitable sector because I have worked in it all my life. I want to commend Senator Mercer for his leadership in drawing our attention to this issue, and Senators Eggleton and Tardif for their work on the charitable sector through the Liberal open caucus.

I don't know this for sure, but I'm pretty sure every one of us in this chamber is somehow associated with a not-for-profit or a charity. I did some pop research, and I looked around the chamber and noticed that Senator Eaton is Director and Vice-chair of St. Michael's Hospital Foundation; Senator Hubley is President of the Prince Edward Island Fiddlers Society — how lovely that must be; Senator Bernard is a founding member of the Association of Black Social Workers; Senator Gold is on the board of directors of Centraide Montreal; and I am on the board of Samara, an organization dedicated to amplifying democracy. I believe this is an issue that cuts across all our regions, interests and lives. This is possibly one of those issues that bind us together.

Senator Mercer has proposed a committee of eight, with a mandate until September 2018. He proposes examining the impact volunteers have, studying the policies and laws that govern the work that not-for-profit charities do.

These topics are near and dear to me. As a new immigrant to Canada — and I possibly am not alone when I say this — this was the one sector that did not look at me in the face and say, "Where is your Canadian work experience?" I have a real fondness and empathy for the sector because on principle it is associated with looking at people other than what is on the paper before them.

I will also note that the not-for-profit charitable sector is the eighth largest employer in our country, larger than the automotive sector.

Here is the interesting thing about the not-for-profit charitable sector: It ranks higher than media on the Edelman Trust Barometer, which is the international barometer that measures trust in society. It ranks higher than business, media and government. But here is the problem: It is trusted by the people of this country, but that trust somehow does not translate into respect. At the heart, I would like to see a committee devoted to this issue come out with recommendations and findings that translate that trust into respect.

In addition to all the very appropriate questions Senator Mercer has proposed on the sector, I would like to consider, for instance, other ideas from jurisdictions that are like-minded on charities. For instance, the U.K. or the Australian model has a charities regulator that has a much broader mandate than the CRA. In the U.K., there are centres called "What Works Centres," which are hubs for best practices and data-gathering.

We can talk about the sector as one sector. It is a very large beast, as Senator Mercer well knows. It ranges from universities and hospitals, on the one hand, to small, local, completely volunteer-run institutions. I don't quite know how you can call this a sector without deconstructing its many lives and how this will be reflected in the findings.

Right now, the machinery of government in Ottawa engages with the sector only through one instrument, and that is oversight by the CRA. This is not an enabling environment. The Mowat School of Public Policy has written a very interesting paper on creating an enabling environment for the sector, and that enabling environment cannot be a tax regulator.

I hope this committee looks at those issues. There is no shortage of ideas to study.

I ask myself this question: Does the study not naturally fit into the Standing Senate Committee on Social Affairs, Science and Technology? It's a good thing to ask yourself a question and challenge yourself, but there are reasons to strike the special committee.

For one, since 2005 charitable sector reform has gained public traction, but little movement has been made since then. Those of us who are junkies of the not-for-profit sector remember that in 1991 with the Voluntary Sector Initiative, \$91 million was spent and there was very little to show for it. I would not want us to spend anywhere near that amount of money, but I want us to have recommendations that will stick.

I will support Senator Mercer's motion on creating a special committee focusing on the not-for-profit charitable sector. I speak for myself and not everyone; I hope, Senator Mercer, you have patience. You wanted to strike it in the summer. I go back to not being afraid of doing hard work but needing to do the work well.

Hon. Terry M. Mercer: The suggestion was not that we do any of the work during the summer, but to see if we could get a commitment that some of the background work would be done.

The research could help the structure so that when we go to work in the fall, we would be more efficient.

The thought is this would not interfere with the work of the many other committees in the chamber, and that's why it needs a special committee title. Special committees are not supposed to interfere. Do you see that as a positive or negative?

• (1540)

Senator Omidvar: Focus is always your friend. If you are able to focus almost entirely and exclusively in a committee on one subject, honourable colleagues will agree with me that you get better results.

I don't sit on the Standing Senate Committee on Social Affairs, Science and Technology, but when I have sat in, it's like the Standing Senate Committee on Legal and Constitutional Affairs: It goes from one issue to another because of pending legislation. Freedom from having to scrutinize legislation would possibly work well for this.

(On motion of Senator Martin, debate adjourned.)

SPEAKER OF THE SENATE

PARLIAMENTARY DELEGATION TO SAUDI ARABIA AND OMAN, JANUARY 15-20, 2017—REPORT TABLED

Leave having been given to revert to Tabling of Documents:

The Hon. the Speaker: Honourable senators, with leave of the Senate, I would like to table, in both official languages, the Report of the Parliamentary Delegation of the Senate, led by the Speaker of the Senate, that travelled to Saudi Arabia and Oman, from January 15 to 20, 2017.

REGIONAL UNIVERSITIES

INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Tardif, calling the attention of the Senate to regional universities and the important role they play in Canada.

Hon. Daniel Christmas: Honourable senators, I won't be delivering my speech today. I move that further debate be adjourned until 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 Christmas, debate adjourned.)

SOFTWOOD LUMBER CRISIS

INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Maltais, calling the attention of the Senate to the softwood lumber crisis.

