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The Honourable GEORGE J. FUREY,
Speaker

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THE SENATE

Tuesday, December 5, 2017

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

Prayers.

SENATORS' STATEMENTS

HALIFAX EXPLOSION

ONE HUNDREDTH ANNIVERSARY

Hon. Terry M. Mercer (Deputy Leader of the Senate Liberals): Honourable senators, tomorrow, December 6, will mark the one hundredth anniversary of the Halifax explosion, the deadly blast that killed 2,000 people, injured 9,000 and left 25,000 Haligonians homeless.

The largest man-made explosion prior to those produced by nuclear weapons, the blast caused massive devastation to the city, especially to the North End and surrounding neighbourhoods.

While the destruction was horrible, the aid was swift, especially from the City of Boston, who sent first responders and supplies as quickly as they could.

Indeed, Nova Scotia continues to send a Christmas tree to thank them for their support when Halifax needed it most.

This year, the tree was particularly impressive to honour the one hundredth anniversary — a 53-foot white spruce donated by Bob and Marion Campbell of Blues Mills, Inverness County, Cape Breton. It was lit in front of over 20,000 people in the Boston Common last Thursday evening.

Premier Stephen McNeil was joined by Boston Mayor Martin Walsh and Halifax Mayor Michael Savage to also unveil a new monument on the Boston Common to honour this important anniversary of the explosion and the special relationship the two cities share.

Tomorrow, I will be attending a Halifax Explosion one hundredth anniversary memorial service at Fort Needham Memorial Park. This is just blocks away from where I grew up and where my grandmother saved the lives of two of my uncles and herself, paving the way for the future birth of my father, and indeed me.

Growing up in the North End, I can tell you that many lives were touched in some way by the Halifax Explosion. I remember as a child my great-grandmother lived with us, and many of her friends who came to visit were missing an eye or, in many cases, two eyes — they were blinded by the explosion. I'm sure Senator McInnis can tell similar stories as well.

We honour their memory and also the efforts of those who did so much to bring the city back from such terrible ruin.

Thank you, honourable senators.

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Yezdi Pavri. He is the guest of the Honourable Senator Marwah.

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

Hon. Senators: Hear, hear!

HALIFAX EXPLOSION

ONE HUNDREDTH ANNIVERSARY

Hon. Thomas J. McInnis: Honourable senators, I, too, want to reference the Halifax Explosion. One hundred years ago tomorrow morning, December 6, at 9:04 and 35 seconds a.m., in Halifax, Nova Scotia, a munitions ship, the *Mont-Blanc*, exploded after colliding with the *Imo*, a Norwegian ship carrying relief supplies for Belgium.

The Halifax Explosion, as it is now referred to, killed more than 2,000 men, women and children. It also left more than 9,000 wounded, some 20,000 destitute survivors and destroyed or seriously damaged some 12,000 buildings.

The destruction was spread across a huge swath of Halifax as well as across the harbour in Dartmouth.

The shock wave produced by the detonation, the shrapnel falling from the sky and the 16-metre shock wave that resulted either vaporized, burned or drowned the innocent, almost all of whom had no expectation of the impending disaster. For some two kilometres around the centre of the explosion, the devastation was complete and horrible.

Firefighters, soldiers and rail workers and others who survived intact in the vicinity as well as those with a vehicle threw themselves into the rescue effort.

The first rescue train carrying medical staff and supplies left Truro less than half an hour after the explosion. By that evening, a dozen trains had reached Halifax from the Nova Scotian towns of Kentville, Amherst and Stellarton in addition to Truro, and from the New Brunswick towns of Sackville, Moncton and Saint John.

At 10 p.m., Boston authorities sent a train equipped with 30 physicians and surgeons, as well as nurses, medical supplies, money, cookware and other household items.

In gratitude for this extraordinary assistance, the Province of Nova Scotia sends a 12- to 16-metre tall Nova Scotia Christmas tree to Boston every year.

The Canadian government, headed by then Prime Minister Sir Robert Borden of Nova Scotia, donated \$18 million and set up the Halifax Relief Commission, which continued to operate and assist victims for decades afterward.

The British government donated almost \$5 million. Donations poured in from as far away as China and New Zealand. The Government of Australia gave \$250,000.

Even in Earltown, a small village in Nova Scotia, schoolchildren pooled together a donation of \$10, a not insignificant sum in 1917.

Honourable senators, we place particular emphasis on the disaster this year, the one hundredth anniversary; however, annually, we remember this terrible man-made accident and devastation. Of course, we must pay our respects to those who perished or were maimed and injured. We honour all those who helped victims and otherwise assisted in one way or another with the tremendous task of rebuilding.

Most importantly, however, honourable senators, we must always use such opportunities to remind ourselves of the consequences of conflict and war and of the best of humanity in looking out for each other.

• (1410)

CHILDREN'S RIGHTS

Hon. Victor Oh: Honourable colleagues, last Thursday I hosted a discussion on the next steps for children's rights in Canada. The event featured presentations from advocates who spoke about the need to improve access to education, health care and legal services.

There was also another group of advocates who spoke about the experiences and challenges faced by some of the most vulnerable and disadvantaged children and youth in our society, including those from First Nations and other racialized groups, those from immigrants and refugee backgrounds, and those in the care of child welfare authorities.

I would like to share with you some of the personal highlights from the event.

I really enjoyed hearing from two high school students, Reem and Kiah, who accompanied Lisa Lachance of Wisdom2Action. They spoke of the need to establish a federal commissioner responsible for the protection and promotion of the rights of children and youth, a suggestion that I and many others support.

They also shared with the audience the draft of a children's charter, a document that sets out a vision and plan of action based on what children and youth want stakeholders to prioritize.

The event included a performance by a talented group of teenage girls from the Ottawa Children's Theatre. Using their art, they were able to articulate their rights in their own way.

Colleagues, we as parliamentarians must ensure that all of our laws, policies and practises respect, protect and fulfill the range of basic standards and rights to which all children and youth are entitled. Currently, we are failing to ensure that these rights and basic standards are being consistently and uniformly applied.

When we fail to uphold this responsibility, we contribute to the deep sense of powerlessness and exclusion felt by children and youth. We also put their safety and well-being at risk.

One of the biggest points this event highlighted is that each of us has a responsibility to listen and to support children and youth. Doing so will help us ensure that their interests are being truly heard and addressed.

"ODE TO NEWFOUNDLAND"

Hon. Fabian Manning: Today I am pleased to present chapter 24 of "Telling Our Story."

A long time ago when my home province of Newfoundland was a self-governing dominion of the British Empire, on par with Canada I might add, we had a governor by the name of Sir Cavendish Boyle. In 1902, Governor Boyle composed a four-verse poem titled "Newfoundland."

The original score was set to music by E.R. Krippner, a German bandmaster living in St. John's. But Governor Boyle desired a more dignified score, so it was then set to the music of British composer Sir Hubert Parry, a close personal friend of Boyle.

The song was first sung on January 21, 1902, at the Casino Theatre in St. John's. The local St. John's newspaper, *The Daily News*, reported on the new song the next day. The newspaper article read:

Miss Frances Daisy Foster rendered with exquisite feeling a new song "Newfoundland." It proved a pleasant surprise and the general appreciation of it was marked by the audience joining spontaneously in the chorus.

The reporter went on to say that he knew he heard something special when he heard the song being sung for the first time.

On May 20, 1904, it was chosen as Newfoundland's official national anthem and titled "The Ode to Newfoundland." This distinction was dropped when Newfoundland joined Confederation in 1949. In 1980, the province readopted the song as an official provincial anthem, the first province to do so.

The "Ode to Newfoundland" is still sung at many public events to this day and instills great pride in the people that are so fortunate to call Newfoundland and Labrador home.

I am not going to sing for you today, dear colleagues, but I will read to you a couple of verses from the "Ode to Newfoundland":

When sunrays crown thy pine-clad hills
And Summer spreads her hand
When silvern voices tune thy rills
We love thee Newfoundland
When spread thy cloak of shimmering white

At winter's stern command
Through shortened rays and starlit nights
We love thee frozen land
As loved our fathers, so we love
Where once they stood, we stand
Their prayer, we raise to heaven above
God guard thee, Newfoundland
God guard thee, Newfoundland

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of students and teachers from Centre Wellington District High School in Fergus, Ontario. They are the guests of the Honourable Senator Sinclair.

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

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

INDIGENOUS AND NORTHERN AFFAIRS

YUKON LAND CLAIMS AND SELF-GOVERNMENT AGREEMENTS—
2011-12 ANNUAL REPORT TABLED

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the annual report for 2011-12 of the Yukon Land Claims and Self-Government Agreements.

STATE OF INUIT CULTURE AND SOCIETY—2014-15 ANNUAL
REPORT TABLED

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the 2014-15 Annual Report on the State of Inuit Culture and Society.

COMMITTEE OF SELECTION

SIXTH REPORT OF COMMITTEE PRESENTED

Hon. Donald Neil Plett, Chair of the Committee of Selection, presented the following report:

Tuesday, December 5, 2017

The Committee of Selection has the honour to present its

SIXTH REPORT

Pursuant to rule 12-2(2) of the *Rules of the Senate*, your committee submits herewith the list of senators nominated by it to serve on the following committees:

Standing Joint Committee on the Library of Parliament

Independent Senators Group

The Honourable Senators Duffy and Forest.

Conservative Party of Canada

The Honourable Senators Eaton and McInnis.

Independent Liberals

The Honourable Senator Mercer.

Standing Joint Committee for the Scrutiny of Regulations

Independent Senators Group

The Honourable Senators Duffy and Woo.

Conservative Party of Canada

The Honourable Senators Stewart Olsen and Unger.

Independent Liberals

The Honourable Senator Day.

Special Senate Committee on the Arctic

Independent Senators Group

The Honourable Senators Bovey, Galvez, McPhedran and Pate.

Conservative Party of Canada

The Honourable Senators Eaton, Neufeld, Oh and Patterson.

Independent Liberals

The Honourable Senators Dyck and Watt.

Respectfully submitted,

DONALD NEIL PLETT
Chair

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

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

AGRICULTURE AND FORESTRY

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXTEND
DATE OF FINAL REPORT ON STUDY OF THE ACQUISITION OF
FARMLAND IN CANADA AND ITS POTENTIAL IMPACT
ON THE FARMING SECTOR

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

That, notwithstanding the order of the Senate adopted on Thursday, June 15, 2017, the date for the final report of the Standing Senate Committee on Agriculture and Forestry in relation to its study on the acquisition of farmland in Canada and its potential impact on the farming sector be extended from December 21, 2017 to March 29, 2018.

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, pursuant to the motion adopted in this chamber on Thursday, November 30, 2017, Question Period will take place at 3:30 p.m.

[Translation]

ORDERS OF THE DAY

BUSINESS OF THE SENATE

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate): Honourable senators, pursuant to rule 4-13(3), I would like to inform the Senate that as we proceed with Government Business, the Senate will address the items in the following order: Second reading of Bill C-63, third reading of Bill C-60, second reading of Bills C-46, C-49, C-17 et C-45, followed by all remaining items in the order that they appear on the Order Paper.

• (1420)

[English]

BUDGET IMPLEMENTATION BILL, 2017, NO. 2

SECOND READING

Hon. Sarabjit S. Marwah moved second reading of Bill C-63, A second Act to implement certain provisions of the budget tabled in Parliament on March 22, 2017 and other measures.

He said: Honourable senators, I rise today as the Senate sponsor of Bill C-63, the second budget implementation act for 2017, or, as I will refer to it henceforth, the BIA2.

It is an essential companion to Budget 2017 in that it outlines how the government proposes to implement its budget.

It includes measures that create expanded trade opportunities, both beyond Canada's borders and also between provinces and territories.

It modernizes workplaces for employers and employees.

It also includes a substantial number of technical amendments that correct deficiencies or make clarifications to the income and excise tax rules. These result in a Canadian tax system that is fairer, more efficient and functioning as intended.

I will focus these remarks on the big picture elements of BIA2 and outline some of the more granular changes we can expect to see for businesses and for individuals. But first let me offer some context for BIA2 — a snapshot of Canada's economy today.

Please know that as a former banker I'm not given to excessive flourishes when it comes to describing economic and financial phenomena, but there is some data worth noting.

To begin, in the context of a budget, the size of the deficit has been an issue that has attracted attention, and it is a concern. But the Minister of Finance, in his Fall Economic Statement 2017 noted that Canada's fiscal outlook has improved by over \$8.5 billion per year compared to what the government was expecting in March.

Furthermore, economic and fiscal developments since Budget 2017 have resulted in an improvement in the outlook for the budgetary balance going forward for the next few years. But the deficit is not the only yardstick to measure economic well-being. Rather than expressing my personal views, let me share what others are saying about Canada's economic performance.

I start with an editorial column in *The Globe and Mail* on October 24, which puts the deficit in a different context. And I would note that *The Globe and Mail* is not exactly a cheerleader of this government.

A lot of news coverage and Canadian politics still operates as if the federal deficit is everything. It isn't. It's not nothing, but it has been shifted, hopefully for good, into the background.

Basically, the analysis can no longer be reduced to one data point.

Federal deficits in the coming years, formerly projected as large-ish but manageable, are now expected to be smaller, and more manageable. A deficit of \$19.9-billion this year, falling to \$17.3-billion in time for the next election, may sound big. But it's not, relative to the size of a more than \$2-trillion dollar Canadian economy

And I continue with the quote, now referring to Ottawa's debt load:

It's at less than half the level the federal government hit in 1995-96, the year of peak crisis. At 30.5 per cent of GDP, the debt is a full two percentage points below the expectations of the Liberals' 2016 budget. The federal debt hasn't been consistently this low since the 1970s.

These are reassuring words. Furthermore, when we move away from just looking at the deficit, I would note the following: Canada's net debt-to-GDP ratio is one third the G7 average and over 20 percentage points lower than the average. In fact, the IMF predicted in October that the Government of Canada's net debt-to-GDP ratio will dip below 20 per cent by 2020.

So Canada's performance on this measure is pretty good, and I continue.

The Bank of Canada — never given to hyperbole — noted in its October *Monetary Policy Report* that it expects Canada's economy to progress on a more sustainable path, with exports and business investment playing a greater role in economic growth more so than growth from consumption and residential investment.

The Conference Board of Canada, in its Canadian Outlook in autumn 2017, refers to “phenomenal growth” in the Canadian economy and notes an increase in business investment.

Canada is now the fastest growing economy in the G7, growing at an average rate of 3.7 per cent over the last year, the fastest pace of growth since early 2006. The International Monetary Fund boosted its 2017 outlook after seeing Canada’s economic data, saying:

“Buoyant domestic demand boosted first-quarter growth to 3.7 per cent and indicators suggest resilient second-quarter activity.”

As for jobs, last week Statistics Canada reported that the unemployment rate has fallen to 5.9 per cent, the lowest level since February 2008.

Canada’s improved employment picture has also been observed in the OECD’s economic outlook. All these numbers and statistics are not exactly poetry, but they are positive economic and financial news on numerous fronts.

While there are still vulnerabilities, as I said at the outset, such as the deficit and high levels of household debt, these vulnerabilities are easing. The Bank of Canada notes improving economic conditions and recent changes to housing policy are making a difference.

It is against this backdrop of solid economic growth and increased optimism that I will now turn to BIA2. I wish to bring to your attention some elements that I think are notable because they help bolster our economy and create opportunities for Canadians.

I will start with one initiative that has garnered some interest, and that is the Asian Infrastructure Investment Bank, or AIIB. It would appear that the words “infrastructure bank” set up a debate whenever it is brought up, but I hope that it is less controversial than the last time we debated it.

Honourable senators, Canada’s economic success in a global context depends heavily on international trade. There is no denying it. Strong trade relationships create more opportunities for Canadians to succeed and prosper. Canada has always been a trading nation, and today trade continues to be the key to the economic success story that is Canada.

In the second quarter of this year, the export of goods and services represented almost a third of Canada’s GDP. And while three quarters of those exports are destined for the United States, huge opportunities exist for Canada to increase trade with Asia.

Consider the facts: Only 4.2 per cent of our exports go to China — only 4.2. India, with a population of over 1.3 billion, is the recipient of less than 1 per cent of Canada’s exports. The conclusion is that we must diversify our trade — it is a national imperative.