Hon. Terry M. Mercer: Honourable senators, I rise today to resume debate on the inquiry of the Honourable Senator Maltais, calling the attention of the Senate to the software lumber crisis.

Here we go again. This past April, the Trump administration slapped new tariffs, ranging from 3 per cent to 24 per cent, on five specific lumber companies: West Fraser Mills, 24.12 per cent; Tolko Marketing and Sales, 19.5 per cent; J.D. Irving, 3.02 per cent; Canfor Corporation, 20.26 per cent; Resolute Forest Products, 12.82 per cent; and 19.88 per cent for all other producers and exporters. It is important you hear those numbers because I will refer back to at least one.

This is the latest in the long struggle for fair lumber trade between our countries. They say good fences make good neighbours. When boundaries are clearly defined, we all better understand one another's issues and can then live in relative peace.

While this has worked in general between our two countries, which share the longest international border in the world, lumber seems to be a consistent sticking point with the United States. The last agreement was reached in 2006. It required the United States to return 80 per cent of the more than \$5 billion in duties it had collected on lumber imports from the previous dispute. The Harper government at the time left a lot of money on the table, honourable senators — \$1 billion.

I have to wonder if the Conservative senators opposite remember that. I will remind them to be careful when talking about lost money now, because they are not in power and it's politically expedient to blame the new Liberal government. Perhaps if that money from 2006 hadn't been left on the table, it could have been used to fight this current nonsense with the current administration in the United States. That's just a thought.

Of course, Canada usually wins these disputes in the fight over software lumber with the United States, either through NAFTA or the WTO dispute mechanisms. But, as in the past, these new tariffs will have to be paid by Canadian firms until we have a new ruling on whether they are justified. Déjà vu, honourable senators.

Where do we go from here? Thousands of jobs are threatened. Billions of dollars in sales are threatened. Unity is threatened. You will notice that the tariffs applied in Eastern Canada, notably to J.D. Irving, are low since most of our lumber comes from private land. It appears to the United States that we are not dumping cheap lumber into their market because of what they feel is unfair pricing from other lumber and from Crown lands across Canada.

When I was recently in the United States on a trip with the Agriculture Committee to talk about the acquisition of farmland, I made a point to inform representatives and senators we met with on Capitol Hill that because of the tariffs they are proposing, Americans would be spending an extra \$10,000 to \$15,000 to build their homes. That's a lot of money that could be spent elsewhere. Some of them were surprised to hear that.

That is why I urge all of us here, in the other place and in the departments to continue to communicate when it comes to these types of disputes. Only from proper evidence and accurate information can we fight against these unfair and uninformed tariffs. I urge both the United States and Canadian governments to continue working to find a more permanent solution. With the threat of NAFTA negotiations on the table, our industries demand it.

I should point out that I have been going back and forth to Washington since I was appointed to the Senate in 2003, and one of the documents the department has always produced for us is an analysis of the effects Canadian trade with the United States has, state by state. Now they have refined it, and I'm very impressed by this work by the department. When we sat down with a particular member of the House of Representatives, a congressman or congresswoman, we were able to quote to them the amount of business that happens in their small district with Canada. We were able to identify the number of jobs in their district that depend upon trade with Canada.

This is powerful information. I congratulate the department for doing that. It is a revision of an old document that used to be produced. It's important that, any time you go to the United States on business, you ask the embassy to give you the details of that. It is powerful when you can look a congressional representative or senator in the eye and say, "Here are how many jobs in your district or state that are dependent on trade with Canada." It's always amazing that jobs and money talk. We've got the materials and the interest.

I thank Senator Maltais for raising this important issue, and I encourage all of you to take part in this debate.

(On motion of Senator Plett, debate adjourned.)

THE SENATE

POLICIES AND MECHANISMS FOR RESPONDING TO HARASSMENT COMPLAINTS AGAINST SENATORS—INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator McPhedran, calling the attention of the Senate to the important opportunity we have to review our principles and procedures with a view to ensuring that the Senate has the strongest most effective policies and mechanisms possible to respond to complaints against senators of sexual or other kinds of harassment.

Hon. Wanda Thomas Bernard: Honourable senators, I rise today to speak to the inquiry on policies and mechanisms for responding to harassment complaints against senators.

First and foremost, I want to acknowledge that today, June 21, is National Aboriginal Day, and I acknowledge our indigenous colleagues as we pause to recognize this day in our collective history.

I thank Senator McPhedran for initiating the call for the Senate to review principles and procedures regarding harassment in the Senate. This call is to review the current policies and mechanisms in place to respond to complaints such as sexual harassment and the abuse of authority by senators.

According to the Canadian Human Rights Act, harassment is a form of discrimination. It involves any unwanted physical or verbal behaviour that offends or humiliates an employee. Generally, harassment is a behaviour that persists over time.

• (1550

Examples of harassment are threatening or intimidating an employee and unwelcome remarks about one's race, religion, sexual orientation, gender identity, appearance, age or disability.

Sexual harassment negatively impacts the environment for the entire workplace, and, if left unchecked, it can escalate to more violent behaviour in the workplace.