In 2014 Senator Woo, then a Distinguished East Asia Fellow at the Asia Pacific Foundation of Canada, and a Senior Fellow at the University of British Columbia, identified four broad features of ASEAN economies that continue to present economic opportunities for Canada’s interests. They include a reordering of regional production networks; a growing middle class seeking to increase consumption beyond basic needs; the ongoing development of infrastructure; and the pace, depth and quality of financial sector development.

Senator Woo noted that by 2030 the middle class in ASEAN is estimated to number about 450 million. This will present massive growth opportunities in these markets.

Another key factor is that China’s economic growth and its geopolitical influence are indisputable. With an economy that is growing at 7 per cent annually, China may soon eclipse the United States as number one in the world.

By joining the AIIB, Canada will be in a position to deepen its ties with China and Asia and open doors for Canadian businesses so that they can grow and diversify. It will also affirm Canada as a strong multilateral presence around the world.

In addition to the immediate advantage of North American exclusivity through membership in the AIIB, Canada will be on the ground floor and may be able to play a unique and constructive role in supporting the bank’s operations and governance.

Next is internal trade and the new Canadian Free Trade Agreement, or CFTA. Bill C-63 will ensure full implementation of the CFTA.

The CAFTA provides a new framework of comprehensive rules that will allow federal, provincial and territorial governments to compete on a level playing field within a modern economic union for all Canadians.

The CAFTA will reduce barriers to trade, investment and worker mobility, increase choice for consumers, expand access to government contracts, and eventually create more jobs for Canada.

The CAFTA also eliminates any advantage foreign companies may now enjoy over Canadian companies.

• (1430)

If some of these initiatives seem familiar to my honourable colleagues, it will be because the issues of internal trade barriers were reviewed extensively by the Banking, Trade and Commerce Committee in its June 2016 report, *Tear Down These Walls: Dismantling Canada’s Internal Trade Barriers*.

To my colleagues who provided this valuable report, I thank you.

Next are changes to Canada's Labour Code. I'm referring here to an amendment that will modernize the Canada Labour Code for today's workforce — a workforce that increasingly values flexibility to balance work and family demands. There are basically two major changes. First, the amendment will give employees the right to request changes to the terms and conditions of their employment, including the number of hours they work, their schedule and where they work.

For those of you envisioning a chaotic free-for-all in labour relations, I would note that employers can refuse requests based on specific grounds, such as the burden of costs or the impact on business performance. But employers will also benefit. Such policies may enhance recruitment and retention and may help brand employers as being leaders in helping staff achieve that elusive and sought-after work-life balance. They should also see decreased absenteeism and overall increased productivity.

Second, the amendment also introduces three new unpaid leaves. The first is a leave of three days for family responsibilities; the second, leave of up to 10 days for victims of family violence; and the last, leave for five days for traditional Aboriginal practices. Bereavement leave has also been enhanced.

To be sure, the changes to the code will affect only a small number of the workforce, namely those in the federally regulated private sector. However, it is a start. With changes to one sector of the labour force, there's a new standard now to support employees to achieve a better work-life balance. It may well serve as an example to all sectors that work-life balance is a premium for Canadian workers of today.

Honourable senators, let me now move to some of the other important elements of Bill C-63.

First, cannabis and its taxation. There is currently no provision in the Federal-Provincial Fiscal Arrangements Act that provides the Minister of Finance with the ability to enter into coordinated cannabis taxation agreements with provinces and territories. This section of BIA2 will provide the minister the ability to engage the provinces and territories to develop such agreements.

This measure will help ensure a smoother and coordinated rollout for such a taxation and would permit the Government of Canada to make payments to the provinces in respect of the revenues from cannabis taxation.

I would note that there are no obligations on the provinces to enter into agreements. The framework being developed is the same as the one that was used for the HST. It is fair that Senate has not passed the legislation — hence, to many, beginning a discussion on taxation may seem premature. However, this does allow for better planning.

Another element of Bill C-63 that I would like to highlight today is changes to the Business Development Bank of Canada Act. BIA2 proposes that the paid-in capital limit of the Business Development Bank be increased from \$3 billion to \$4.5 billion. Increasing the capital limit will allow the government to inject additional capital for the BDC to implement new initiatives

announced in Budget 2017. These initiatives are in two areas: first, to make new financing available to help clean technology firms grow and expand; and second, to make an investment through the BDC of \$400 million for a new venture capital initiative that will increase late-stage venture capital available to Canadian entrepreneurs.

Finally, I will touch briefly on some of the other elements of the act that streamline and modernize processes for today's economy. Regarding Part 5, Division 13, the Financial Administration Act, these amendments help the alignment of the federal budget and the Main Estimates.

As Senator Smith and Senator Campbell may recall, in April 2016, the President of the Treasury Board appeared before the Standing Senate Committee on National Finance to discuss this initiative in detail. During his presentation, he illustrated the challenge facing parliamentarians in understanding what is actually in the budget and the estimates. He used an example. He said, referring to the 2016 Main Estimates:

If you look at the Main Estimates, you might ask the question: How can it be that a department like Indigenous and Northern Affairs is having its funding both decreased and increased? You may draw that conclusion based on the fact that Budget 2016 announced unprecedented investments in First Nations . . . totalling \$8.4 billion over the next five years; yet these Main Estimates we are discussing tonight show a decrease of over half a billion dollars.

The Treasury Board President concluded that it was the perfect example of why we need to look at the realignment of the Main Estimates and the budget. With the Main Estimates currently introduced before the federal budget each year, there is no opportunity for the Main Estimates to reflect the priorities that the government lays out in its budget. Presenting the Main Estimates to Parliament after the budget would allow the government to include significant budget items in the Main Estimates, which would provide a more coherent flow of information to Parliament.

In June 2016, the Standing Senate Committee on National Finance observed in a report that it looks forward to examining concrete proposals from the secretariat that would align the budget and the Main Estimates. Well, here it is. In June 2017, the House of Commons responded by approving changes that move the tabling of Main Estimates from March 1 to April 16 so that any new funding announced in the federal budget can now be included in the Main Estimates.

Honourable senators, I will now quickly outline some of the other meaningful changes to the Income Tax Act — a few of which are more meaningful although most are relatively minor.

The first is billed-basis accounting. The use of billed-basis accounting has allowed certain professionals to exclude the value of work-in-progress when calculating their income, while allowing them to claim expenses on such work.

In fairness to other professions where this is not permitted, billed-basis accounting practices will be eliminated for taxation years starting after March 22, 2017. Because of extensive consultation, the transition period has been extended from two to five years for phasing in the change.

In the principal residence exemption, individuals or trusts who were not resident in Canada when they bought the property will not be able to claim the capital gains exemption for the year of acquisition. Also, families are able to designate only one property as a principal residence for any given year.

Regarding ecological gifts, currently there is a program for Canadians to make gifts of ecologically sensitive land, the conservation of which is important to the preservation of Canada's environmental heritage. Going forward, ecological gifts to private foundations will no longer be permitted because private foundations are often controlled by an individual or a group of related individuals who are usually the primary donors to the foundation. The proposed amendments will address the potential conflict of interest in such situations.

Next is nurse practitioners. To recognize the important role played by nurse practitioners in Canada's health care system, they will be added to the lists of medical practitioners who are allowed to perform certain functions, including certifying a medical condition, for the purposes of income tax.

Regarding oil and gas exploration, amendments will ensure that the expenses related to successful oil and gas discovery wells are treated as Canadian development expenses so that they are deducted tax-wise gradually over time rather than immediately. This measure supports Canada's international commitments to phase out inefficient fossil fuel subsidies.

The balance of Part 1 of the bill includes several technical amendments that serve to increase the transparency of the Income Tax Act.

Moving briefly to excise taxes, Parts 2 and 3 of the budget bill deal with several excise tax changes. The vast majority of these are technical amendments such as the GST/HST application to pension plans, master trusts, financial institutions, drop shipment rules, municipal transit, et cetera. I won't bother going through them here. These are largely to correct deficiencies, resolve unintended consequences and respond to comments by taxpayers. They have virtually no fiscal impact.

Next is the excise tax on beer concentrate. Also under the area of excise taxes, Part 3 deals with the potential double taxation of beer. This, I am sure, is of interest to many. As a result of existing excise rules, these beer products may be taxed twice: first, as spirits during the manufacturing process; then as beer, once transformed into a form ready for consumption. Bill C-63 includes a measure that amends the Excise Act to ensure that beer made from concentrate is taxed only once and that is with consumption.

Colleagues, now you can rest in peace that you will not be paying more for your beer — assuming you drink beer made from concentrate. This is a change that is welcomed by the industry and consumers alike.

• (1440)

Lastly, in Part 5 of the bill, besides the Asian Infrastructure Investment Bank and the Canadian Free Trade Agreement, there are a few other measures that act to simplify, improve or reduce the administrative burden of existing institutions or legislative powers.

For instance, Bretton Woods and related agreements. These agreements govern Canada's engagement with the International Monetary Fund and the World Bank. The activities and related lending agreements of these institutions have undergone significant changes since the BWA was drafted 30 years ago. The changes in BIA2 provide the authority to the Minister of Finance to amend the BWA to reflect modern realities. There is no fiscal impact to this.

The changes related to the Canada Deposit Insurance Corporation Act include provisions aimed at preventing the mass termination of eligible financial contracts or derivatives in the unlikely failure of a bank. This allows the CDIC to manage a failure in a manner that protects depositors, taxpayers and financial stability.

The changes to the Bank of Canada Act would facilitate the bank taking mortgages as collateral for emergency lending assistance, which it currently cannot do.

Colleagues, under the Constitution Act, 1867, any changes that relate to the number of Superior Court judges and their salaries require statutory amendments. Bill C-63 will amend the Judges Act in three ways.

First, it will authorize the salary for a new associate chief justice for the Alberta Court of Queen's Bench, the superior court of Alberta. Adding a new position will alleviate the burden currently carried by the existing judges of the Alberta court.

Second, it will change the title of the head of territorial superior trial courts, currently designated as "senior judges," to "chief justices." This change in designation is in recognition of the fact that the head of each of the superior trial courts in the Yukon, the Northwest Territories and Nunavut perform the same function and receive the same remuneration as their provincial counterparts.

Lastly, it will change the mechanism required for the payment of non-discretionary annuities under the Judges Act. This would eliminate the inefficiencies and delays of the current system in payment of judges on retirement, or to the survivors on the death of a judge.

In conclusion, honourable colleagues, while Bill C-63 is a large bill, in my opinion it is as non-controversial a budget bill as you will ever see. It will help employees and employers create workplaces that are modern and compassionate; it promotes freer trade internationally, as well as in Canada; it provides the framework for the introduction of cannabis to the marketplace, to ensure consistent taxation; it clarifies many income tax and excise rules; and it modernizes the powers of institutions such as the Bank of Canada, CDIC, Bretton Woods and so on.

As you can see, the numerous policy initiatives contained in BIA2 have been developed with input from work in various committees, including those in the Senate. I have no doubt that senators will devote their attention to this bill with their usual care and scrutiny. However, I also share the belief that this bill, BIA2, will meet the high standard of sober second thought that this chamber will bring.

I look forward to working with all of you and with the National Finance Committee in the “sober second thought” review of this bill.

[Translation]

The Hon. the Speaker: Question, Senator Ringuette?

Hon. Pierrette Ringuette: Yes, would Senator Marwah take a few questions?

[English]

Senator Marwah: Yes, but be kind.

Senator Ringuette: Yes, I will.

I'm intrigued. I understand if you don't readily have the answer. You can forward it after. My question is with regard to the Asian Infrastructure Investment Bank, for which we will be seeking membership through a large contribution.

Who are the current members of this bank? What do their respective contributions amount to? We have a Canadian infrastructure bank. Is there any intention of reciprocity with regard to contributions to each other's infrastructure bank?

Senator Marwah: On your first question, I think it's fair to say that our contribution is very small. I think the limit that the government has asked for is \$375 million, but only US\$199 million is currently available. So we'll have a very small percentage, given the fact that the capital of the bank is \$100 billion.

There are 58 member countries. Virtually all are OECD partners: Italy, France, Germany, U.K., Australia, South Korea and India. I can go on and on. They are all members. There is a detailed chart, which I'd be glad to send to you, which shows the contribution. China is the largest, and it goes down from there.

That's the contribution. We have a small input, but at least we have a seat at the table and some chance of having business directed to Canadian companies, rather than not being there and having no chance of getting any business.

[Senator Marwah]

As to your second question in terms of whether there is any reciprocity, frankly speaking, I don't think so, because they are looking at infrastructure investments in Asia. That's where their focus is, not in looking at infrastructure projects in Canada. Similarly, I can't see our infrastructure bank looking at investments in Asia.

Hon. Nancy Greene Raine: Would the senator accept another question?

Senator Marwah: Gladly.

Senator Raine: You said that's a small contribution, but having done a study with the Aboriginal Peoples Committee of the dire housing needs in Northern Canada, can you relate what I consider to be a very large investment of taxpayers' dollars to the development of infrastructure in Asia, when we have such needs in Northern Canada? Has anybody done the math to see how many houses that would build in Nunavut?

Senator Marwah: I believe you misrepresented my comment. When I say it's a small investment, I mean a small investment in the Asian Infrastructure Investment Bank. It doesn't mean that it's small in total; it's a small investment in comparison to the other investors in the Asian Infrastructure Investment Bank.

The second part of your question is whether we look at it. Yes, I think that's important, because no country is an island. We can't sit here by ourselves and say we're going to divorce ourselves from what's happening in the rest of the world. We are a trading nation. One third of our GDP comes from trade. China and Asian countries are the largest-growing block for trade. If we don't partake in that, I think in the long run it will be detrimental to our GDP growth, to our businesses and to our tax dollars. Eventually, if you slow down the GDP, the less money we will have to invest in Nunavut.

Hon. Yonah Martin (Deputy Leader of the Opposition): Senator, will you take another question?

Senator Marwah: Gladly.

Senator Martin: I understand the importance of being part of the global economy with our partners, and I see that the priority of this government has been to do some of those things abroad, but I'm actually quite obsessed with what's happening in Canada with regard to small businesses. I'm talking about small, family-owned businesses.

Correct me if I'm wrong, but this budget, other than lowering the small business tax rate — which isn't really lowering the rate because the promise to lower it during the election was broken. What is being done is just what should have been done already. Other than that, I don't see anything that will be a direct benefit. Would you correct me and point to the provisions that are specifically for small businesses in Canada? We keep saying that small business is the backbone of the Canadian economy. It helps our economy grow, while creating jobs and prosperity for Canadians and their families. To small businesses, 1 per cent can make the difference between staying open or not.

Are there other provisions specific to those small businesses? I may have missed it; it's a very large bill. My concern is for the people at home, and that should be our priority.

Senator Marwah: Frankly speaking, I don't think there are any provisions in this budget bill that are specifically directed to small business. I can only talk about what's in this budget bill, but I imagine that other budget bills, in due course, will deal with issues relating to small business. In this budget bill, to the best of my knowledge, there is no other provision that addresses small business in particular.

Hon. Percy E. Downe: Senator Marwah, I wonder if you could tell us whether you know — and if not, if you could find out — the difference between the two-tiered memberships in the Asian Infrastructure Investment Bank. Canada being in the second tier, what does that mean for participation and the role we have?

Senator Marwah: I don't think there's a second tier, to the best of my knowledge. I think we're just a smaller player among everybody else and we'll have less say at the table. As I said at the outset, some say at the table is better than no say at the table and not being part of the process. I imagine that, over time, our influence will grow and hopefully have an impact such that we will have more access to private-sector companies doing business in Asia and that we will have a seat at the table.

• (1450)

Senator Downe: Correct me if I'm wrong, but I understand that, since we weren't an original member, our influence cannot grow. We're actually capped at a certain level with the others that joined later.

Senator Marwah: There was an original membership that we originally declined to join, so our number of \$375 million got whittled down to \$199 million that's available today. That's all we can get at this point in time.

Hon. Ratna Omidvar: Will the senator take a question? This might be minutia, but it does interest many Canadians.

Is there anything in this budget bill that will allocate new resources to the CRA to ensure that Canadians pay their taxes in Canada, as opposed to squirrelling their money away in paradise or Panama or wherever it may be?