The Human Rights Code, in "Employment," states that every person has the right to be free from unwelcome advances or solicitation in employment. This includes activities or events that happen outside of business hours or away from business premises but are linked to the workplace and employment.

As we are aware, the Senate of Canada is not immune to issues of workplace harassment. In April of 2017, the *Hill Times* published an article that creates more awareness of this matter, entitled, "Parliament has a power problem: why few staffers report sexual harassment."

The article noted that a significant reason why staffers do not report sexual harassment is due to the power imbalance between young staffers, especially the women, and people in senior positions. In the first part of this three-article series, Professor Jennifer Robson, a former staffer, highlighted key points that offer an explanation as to why staffers often do not report harassment. She gave the example of the reporting of harassment to either an MP or one of the MP's colleagues, through the whip's office. I can only imagine how terrifying it would be for one to raise a complaint about their MP through these channels. This feeling is rooted in fear, fear of not being believed or not being taken seriously.

Several senators are calling for an increase in awareness about the reporting process and procedural guidelines.

A Senate ethics inquiry was launched in 2015 into the claims of sexual harassment from former staff of Mr. Meredith. Staff stated that he had a pattern of harassing and sexually abusing employees since his appointment in 2010.

In an article published by the *Huffington Post*, a Senate employee said:

She knew enough about Senate policy to understand that filing an official complaint with human resources didn't guarantee job security or protection against Meredith.

Aside from my concern of abuse of authority by harassing employees, I'm also concerned about the issue of misuse of Senate resources, as evidenced in the case of Meredith, during his time in the Senate. A number of employees have provided detailed accounts on instances of these occurrences. He discouraged staff from claiming compensatory leave and allegedly blurred the lines between government resources and non-parliamentary work. Meredith's former employees who filed complaints reportedly noted that employees in the Senate who had been harassed or sexually abused by a senator were not guaranteed justice, despite what the rules state.

Employees who have experienced harassment in the Senate can report to the director of Human Resources. However, many do not report because they do not feel safe in their position to do so. Employees can see from previous cases that justice is rarely served for survivors who choose to report harassment. Survivors are often re-traumatized in the reporting process, when they are asked to relive their past experiences during the lengthy process of filing a complaint from start to finish.

These avenues of reporting will best serve people when they feel it is a safer place to report their experiences. Until we can confirm that there is an effective review process and can assure survivors that their reports will be addressed efficiently, effectively and fairly, survivors will not come forward.

A lack of repercussions and concrete resolution for harassment means that survivors are not motivated to report their experiences of harassment.

There is a lack of oversight and administration of the harassment complaint process. This calls into question the issue of accountability. Employees will continue to suffer in silence when there is no clear accountability.

This also sends a message of tolerance and acceptance. Bullying is no longer accepted in schools. So how can our institution, as the most revered chamber in our country, not set an example that upholds the highest moral standards? With great power comes great responsibility. We must send a clear message that, with authority, comes responsibility and accountability.

The Senate Policy on the Prevention and Resolution of Harassment in the Workplace defines harassment as:

Any improper conduct by an individual, that is directed at and offensive to another person or persons in the workplace, and that the individual knew or ought reasonably to have known would cause offence or harm. It comprises any objectionable act, comment or display that demeans, belittles, or causes personal humiliation or embarrassment, and any act of intimidation or threat. The conduct may be done on a one time basis or in a continuing series of incidents. Sexual harassment, discrimination within the meaning of the Canadian Human Rights Act, abuse of authority and making a complaint in bad faith are considered forms of harassment under this policy.

As stated in the Senate Policy on the Prevention and Resolution of Harassment in the Workplace, a policy adopted by the Standing Committee on Internal Economy, Budgets and Administration:

Everyone has a right to be treated with respect

The policy emphasizes that a senator is the manager of their office. It is our responsibility as senators to lead by example and to act respectfully in dealings with employees and other persons. The onus is on us, senators, to create work environments that are conducive and free of harassment. We must create work environments where staff are comfortable, where staff are able to communicate freely, where we act appropriately to resolve complaints and ensure that the correct disciplinary measures are applied when necessary.

The present complaint-resolution process, as defined by the policy, applies to senators, staff of senators and employees of the Senate administration.

In addition to reviewing the current policies and mechanisms for responding to harassment complaints, we should ensure that there is protection for employees who are harassed and protection for employees who report harassment. Most of the Senate staff are unrepresented. Therefore, deciding to report harassment against themselves or other staff leaves them in a vulnerable position as their employment may be jeopardized.

I would also like to emphasize the importance of preventing harassment from occurring in the first place. I'm advocating for a zero-tolerance attitude, on an individual level, toward sexual, physical and verbal harassment and abuse of authority.

Honourable senators, it is our responsibility and duty to see this through, for the well-being of our staff and the Senate as a whole.

• (1600)

In conclusion, honourable senators, I urge the Senate to examine and improve current mechanisms in place for the process of a complaint filed against a senator, and for the mechanisms to be followed.

We should all hold ourselves in high esteem and have respect for staff in the Senate, who work very diligently to support our work. They should not feel harassed or abused, and worse yet, be made to feel like they will lose their jobs if they speak up. Every person has the fundamental right to be free from harassment. We should strive to have an open, transparent and safe work environment for all.