Senator Marwah: There is nothing in this bill that talks about resources to CRA.

Hon. Paul J. Massicotte: Will the senator accept a question? I fully support our participation in this Asian bank. I think it's very important to be a player, to be there. It's like belonging to a club. That's where you get business. I fully support it.

Could you comment, senator, on the fact that this originally was motivated somewhat by the fact that the Americans want to significantly control the World Bank and that, therefore, this is a response to that? How do the Americans respond to our participation in this Asian bank?

Senator Marwah: I don't think the American response to our participation is going to be any different than the American response to the participation of its other allies, whether it's the U.K., Germany, Australia or France. Everybody has participated. I think they are the only large country that has not participated, and I think that is driven more by geopolitics than by economic logic. I think they view China as a major competitor and have chosen not to join. That's their issue. I don't think that should prevent us from doing what's good for Canada.

Hon. Nicole Eaton: Honourable senators, to my colleague Senator Marwah, lovely speech; thank you.

I rise today to speak to Bill C-63, A second Act to implement certain provisions of the budget tabled in Parliament on March 22, 2017, and other measures.

Bill C-63 is a lengthy and complex piece of legislation, covering everything from the taxation of beer made from concentrate on the premises where it is consumed to several complicated tax changes dealing with investments.

I look forward to the officials' explanation of these matters, what they mean and, just as important, who benefits because, if we've learned one thing about the Minister of Finance, he is always looking out for someone, and it isn't always the middle class and those working hard to join it, as the Finance Committee was made only too aware on our trips both to Western Canada and to the Maritime provinces to hear about the proposed tax loopholes.

I won't presume to go over everything that is in this bill — it is 317 pages long — but I would like to touch on a few items that deserve a careful look.

Part 1 of Bill C-63 implements several income tax amendments, including the elimination of what is known as billed-based accounting for designated professionals. This is an accounting method whereby doctors, dentists, veterinarians, accountants and lawyers can choose to exclude the value of work in progress when calculating their income. The effect is that they do not incur a tax liability until the work is billed.

Under Bill C-63, that will no longer be permitted. The value of work in progress must be counted as income, even though no invoice has been issued, let alone paid. As announced in the budget, this measure was to be phased in over two years, but, after substantial pushback from professionals, the phase-in has been extended to five years in Bill C-63.

The particular concern with the end of billed-based accounting was that it could limit access to justice for civil plaintiffs of modest means who hire lawyers on contingency. Smaller law firms that handle such cases could face crippling tax bills for work not yet billed, causing cash-flow problems that could threaten their continued operation.

The Canada Revenue Agency has issued a clarification on its website that says that the changes should not affect bona fide contingency cases, those where no bill will be payable unless there is a successful outcome in the case. That is reassuring news until you consider the recent track record of the Canada Revenue Agency and the recent report of the AG. If they are willing to go after diabetics and autistic persons, I'm not sure I'd expect much sympathy if I were a lawyer.

The elimination of billed-based accounting is yet another attack by the government on professionals, in keeping with its egregious proposals for taxation of private corporations.

I'd like to turn now, for a few minutes, to Part 4 of Bill C-63, the amendments to the Federal-Provincial Fiscal Arrangements Act. These amendments empower the Minister of Finance to enter into cannabis taxation agreements with provincial governments. This is a government that came to power promising to listen to Canadians and dedicate itself to evidence-based policy, but, in its rush to meet a self-imposed deadline for legalization of cannabis, the government is showing it is not listening and is ignoring the evidence.

In September, the provincial justice ministers asked the federal government to slow down on its legalization plans. Police across this country have asked that implementation be delayed. They need time to train officers and to certify drug-recognition experts to deal with cannabis-impaired drivers, pilots, truck drivers and anybody who works in heavy machinery. They have repeatedly said it is impossible to be ready by July 1, 2018.

There are only 600 officers certified as drug-recognition experts in Canada, but the Canadian Association of Chiefs of Police say that at least 2,000 are needed.

Rick Barnum, Deputy Commissioner of the Ontario Provincial Police, says that if the government does not postpone the legalization date, there will be a window, following July 1, of six months to a year when police will not be ready. To quote Deputy Commissioner Barnum:

The damage that can be done between the time of new legislation and police officers being ready to enforce the law in six months or a year can make it very hard for us to ever regain that foothold.

They won't be ready to keep our streets and highways safe. They won't be ready to prevent organized crime from exploiting the grow-at-home exemptions. They simply will not be ready to enforce this law.

It's not just police who want a delay. The provinces of Quebec and Manitoba have made the same request, and the public, although it supports legalization, has grave concerns about the timelines.

This is a major policy shift that raises important health and safety concerns. Proper regulation that has been subject to appropriate consultation is critical. Yet, in the government's haste, it has decided to bypass normal regulatory process.

Proposed regulations are generally published in Part I of the *Canada Gazette*. Typically, the text of the regulation is published along with a regulatory impact assessment statement, a note on the number of days open for comment and contact information to provide feedback. It is called pre-publication.

After public consultation, the regulations, as enacted, are published in Part II of the *Canada Gazette*. It is part of an open and transparent regulatory process that is one of the best in the world.

But, in the case of the federal cannabis regulations, the Health Canada document entitled *Proposed Approach to the Regulation of Cannabis*, released two weeks ago, said the following:

To meet the government's commitment of bringing the proposed Cannabis Act into force no later than July 2018, the final regulations will need to be published in the *Canada Gazette*, Part II, as soon as possible following Royal Assent. As such, it is important that interested parties provide feedback on the regulatory proposals in this consultation paper, as draft regulations will not be pre-published.

There is a mechanism available under the Treasury Board guidelines to exempt regulations from pre-publication. Exemptions from the normal process are permissible when regulations are of minimal impact or correct errors to ensure consistency between official languages, or when they respond to emergencies, or when they are of a sensitive nature, when pre-publication would cause adverse effects, such as when changing subsidies or interest rates.

But there is no scenario imaginable in which cannabis regulations would qualify for one of these exemptions. For one of the most important policy shifts in many years in this country, one with profound implications for public health and safety, the government is short-circuiting the regulatory process.

• (1500)

There is no reason for this undue haste, aside from the fact they want revenue from taxation, which brings us back to Bill C-63 and a federal cannabis tax framework with the provinces.

We have heard the Prime Minister's views on this — that the federal government should get half of the excise tax to be imposed on the retail sale of cannabis. This, despite the fact that the costs in enforcing the new law and the consequences that flow from the increased use of cannabis will be overwhelmingly borne by provinces and municipalities.

I hope there is substance to recent reports that suggest the government is willing to grant a larger share to the provinces, provided the money is shared with municipal governments. That is an encouraging sign, because there is no doubt the legalization of cannabis will put a severe strain on local governments. But that lack of agreement on tax-sharing revenues is the least of the problems with the government's approach to this issue.

One area of Bill C-63 that has received considerable attention in the other place is Part 5, Division 2, the proposed "Asian Infrastructure Investment Bank Agreement Act." Although Canada has formally committed to investing roughly \$250 million in this Chinese-led initiative, this bill, on page 239, authorizes the Minister of Finance to transfer nearly double that amount.

There is no question Canada needs to diversify its trade, considering the increasingly erratic and unpredictable trading relationship with our traditional partner, the United States. But that does not mean our primary focus should be China. It is a country that does not recognize democratic norms, routinely violates human rights, has a serious corruption problem, does not respect intellectual property, and conducts cyberattacks and industrial espionage around the world. China is not a free and fair trader, to say the least.

What Canada will get out of this infrastructure bank is questionable at best. We will have a 1 per cent share compared to nearly 30 per cent for China itself and will have little say in what investments are made or what companies will benefit.

The progressive conservative organization bankwatch.org rates the bank as the worst of any multilateral bank in terms of transparency. Although the infrastructure bank has made all the right noises about environmental stewardship, it is expected to make arm's-length investments through other financial intermediaries that will leave open the possibility of financing projects that are environmentally unsound or that violate human rights. So Canada may be financing coal-fired power plants in Asia or pipelines with no concern for upstream or downstream greenhouse gas emissions. I repeat: We have no say in where our money is invested.

We won't build a pipeline from Alberta to New Brunswick, but we may finance one in a country that does not share our commitment to environmental stewardship, let alone human or democratic rights.

If the Prime Minister is serious about diversifying trade and gaining access to Asian markets, why is he skipping meetings on the Trans-Pacific Partnership? That is a trade deal that would provide an opportunity for a balanced trading relationship, unlike a bilateral agreement with China. Including an agreement on the TPP would be a far better use of Canada's resources than shipping half a billion dollars to Beijing for use by an

infrastructure bank over which we have little influence. That is an extraordinary amount of money, and it is not at all clear it will benefit Canadians in any substantive way.

Honourable senators, the Liberals inherited a balanced budget. They promised modest deficits of \$10 billion before returning to balance in 2019-20. But Minister Morneau and Prime Minister Trudeau delivered a deficit three times what they promised and have abandoned all pretense they will ever balance the budget. It was a truly interesting sight to see Minister Morneau asked repeatedly — seven times, in fact — at a committee meeting last month when the budget will be balanced and hear him avoid a substantive answer — seven times in a row — to this very straightforward question.

Here I disagree with my colleague the Honourable Senator Marwah. Deficits, I think, are important. Canadians were told deficits were needed to rebuild our road and bridges, and help the middle class. But two years into their mandate, the Liberals have been unable to get money out of the door for infrastructure projects. Just this fall, they announced they were delaying \$2 billion in infrastructure spending because of their failure to get projects approved.

And what about the middle class? According to an analysis by the Fraser Institute, 81 per cent of middle-class families in Canada will pay more in income tax this year, an increase of \$840 on average. What they gave with one hand via their middle-class tax cut they took away with the other — and then some. No more income splitting for middle-class families. No more children's fitness tax credit. No more Public Transit Tax Credit.

They have delivered exactly the opposite to what they promised for middle-class families.

As an example, take a look at the front lawn and the temporary rink that blocks the view of Christmas lights on Parliament Hill, a rink that will be taken down after a few months but costs as much as an arena that could last for decades in any small town in this country. First, it was \$5.6 million and now it's exceeding \$7 million.

Honourable senators, thank you, and I look forward to seeing Bill C-63 receiving thorough study in committee. With your blessing, I hope we can send it to committee tonight.

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

Hon. Senators: Agreed.

(Motion agreed to and bill read second time.)

REFERRED TO COMMITTEE

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

(On motion of Senator Marwah, bill referred to the Standing Senate Committee on National Finance.)

[Translation]

**MISCELLANEOUS STATUTE LAW AMENDMENT
BILL, 2017**

THIRD READING

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate) moved third reading of Bill C-60, An Act 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.

She said: Honourable senators, I invite you to quickly pass at third reading Bill C-60, which was passed fairly quickly in the other place. I would simply like to remind you of the context of this bill.

As its title suggests, Bill C-60, An Act 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, is not a controversial bill. Needless to say, it is a technical bill. As you know, this bill stems from the Miscellaneous Statute Law Amendment Program, which was developed by the Department of Justice and received government approval in 1975. I remind you of that because we have often seen this type of bill before. This bill is the 12th such bill since the program began.

Bill C-60, which was introduced in the Senate on October 24, has gone through all of the steps in the program. First, amendments were submitted to the Department of Justice by the departments, agencies or others who wished to do so. Then, the Department of Justice prepared a document for cabinet approval. The amendments were tabled in the Senate and the other place and examined in committee by both chambers to remove any amendments that do not meet the four criteria of the Miscellaneous Statute Law Amendment Program. The four criteria are the following: the amendments must not be controversial, must not involve the spending of public funds, must not prejudicially affect the rights of persons, and must not create new offences or subject a new class of persons to an existing offence.

Once the committees of both chambers have completed their study, any amendment that did not meet these criteria is excluded. The legislation section then drafts the statute law amendment bill. That is the bill we have before us today. The bill was studied in committee, the committee presented its report yesterday, and we will now pass the bill at third reading. The bill is non-controversial, as its title indicates.

• (1510)

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.)

[English]

CRIMINAL CODE

**BILL TO AMEND—SECOND READING—
DEBATE CONTINUED**

On the Order:

Resuming debate on the motion of the Honourable Senator Boniface, seconded by the Honourable Senator Omidvar, for the second reading of Bill C-46, An Act to amend the Criminal Code (offences relating to conveyances) and to make consequential amendments to other Acts.

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, I rise today to join the debate on Bill C-46 and to urge this chamber to adopt this bill in principle before we rise for the holidays, thereby ensuring it will be ready for committee consideration in the new year.

As we have heard from Senator Boniface and others in this chamber, the underlying objective of this bill is to better protect Canadians from the devastation caused by alcohol- and drug-impaired driving. Impaired driving-related deaths and injuries are entirely preventable, yet too many Canadians have suffered and continue to suffer from these tragedies firsthand.

Bill C-46 will create strong and effective new deterrents to address the number one criminal cause of death and injury in Canada. As this chamber knows, Bill C-46 proposes several significant changes to the alcohol-impaired driving provisions in the Criminal Code, with a view of enhancing road safety and saving lives. One of the key proposals to achieve this objective is mandatory alcohol screening. Mandatory roadside alcohol screening would authorize officers to demand roadside breath samples on an approved screening device without a suspicion that a driver has alcohol in their body. This proposal seeks to address the fact that research suggests up to 50 per cent of drivers with a blood alcohol concentration above the legal limit are not currently detected at roadside check stops.

Mandatory alcohol screening will not only increase the detection of impaired drivers, but, more important, it is expected to have a significant deterrent impact on impaired driving, resulting in a significant number of lives saved. This has been the experience of other jurisdictions that have implemented mandatory alcohol screening.

According to Mothers Against Drunk Driving, also known as MADD Canada, more than 40 countries worldwide have authorized mandatory alcohol screening, including most Australian states, New Zealand and several European countries.

When mandatory alcohol screening was authorized in Ireland in 2006, it was credited by the Road Safety Authority with reducing the number of people being killed on Irish roads by almost 25 per cent in the 11-month period following its introduction, compared to the previous 11-month period.

As you know, Bill C-46 also makes important changes in relation to drug-impaired driving, and I'll speak more about that shortly.

However, to underscore the urgency of dealing with Bill C-46, I will now read into the record an open letter to senators from Andrew Murie, Chief Executive Officer of MADD Canada.

On November 28, Mr. Murie wrote:

Dear Senator:

I am writing today, on behalf of MADD Canada's members and volunteers, and the many victims and survivors of impaired driving, to encourage your support for the impaired driving legislation currently being debated in the Senate.

Bill C-46 proposes important measures that are vital to reducing the rate of impaired driving in Canada. The provisions around drugged driving are particularly crucial. Delay in the passage of Bill C-46 will negatively impact the ability of law enforcement agencies to detect drugged drivers and take them off the roads.

We understand many of you may have concerns about the pending legalization of marijuana, but we encourage you to consider Bill C-46 separate and apart from the proposed legislation around legalization around legalization. Drugged driving is a problem right now; too many Canadians are being killed or injured in crashes where drugs are present. The measures contained in Bill C-46 are needed to address the drugged driving problem in Canada, independent of the legalization of marijuana.

Drug presence in fatal crashes has surpassed alcohol presence. Based on 2013 statistics (the latest year for which comprehensive national data is available), there were 2,430 crash deaths. Of those crash deaths, 59.7%, or 1,451, involved some alcohol and/or drug presence. When that is broken down, 28.1% involved a positive drug reading, compared to 15.2% with a positive alcohol reading. The remaining 16.4% tested positive for both alcohol and drug presence.

Drugs are present in fatal crashes nearly twice as often as alcohol. Yet, Canada's existing system does a very poor job of detecting drivers under the influence of drugs. Only a small fraction are being detected and charged using the current Standard Field Sobriety Test and Drug Recognition Evaluation processes. In 2014, just 2.6% of all impaired driving charges were drug-related. That is just 1,355 charges out of the total 51,637 impaired driving charges.

Canada needs strong laws and testing measures in place to detect — and ultimately deter — those who drive while under the influence of drugs. Bill C-46 proposes driving limits for cannabis and other drugs, and will authorize police to use simple and effective roadside oral fluid testing technology to detect drugged drivers.