(On motion of Senator Pate, debate adjourned.)

[Translation]

OFFICIAL LANGUAGES

MOTION TO AUTHORIZE COMMITTEE TO MEET DURING ADJOURNMENT OF THE SENATE WITHDRAWN

On Motion No. 232 by the Honourable Senator Tardif:

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.

(Motion withdrawn.)

[English]

CRISIS IN CHURCHILL, MANITOBA

INQUIRY—DEBATE ADJOURNED

Hon. Patricia Bovey rose pursuant to notice of June 19, 2017:

That she will call the attention of the Senate to the crisis in Churchill, Manitoba.

She said: Honourable senators, you're going to know that my heart is in the North today.

I rise to speak on my motion on the inquiry for the emergency humanitarian situation in Churchill, Manitoba's town on the edge of the Arctic and its northern port on Hudson Bay. Churchill is connected to the rest of Canada only by rail and air. There are no roads into the town. Rail is their lifeline.

The town began as an outpost and is steeped in fur trade and Hudson Bay history. In the late 1920s, its role as a seaport began with the building of the Hudson Bay Railroad and the Port of Churchill, and through the 1950s and 1960s, it was a thriving military community, a need again perhaps given the issues of our northern sovereignty.

For the second time in just a few months, the rail tracks are utterly impassable and air is now the only means of transporting food, medical supplies, other goods and materials and people into the community. The community is in a dire need at the moment and urgently requires assistance from both the federal and provincial governments, a subsidy to get supplies to the community.

I have been in touch with the mayor of Churchill and a number of indigenous leaders from along the bay from Opaskwayak to York Landing and Churchill and into Nunavut. All are very honest about the situation. Echoing Mayor Spence's words, "Our community has gone through a lot."

Let me give you a summary of their recent plights.

This past winter, the railway line was shut down for 17 days in March due to blizzards, causing Churchill to declare a state of emergency, a situation I mentioned when I spoke in this chamber on the national basic income program on May 9. Grocery store shelves were empty, with no milk, bread or vegetables, and little meat. Normally, there are deliveries once a week.

Then in late May, due to unprecedented flooding from high spring runoffs and high water levels in the Churchill River, the rail line was damaged again in at least 19 locations, as were five bridges between Gillam and Churchill. Apparently, another 30 bridges and 600 culverts need to be assessed as well.

I cannot overemphasize that rail is the only means of transporting goods to the town, including food, medicines, medical supplies, fuel, building materials, vehicles, essentially everything. Last week, the temperatures were at 2 degrees, so

home heating is still very much required. Perhaps fuel can be shipped into the port during the summer season and that is being looked into.

While the impact of this situation absolutely affects Churchill, its impact is also widespread throughout the Arctic region because Churchill is a gateway to the North. As if the 2017 situations were not bad enough, we must remember that Omnitrax, the Denver-based U.S. company that has owned the rail line and port facility since 1997, cancelled the 2016 grain shipping season, a move that affected 70 employees.

The community is still dealing with the economic fallout of that. It is the community's largest employer.

[Translation]

Honourable senators, this is a very serious situation. As I said in the speech I gave on May 9, food is very expensive in the North, including in Churchill. Milk costs more than alcohol, and when there are actually fresh vegetables and fruit on the shelves, they are basically unaffordable.

[English]

Shipping by air is three to five times as expensive as rail. According to the *Winnipeg Free Press* on June 14, the owner of the rail line has indicated that it might be the spring of 2018 before the rail line can be restored. It will take four weeks for that damage to be assessed and another two weeks to issue the report. I have learned that Omnitrax has stated that it will cost \$500,000 to do the assessment and that they lack the funds to fix it. I have also learned that two bikers travelled the rail line on the weekend and took photos, which I have, that show water levels have dropped. What the report will reveal, I don't know. Perhaps the long-term situation isn't quite as bad as it looked a couple weeks ago, but the situation is unacceptable. The railway track and bed is not straight.

My overriding concern is a humanitarian one: the need for food, medicines and various supplies. It is an emergency. How, I ask, can a town of 899 people, including Inuit, Cree, Dene and non-indigenous citizens, be so cut off in this day and age, in 2017?

Smaller communities on the line between Thompson and Churchill are also affected because the train stops with supplies for those small communities on its way north. Not only are they cut off from critically needed supplies and access to medical attention, they are also cut off from one of their major businesses: tourism. Tourism is a key economic driver of the region, exceeding a little more than 50 per cent of the town's revenues.

We can only hope that the tourist season this year will not be affected, given that I'm told 80 per cent of tourists arrive by air. Once there, they get hiking supplies, food and other services, and those services required for the tourists are rail dependent. If those costs go up substantially, one has to be concerned about tourist cancellations. The polar bear tours, which leave Winnipeg by train, visit Churchill and then fly out, are fully booked at least a year in advance.

The owner of an inn and hotel in the town, Belinda Fitzpatrick, is concerned some tourists planning to come by train will cancel, as the train is part of the adventure.

As reported in the Globe and Mail, she said:

With the Canada 150 celebrations, we were looking forward to a bumper year so . . . hopefully we can still try and save some of that . . . There will be no doubt some kind of price increase, and probably a lessening of the hours in the restaurant.

As you can appreciate, I have spoken with Mayor Spence several times and he has updated me on both the short-term crisis and longer-term needs. The immediate need is, of course, for subsidies for foods and supplies to get to the town. Calm Air has put on two extra flights from Thompson to Churchill daily and reduced the freight costs a bit, but we all know that is not sustainable.

As the mayor told me on the weekend:

We have reached out to both our respected Federal and Provincial governments for assistance ... subsidies are required for food and supplies for the higher freight costs.

[Translation]

Despite the crisis, Mayor Spence is optimistic about the future. Here is what he told me, and I quote:

Governments need to make sure that the work to repair and reopen our rail line begins as soon as possible. We believe that our community has a role to play in building a better Canada.

[English]

That sentiment has been expressed by all of those to whom I have spoken. Tim Johnston of Community Futures North Central Development feels new approaches are required and that an all-weather road should be seriously considered for transportation of people, those who live in the region and for tourists. All talk of the need for the governments to work together with One North, an organization including the First Nations chiefs, mayors and leaders of all the municipalities and communities.

• (1610)

Longer term, they desperately require reinvestment in the rail line still owned by Omnitrax. With a new model of investments including, but not dependent on, governments, the town is poised for takeoff. Due to climate change, and with the longer summer and fall seasons, the tourism and shipping seasons are extended. Winter, however, poses new challenging situations.

As for a key opportunity, the \$30 million Churchill Marine Observatory has been prepped and was to have been developed this summer. With the rail crisis, materials for construction cannot get in. This facility is seen as a gateway to new initiatives further north. Obviously, the ownership of the rail line and the port need to be resolved and, according to the mayor, "as Canadians, we need to take control."

It was reported in December that a sale was imminent and more recently that a consortium, a group of First Nations, is working to purchase the Port of Churchill and the rail line that is under negotiation, with a memorandum of understanding in place. It is believed the deal remains in place even with the flood damage to the line but, of course, the assessment is critically necessary.

For those of you who have not been to Churchill, I can attest it is truly a Canadian gem. The tundra with its very fragile flora and fauna is a significant tourist draw. Churchill is the polar bear capital of the world, the beluga hot spot, a birder's paradise and, of course, a wonderful place to see the Northern Lights.

Its history is rich, with evidence of human presence going back 4,000 years. The area includes the Prince of Wales Fort, a national historic site and 18th century Hudson's Bay fortress; Sloop Cove, the safe harbour and winter haven for the Hudson's Bay company; Wapusk National Park, on the bucket list of thousands of ecotourists; York Factory, another national historic site, built in 1832 as a fur trade post, and the oldest wooden structure built on permafrost; and Cape Merry Battery, dating from the 1746 fur trade and built in its new, and present site, in 1749, just three years later.

The northern expeditions were critically important in discovering the Northwest Passage, a passage whose ownership is now being challenged by a number of nations, and that is just one of the reasons I support the motion by Senator Watt, as I said earlier.

Churchill's culture is rich and its museum a real treasure, as are the wilderness tours and Northern Studies Centre, only some of the other draws to the area.

I have taken that train. It's a two-day trip from Winnipeg, a spectacular one, and I did it when it was very hot outside, so hot that the train had to slow due to the movement of the rail lines as a result of it being built on muskeg. It was so hot the muskeg was visibly bubbling, so the train had to crawl very slowly, otherwise I guess I would have been in the muskeg myself.

[Translation]

Honourable senators, for the time being, we must do everything in our power to address this humanitarian crisis, and this means allocating funds to buy food and ensuring that medical supplies and construction materials can make it to their destination and that tourists can still get there.

The province is waiting for the results of an assessment before deciding whether to allocate emergency funding. This is understandable to a certain extent, but there are pressing needs to be met with regard to food and fuel. These Canadian citizens have been cut off from the rest of the country.

[English]

You have already seen many catastrophic situations due to climate change this year, including the announcement this past weekend that the scientific research ship monitoring sea ice each summer, with teams of researchers in various fields, led by Dr. David Barber, who I mentioned before, have had to cancel their 2017 plans given the shifting ice and changing nature of that ice.

We must be prepared the best we can for what lies ahead, for the present, the short term and the long term. My concerns and thoughts go to all the citizens of Churchill, and the Kivalliq region of Nunavut serviced and supplied through Churchill, and all those dependent on being a thriving shipping, tourist and business centre. In Canada's one hundred fiftieth anniversary year, it seems unfair and to a degree ironic that the railway which in so many respects bound this country together is itself isolating a vulnerable group of our compatriots.

It's my sincere hope that subsidies will be forthcoming from the Governments of Manitoba and Canada to alleviate the current situation and to address longer-term situations. I know the resolution of this devastating humanitarian emergency has the support of the tribal councils, the MKO and other indigenous and non-indigenous leaders and communities. We can do this and we can do better.

Hon. Donald Neil Plett: Honourable senators, I want to thank my colleague for her eloquent speech. I am from Manitoba as well. I have taken this train many times and know, at least in part, of what she speaks. So short of a miracle, I think we will still have some problems there in the fall when we come back, and at that point I would like to speak on this inquiry, so I will take the adjournment.

(On motion of Senator Plett, debate adjourned.)