These measures, along with other provisions in the Bill such as mandatory alcohol screening, will significantly improve screening and detection measures for drivers impaired by drugs and/or alcohol. They are consistent with the best practices MADD Canada has identified in other jurisdictions to effectively reduce the rate of impaired driving. Most importantly, these measures will reduce impaired driving, prevent crashes and save lives.

Bill C-46 represents a powerful step forward in the fight to stop impaired driving. It will have a tremendous impact on the reduction of impaired driving and will make Canadian roads safer.

We ask you and your colleagues to support and pass this Bill so that it can continue through the approval process and be enacted as soon as possible.

To put that data in perspective, 1,451 Canadians were killed by alcohol- or drug-involved driving in 2013. That amounts to four Canadians killed per day. I will say that again: Four preventable Canadian deaths per day.

If Bill C-46 is able to replicate the results of the legislation in Ireland, it would reduce by one quarter the alcohol-involved driving deaths in Canada. Think of the lives saved, the families and friends spared life-shattering trauma.

Let us turn now to drug-impaired driving. As you know, this chamber has already had the benefit of last year's study of Senator Carignan's Bill S-230, the drug impaired driving detection act. This is a very closely related proposal to Bill C-46. Both bills are about keeping our roads safe from impaired drivers, and I trust Senator Carignan's experience in this matter will help us greatly.

Further, I am happy to indicate that in the case of Bill S-230, this chamber showed its willingness to act expeditiously on impaired driving legislation. In October of last year, Bill S-230 received only two days of debate at second reading and was referred to the Legal and Constitutional Affairs Committee six calendar days after Senator Carignan moved second reading. The bill then received three hearings at committee and passed in December with four calendar days at third reading. In the case of Senator Carignan's Bill S-230, I applaud the chamber's willingness to move quickly in the interest of public safety.

Turning to Bill C-46, as you know, this is the fourth sitting week of the second reading debate. Therefore, given the urgency of preventing injury and death from impaired driving, and taking our guidance from the pace of deliberations on Bill S-230, I would ask any remaining senators wishing to join second reading debate on Bill C-46 to do so promptly so we can refer this bill, this important legislation, to committee for consideration.

I urge you to contribute to the debate, if you wish. Otherwise, let's move this road safety bill along.

[Translation]

Hon. Claude Carignan: Would Senator Harder accept questions?

Senator Harder: Always.

• (1520)

Senator Carignan: Bill C-46 goes much further than Bill S-230 on various points concerning roadside screening. For example, it makes it an offence to drive with a certain level of THC in the body. That level may range from two to five, depending on the circumstances. This element was not examined by the House of Commons or by the Standing Senate Committee on Legal and Constitutional Affairs during the study of Bill S-230. The bill also deals with impaired driving.

I put a number of questions to the senior officials who met with me as a spokesperson, and I am still waiting for answers, particularly with regard to aviation and the training of drug recognition experts.

I have another question, specifically for the Leader of the Government in the Senate: if a drug recognition expert finds that a driver who is not impaired has a THC level between two and five after doing a blood test, is the driver committing an offence at that moment? Will the results of both tests be available to the court? Will the court have to acquit the driver or find him or her guilty?

[English]

Senator Harder: I thank the senator for his question, and I wish him a happy birthday from yesterday in the hopes that my compliments will encourage him to participate in the debate and move the bill along.

Senator, those are exactly the kinds of questions we should be dealing with in committee. This is a question of a debate in principle, and the principle of the debate is, as your bill, to ensure that we have the highest standards of road safety available to Canadians with respect to alcohol and drug-related impairment. I hope that in committee the appropriate officials can answer your technical questions so that we, as a Senate, can come to a point of view on this bill in as quickly a process of consideration as possible.

I underscore the support for our consideration given by MADD Canada, which is one of the interest groups that are most affected, being that so many of its members have had tragedies in their families and among their friends that bring their concerns to this chamber.

Hon. Donald Neil Plett: Would Senator Harder take another question?

[Senator Harder]

Senator Harder: Certainly.

Senator Plett: I have a fairly brief and simple question, Senator Harder. If you want Bill C-46 to go to committee so that we can deal with creating offences for something that is still illegal entirely, I'm not sure why we are putting the cart before the horse here. What happens if Bill C-45 never becomes law? Why do we need Bill C-46?

Senator Harder: As in the MADD letter, and as I was trying to explain in my comments, the fact is that we have drug-impaired driving offences today. We need to upgrade the enforcement capacity to identify and deal with drug-related offences. That has nothing to do with whether or not at some point this Parliament decides to move forward with Bill C-45.

The absolute truth is we have this problem now. We have the capacity in Bill C-46 to improve our enforcement of drug-related offences, and let's do it.

Senator Plett: Senator Harder, there are a number of situations in other areas where we create penalties for doing something illegal. The fact of the matter right now is that drugs are illegal. We should be creating a penalty for somebody doing something illegal in the first place. By smoking marijuana or taking drugs and getting into a car, you've done something illegal before you ever get into the car, and you don't want to concern yourself with that.

Senator Harder: Again, Senator Plett, we are dealing with drug impairment traffic-related offences. That is before us and with us now, as I pointed out, in even greater numbers than alcohol-related accidents. And it is time that we provide our enforcement officials with the proper tools to deal with the problem we have. Whether it is legal or not, it is here. I would encourage all senators to pay attention to what MADD Canada is urging us to do and to move this bill along for consideration as quickly as possible.

[Translation]

Senator Carignan: I understand the urgency of the situation, Leader of the Government in the Senate, but I would like to remind you that Bill S-230 was unanimously passed here and sent back to the other place, where the government rejected it in principle at second reading. If it was so urgent, why did your government act irresponsibly by rejecting the bill?

[English]

Senator Harder: I thank the senator for the question. I would remind him that, as he remembers, that I voted for his bill here in this chamber.

With respect to the government's action or the actions in the other chamber, let me simply say that it is the view of the government that government legislation amending the Criminal Code, as this does, is a more appropriate vehicle for bringing forward amendments that can conform with all of the requirements and obligations of government.

[Translation]

Senator Carignan: The government still passed Bill S-231, which amended the Criminal Code. That bill was passed unanimously in the Senate and in the other place, and it received Royal Assent on October 18. The government could certainly have done the same with Bill S-230 to give police officers a tool to screen for drug-impaired driving in time for the holidays.

[English]

Senator Harder: Senator, I hope that the delay of dealing with this is not out of pique for the way your bill was dealt with.

(On motion of Senator Martin, debate adjourned.)

TRANSPORTATION MODERNIZATION BILL

BILL TO AMEND—SECOND READING—DEBATE

On the Order:

Resuming debate on the motion of the Honourable Senator Mitchell, seconded by the Honourable Senator Gagné, for the second reading of Bill C-49, An Act to amend the Canada Transportation Act and other Acts respecting transportation and to make related and consequential amendments to other Acts.

The Hon. the Speaker: Senator Wallin, I should warn you that I might have to interrupt you when the minister comes at 3:30.

Hon. Pamela Wallin: Honourable senators, I am pleased to join the debate on Bill C-49.

Bill C-49 addresses many air travel irritants, a word used by infrequent flyers, because frequent flyers, as many of us are in here, know those irritants mean missing important meetings, work, family events, funerals and in some cases, it means losing your income.

We need to strengthen airline passenger rights. The bill promises plain language when it comes to the carrier's obligations, and clear guidance on how to seek compensation or file complaints. It will also spell out standards for the treatment of passengers in cases of denied boarding, delays or cancellations.

It will prohibit the involuntary removal of someone from a plane due to overbooking once they have taken their seat. The bill will also impose standardized compensation levels for lost or damaged baggage, ensure standards for the treatment of passengers in the case of tarmac delays and ensure that children, including grandchildren, are seated close to a parent or a guardian at no extra cost.

Should we break?

The Hon. the Speaker: I'm sorry, Senator Wallin, but as we thought, the minister has now arrived. We will return to your statement following Question Period.

QUESTION PERIOD

BUSINESS OF THE SENATE

Pursuant to the order adopted by the Senate on December 10, 2015, to receive a Minister of the Crown, the Honourable Jean-Yves Duclos, Minister of Families, Children and Social Development, appeared before honourable senators during Question Period.