BUSINESS OF THE SENATE

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

That the sitting be suspended to await the receipt of a message from the House of Commons, with the bells to ring for 15 minutes before the sitting resumes, either for the consideration of the message or for the deferred vote.

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 sitting of the Senate was suspended.)

[Translation]

(The sitting of the Senate was resumed.)

[Senator Bovey]

• (1700)

BUDGET IMPLEMENTATION BILL, 2017, NO. 1

MESSAGE FROM COMMONS—DISAGREEMENT WITH SENATE AMENDMENTS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that a message has been received from the House of Commons, which reads as follows:

Wednesday, June 21, 2017

ORDERED,— That a Message be sent to the Senate to acquaint their Honours that the House has disagreed with the amendments made by the Senate to Bill C-44, An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2017, and other measures, because these amendments infringe upon rights and privileges of the House.

ATTEST

ANDRÉ GAGNON for MARC BOSC

The Acting Clerk of the House of Commons

[English]

Some Hon. Senators: Oh, oh! Shame, shame!

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

Senator Harder: I move that the message be considered now.

Some Hon. Senators: No, no.

Some Hon. Senators: Yes.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Harder, seconded by the Honourable Senator Bellemare, that the message be taken into consideration now.

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

Some Hon. Senators: No.

Some Hon. Senators: Yes.

The Hon. the Speaker: Honourable senators, there is no need for leave for it to be considered now.

I apologize for the confusion, honourable senators. Leave is not required. A vote is required, however.

The motion is to consider the message from the House of Commons now.

Motion negatived on the following division:

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 the bell?

Senator Plett: One hour.

The Hon. the Speaker: The vote will take place at 6:10 p.m.

Call in the senators.

• (1810)

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, before going to the vote, in order to avoid confusion, let me explain how the votes will be taken.

We will start with the vote on a motion moved by Senator Harder, seconded by Senator Bellemare, that the message on Bill C-44 be taken into consideration now. We will then proceed to the vote on the subamendment of Senator MacDonald on Bill C-210.

Before continuing with proceedings on Bill C-210, however, we will return to the message on Bill C-44, either to consider the message now, if the motion is successful, or to deal with another motion proposing when the message will be dealt with. Once proceedings related to the messaging on Bill C-44 are concluded, we will then return to consideration of Bill C-210.

BUDGET IMPLEMENTATION BILL, 2017, NO. 1

MESSAGE FROM COMMONS—DISAGREEMENT WITH SENATE AMENDMENTS

The Hon. the Speaker: Honourable senators, the question is as follows:

It was moved by the Honourable Senator Harder, seconded by the Honourable Senator Bellemare, that the message be taken into consideration now.

All those in favour of the motion will please rise.

YEAS THE HONOURABLE SENATORS

Forest

NAYS THE HONOURABLE SENATORS

Moncion—2

MacDonald

Andrevchuk Ataullahjan Baker Batters Bellemare Beyak Black Boisvenu Boniface Bovey Brazeau Campbell Carignan Christmas Cools Cordy Cormier Dagenais Dawson Day Dovle Duffy Dyck Eaton Eggleton Enverga Fraser Gagné Gold Greene Griffin Harder Hartling Housakos Hubley Joyal Kenny Lang Lankin Lovelace Nicholas

Marshall Martin Massicotte McCoy McInnis McIntyre McPhedran Mégie Mercer Mitchell Mockler Munson Ngo Ogilvie ΟĬ Omidvar Pate Patterson Petitclerc Plett Poirier Pratte Ringuette Runciman Seidman Sinclair Smith Stewart Olsen Tannas Tardif Tkachuk Unger Verner Wallin Watt Wells White Woo-79

ABSTENTIONS
THE HONOURABLE SENATORS

Dean Saint-Germain
Dupuis Wetston—5
Marwah

• (1820)

Marshall Martin Mockler Unger Wells—21

NATIONAL ANTHEM ACT

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

And on the subamendment of 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".

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

Motion in subamendment negatived on the following division:

YEAS THE HONOURABLE SENATORS

Ataullahjan	Ngo
Batters	Ogilvie
Beyak	Oĥ
Doyle	Plett
Eaton	Poirier
Enverga	Runciman
Housakos	Smith
MacDonald	Tkachuk

NAYS THE HONOURABLE SENATORS

Lang Lankin Baker Bellemare Lovelace Nicholas Bernard Black Marwah **Boniface** Massicotte McCoy Bovey Brazeau McInnis Campbell McIntyre Christmas McPhedran Cools Mégie Cordy Mercer Mitchell Cormier Dawson Moncion Day Munson Omidvar Dean Duffy Pate Patterson Dupuis Dyck Petitclerc Eggleton Pratte Forest Ringuette Saint-Germain Fraser Sinclair Gagné Gold Tannas Greene Tardif Griffin Verner Wallin Harder Hartling Watt Hubley Wetston Joyal White Kenny Woo-60

ABSTENTIONS THE HONOURABLE SENATORS

Andreychuk Dagenais
Boisvenu Seidman
Carignan Stewart Olsen—6

• (1830)

BUDGET IMPLEMENTATION BILL, 2017, NO. 1

MESSAGE FROM COMMONS—DISAGREEMENT WITH SENATE AMENDMENTS

The Senate proceeded to consideration of the message from the House of Commons in the following words:

ORDERED,— That a Message be sent to the Senate to acquaint their Honours that the House has disagreed with the amendments made by the Senate to Bill C-44, An Act to

implement certain provisions of the budget tabled in Parliament on March 22, 2017, and other measures, because these amendments infringe upon rights and privileges of the House.

ATTEST

ANDRÉ GAGNON for MARC BOSC

The Acting Clerk of the House of Commons

The Hon. the Speaker: Honourable senators, when shall the message on Bill C-44 be taken into consideration?

(On motion of Senator Harder, message placed on the Orders of the Day for consideration 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.".

The Hon. the Speaker: We now return to debate on Senator Beyak's amendment to Bill C-210.

Hon. Yonah Martin (Deputy Leader of the Opposition): I move the adjournment of debate in my name.

The Hon. the Speaker: Before entertaining the adjournment motion, rule 3-3(1) requires we have leave now not to see the clock as it is past 6 o'clock. Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Hon. the Speaker: It was moved by the Honourable Senator Martin, seconded by the Honourable Senator Smith, that further debate be adjourned until the next sitting of the Senate.

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

Some Hon. Senators: Agreed.

Some Hon. Senators: No.

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 "nays" have it.

On division?

I only saw one senator rising. To have a vote, we require two. The motion to adjourn is adopted, on division.

A point of correction: The vote was against the adjournment and it did not require a standing vote because two senators did not rise, so we can return to debate on Bill C-210.

Senator Eggleton: So we're on the main motion of Bill C-210?

The Hon. the Speaker: Senator Beyak's amendment.

Senator Eggleton: I move the question.

The Hon. the Speaker: On debate, Senator Batters.

Hon. Denise Batters: Honourable senators, I rise today to speak to Senator Beyak's amendment of Bill C-210, An Act to amend the National Anthem Act (gender).

Let me begin by saying that I do not support changing the words of our national anthem. Canadians are not clamouring for this change and it is not necessary. In fact, Canadians feel that this change is being imposed on them without any consultation. Our anthem is a symbol of a single, unified Canadian identity. Canadians treasure it as part of Canada's history and tradition. They don't want it altered by politicians.

For many people, the national anthem might not be something they hear often once they leave school; at the odd public event, maybe, or once a year on Canada Day. As a big sports fan, I attend a lot of sporting events, so I hear it a lot. Two weeks ago I was at a Saskatchewan Roughriders game, and after the stadium

finished singing "O Canada," a number of people turned to me and implored me not to allow the government to change the national anthem. That happens often. Many people in Saskatchewan have talked to me about it and, to a person, they have all opposed this proposed change. They are concerned that the government is going to change part of our national tradition — our national identity — without their consent.

A Forum Research poll last summer indicated that two thirds of Canadians don't want this proposed change to "in all of us command." My office has received, as I'm sure many of yours have, quantities of emails, phone calls and social media posts telling us to leave the national anthem alone. I'm not sure Canadians could be any clearer, honourable senators, and had the government bothered to consult the public on this, I'm sure they'd have found the same response. But that's the thing: They haven't consulted Canadians on it.

Even though Canadians might not think about the significance of the words to "O Canada" very often, they treasure the anthem as a part of a shared Canadian heritage. The national anthem is our most basic expression of what it is to be Canadian and of those things that unite us as Canadians, no matter our origins.

In about a week, colleagues, we'll debate Canada's one hundred and fiftieth year as a nation. As we do that, we will be celebrating the values, the stories and the history that Canadians share. How is it that values, stories and histories are passed down from one generation to the next? Simply put, honourable senators, they are passed down through tradition.

While we live in a time of diversity, we also live in a time of great separation from one another. There is a pressure for us to be catalogued into silos of identity to sort us by ethnicity, religion, language, political stripe or any number of other categories. Great arguments erupt over who has the authority to speak as a representative for one group or another, or which group's viewpoint is more legitimate than the next. In this context of competing identities, and at this time of self-reflection as a nation of 150 years, how can we find what binds us together as Canadians?

I submit the answer can be found in our traditions and in our shared history as a nation. There is no better expression of that than through our national anthem. It speaks to our values: "the true north strong and free;" our territory: "our home and native land," and our history: "in all thy sons command," suggestive of Canadian soldiers in World War I.

I am a woman descended from Ukrainian immigrants who settled in Saskatchewan, and I can honestly say I've never felt excluded by my national anthem. While it might not explicitly mention women, daughters or prairie inhabitants of Ukrainian immigrant ancestry, I know that I am reflected there because I am Canadian. Whether you are a new Canadian or whether your family has been here for generations, and no matter what your gender or faith happens to be, we are all Canadians. When one becomes a Canadian citizen, either by birth or by choice, one assumes Canada's history and traditions as one's own. The national anthem is one of those traditions and it should not, and need not, be tinkered with to fit every identifiable identity. Where will that end?

We are first and foremost Canadians and, as such, we have the responsibility to "stand on guard for thee, O Canada." That is what I am doing here today.

In a moment, I will introduce a subamendment to Senator Beyak's amendment and I fully recognize this may result in this bill not passing before the summer break. But I don't believe this bill should pass, because Canadians don't want it to. If we aren't going to stand on guard for Canadians, then why are we here, honourable senators? Let's stand for the traditions that bind Canadians to go, not splinter us apart.

MOTION IN SUBAMENDMENT

Hon. Denise Batters: Therefore, honourable senators, I move, in subamendment:

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 "October 1, 2017.

The Hon. the Speaker: It was moved by the Honourable Senator Batters, seconded by the Honourable Senator Oh:

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 "October 1, 2017."

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

Some Hon. Senators: Agreed.

Some Hon. Senators: No.

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 "nays" have it.

And two honourable senators having risen:

The Hon. the Speaker: Do we have agreement on a bell?

Senator Plett: We'll defer the vote to the next sitting.

The Hon. the Speaker: The vote will take place at 5:30 tomorrow, with the bells to ring at 5:15.

(Vote deferred.)

[Translation]

INDIAN ACT

BILL TO AMEND—MESSAGE FROM COMMONS— AMENDMENTS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-3, An Act to amend the Indian Act (elimination of sex-based inequities in registration), and acquainting the Senate that they had passed this bill with the following amendments, to which they desire the concurrence of the Senate:

- 1. Long title, page 1: Replace the long title with the following:
 - "An Act to amend the Indian Act in response to the Superior Court of Quebec decision in Descheneaux c. Canada (Procureur général)"
- 2. Clause 2, page 2: Delete lines 5 to 16
- 3. Clause 11, page 9: Replace line 31 with the following:

"ter of Rights and Freedoms, of the United Nations Declaration on the Rights of Indigenous Peoples and, if applicable, of"

Honourable senators, when shall this message be taken into consideration?

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

• (1840)

CANADA BUSINESS CORPORATIONS ACT CANADA COOPERATIVES ACT CANADA NOT-FOR-PROFIT CORPORATIONS ACT COMPETITION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-25, An Act to amend the Canada Business Corporations Act, the Canada Cooperatives Act, the Canada Not-for-profit Corporations Act, and the Competition Act.

(Bill read first time.)

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

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

HOLIDAYS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-311, An Act to amend the Holidays Act (Remembrance Day).

(Bill read first time.)

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

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

[English]

ETHICS AND CONFLICT OF INTEREST FOR SENATORS

THIRD REPORT OF COMMITTEE TABLED

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

Hon. A. Raynell Andreychuk: Honourable senators, I have the honour to table, in both official languages, the third report of the Standing Committee on Ethics and Conflict of Interest for Senators.

Pursuant to subsection 48, subparagraph 21, of the Ethics and Conflict of Interest Code for Senators, your committee has considered whether the two inquiries respecting former Senator Meredith pending at the time of his resignation should be continued and now tables a report informing the Senate of its decisions on the completion of these two inquiries.

FOOD AND DRUGS ACT

BILL TO AMEND—FIFTEENTH REPORT OF SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY COMMITTEE PRESENTED

Hon. Kelvin Kenneth Ogilvie: Honourable senators, I have the honour to present, in both official languages, the fifteenth report of the Standing Senate Committee on Social Affairs, Science and Technology, which deals with Bill S-228, An Act to amend the Food and Drugs Act (prohibiting food and beverage marketing directed at children).

(For text of report, see today's Journals of the Senate, p. 2328.)

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

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

CRIMINAL CODE

TWENTIETH REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE PRESENTED

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

Wednesday, June 21, 2017

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

TWENTIETH REPORT

Your committee, to which was referred Bill C-305, An Act to amend the Criminal Code (mischief), has, in obedience to the order of reference of June 13, 2017, examined the said bill and now reports the same without amendment.

Respectfully submitted,

BOB RUNCIMAN

Chair

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

Hon. Marc Gold: Honourable senators, with leave of the Senate and notwithstanding rule 5-5(b), I move that this bill be read the third time now.

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

An Hon. Senator: No.

The Hon. the Speaker: I hear a "no."

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

STATUTE LAW AMENDMENT PROPOSALS

TWENTY-FIRST REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE TABLED

Hon. Bob Runciman: Honourable senators, I have the honour to table, in both official languages, the twenty-first report of the Standing Senate Committee on Legal and Constitutional Affairs, entitled Proposals to correct certain anomalies, inconsistencies and errors and to deal with other matters of a non-controversial and uncomplicated nature in the Statutes of Canada and to repeal certain Acts and provisions that have expired, lapsed or otherwise ceased to have effect.

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO DEPOSIT REPORT ON STUDY OF CURRENT AND EMERGING ISSUES RELATING TO THE BANKING SECTOR AND MONETARY POLICY IN THE UNITED STATES WITH CLERK DURING ADJOURNMENT OF THE SENATE

Leave having been given to revert to Notices of Motions:

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

That the Standing Senate Committee on Banking, Trade and Commerce be permitted, notwithstanding usual practices, to deposit with the Clerk of the Senate a report relating to the current and emerging issues of the banking sector and monetary policy of the United States, if the Senate is not then sitting, and that the report be deemed to have been tabled in the Chamber.

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]

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 Thursday, June 22, 2017, at 10:30 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 Thursday, June 22, 2017, at 10:30 a.m.)

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