The Hon. the Speaker: Honourable senators, today we have with us the Honourable Jean-Yves Duclos, Minister of Families, Children and Social Development.

Welcome, minister.

• (1530)

MINISTRY OF FAMILIES, CHILDREN AND SOCIAL DEVELOPMENT

CANADA MORTGAGE AND HOUSING CORPORATION

Hon. Larry W. Smith (Leader of the Opposition): Welcome, minister, to the Senate of Canada today. I have a question that, hopefully, as a minister, you will be able to help me with. It concerns the Canada Mortgage and Housing Corporation. I know it may not be totally within your mandate, but it applies to young families.

In June, we learned CMHC is providing the government with a \$4 billion special dividend over the next two years. It is my understanding that CMHC has never paid a dividend since its creation over 60 years ago. At the same time, CMHC has been raising insurance fees for young families, which ultimately hit middle-class Canadians in their quest to buy their first home.

Why would Canada Mortgage and Housing Corporation raise insurance fees when it has the money in its hands to lower them? As a taxpayer, homeowner and grandfather, this makes no sense to me. Why is CMHC raising fees on the backs of people who could use the help to purchase their first home, while providing the government with a \$4 billion fund?

The Hon. the Speaker: Excuse me, minister and Senator Smith. I should remind senators that ministers come here to answer questions within the purview of their ministries, but it's entirely up to you, minister, if you wish to respond.

[Translation]

Hon. Jean-Yves Duclos, P.C., M.P., Minister of Families, Children and Social Development: First of all, I appreciate what you just said, Mr. Speaker. Second, I understand what you said at the beginning. That question should be addressed to the Minister of Finance, with whom I have an excellent working relationship, but I certainly would not want to step on his toes. I therefore invite you to reach out to him for an answer to your excellent question.

QUEBEC CITY BRIDGE RENOVATIONS

Hon. Ghislain Maltais: Welcome, minister. I have a two-part question. Since we are allowed to ask only one question, I will divide it into two parts, if you don't mind.

The first part of the question is addressed to you in your capacity as Minister of Families, Children and Social Development. As you know, between now and December 25, 800 workers at the Davie shipyard are going to lose their jobs. Naturally, this will impact the families, children, spouses, and the workers themselves. I hope your response will include some reassuring words for those who are losing their jobs, especially since the Government of Canada has refused to grant Davie some contracts that I think would have been entirely legitimate.

The second question is addressed to you, also. Although you are not the minister responsible for Quebec City, everyone knows that you are the government's main representative for the Quebec City region. The Quebec Bridge has been in need of a coat of paint for several years now. Do you think you will have time over the winter to prepare a mutually satisfactory agreement with CN so that the restoration and repainting of the Quebec Bridge can begin by the spring of 2018?

Hon. Jean-Yves Duclos, P.C., M.P., Minister of Families, Children and Social Development: Again, I am honoured and privileged to be here with you today. I note, however, that the questions I am being asked pertain almost entirely to issues under the responsibility of departments and portfolios that are not my purview. Nevertheless, I am pleased to answer your questions.

As far as the Davie shipyard is concerned, we know — and it bears repeating — how difficult this situation is for the families and workers involved. We know how important it is to work hard, which is what they have been doing for a long time and continue to do. Just yesterday, as you know, they were on Parliament Hill. Not only are we proud of their work, but we also want that work to continue. Naturally, the relevant ministers and departments are having these vital discussions.

The Quebec Bridge is the responsibility of the Department of Infrastructure. If, however, you would indulge a slightly partisan comment, in the interests of transparency, I would say that this file has been straining relations in the Quebec City region for 12 years now. The idea is to have this done quickly, which is what everyone wants, and done right.

[English]

NATIONAL HOUSING STRATEGY

Hon. Art Eggleton: Welcome, minister. I'd like to begin by commending you and your government for the introduction of the National Housing Strategy. This is something Canada has required for some time, and until your announcement we were the only G7 nation without one.

There are a number of policies in this strategy that, if implemented as promised, will change the lives of a great number of Canadians currently living in poverty. One such policy is the Canada Housing Benefit. This is an idea that has my full support. An affordable housing benefit will provide Canadian families in need with an average of \$2,500 a year to put toward their housing costs. It will also provide families with the option of moving out of dedicated social housing, where poverty is quite often concentrated.

My concern, however, is that \$2,500 a year will not be enough in increasingly expensive housing markets like Toronto and Vancouver. Moreover, this benefit is not being rolled out until 2020.

Therefore, my question is twofold: Will the Canada Housing Benefit take into consideration cost variations in the housing markets across the country, and why the wait in implementing this important policy?

[Translation]

Hon. Jean-Yves Duclos, P.C., M.P., Minister of Families, Children and Social Development: This is an issue that is more relevant to my department. Thank you for the question. You haven't said it, but as you know, this strategy has been long awaited by the partners and the provincial, territorial, and municipal governments. For many years they have been waiting for the Canadian government to get back to this file, because we know that housing is very much the cornerstone of community development, which allows families to live well.

[English]

You also know that not only is this strategy the start of the most ambitious federal demonstration of partnership and leadership in 50 years, but it is going to extend for the next 10 years, until 2028. You also know that the main components are the right to housing as a human right in order to look after our most vulnerable citizens and also the matter of supporting social and public housing. Social housing units have been decaying slowly over the years and have made 400,000 households anxious and fearful of losing their homes and finding themselves on the streets. The strategy reassures these 400,000 Canadians with a long-term commitment to support their housing and homes for the long term.

Third, there is a very important co-investment fund that will make it possible for the federal government to be a reliable, strong and proud partner for the long term.

Finally, as you said, senator, the Canada Housing Benefit is the first-ever housing benefit at the national level.

The timeline is for 2020 to start that benefit. We want this to be anchored and co-developed with provinces and territories. Some of them have benefits that look like the Canada Housing Benefit, but the support of the federal government will be useful in building more support for our vulnerable Canadians. Also, there are provinces and territories where such a benefit is currently lacking.

We are going to work very hard over the next two years so that this starts in 2020.

Why an average of \$2,500? This is an average. The actual benefit will vary across communities, cities and localities, depending, as you said, on prices and conditions. It will also be possible to top up missing supports in various contexts where support is already provided through in-kind housing benefits.

[Translation]

EARLY LEARNING AND CHILDCARE FRAMEWORK

Hon. Raymonde Gagné: Welcome to the Senate, Minister Duclos. I welcomed the announcement of the new multilateral early learning and child care framework. I want to congratulate you on that announcement.

My question is about that program and the wording of the linguistic provisions in the bilateral agreements to be signed following the announcement. Actually, they do not really qualify as linguistic provisions because the provinces are invited to “consider” the needs of official language minority communities alongside the needs of other so-called priority groups.

On September 28, I asked the Government Representative in the Senate some questions about this, and in his delayed answer, he indicated the following, and I quote:

Provinces and territories who invest in OLMCs will be required to identify tangible supports for these communities as part of their action plans The Government will also report . . . on progress, including on elements which support OLMCs.

When and how will the government report on this and, more importantly, will the federal government have a say if the funding for OLMCs is found to be lacking over the next 10 years?

• (1540)

Hon. Jean-Yves Duclos, P.C., M.P., Minister of Families, Children and Social Development: Thank you for that very good question. I would like to give a little bit of background. In June 2017, for the first time in the history of the Canadian government, all of the provinces and territories signed a multilateral agreement to support educational child care services across the country. A lot of hard work was done in an atmosphere of respect in the months leading up to the signature of this agreement.

This agreement had two important consequences. The first is that, since June 2017, we have signed bilateral agreements with four provinces or territories. Discussions are ongoing and we expect more of these agreements to be signed in the coming months.

For each of these agreements, we also expect the provinces and territories to specify, in the action plan that accompanies the agreement, how they plan to support families and OLMCs over the next three years.

The last thing I want to mention is the link between the long term and the short term. Not only are we making a 10-year commitment, up to 2028, but we are also making a commitment to renew the agreements and the action plans based on the progress, or lack thereof, that will be observed over the next few years. These agreements will therefore be renegotiated every three years to ensure that we ultimately exceed our accomplishments over the next three years.

SEX TRAFFICKING OF YOUTH

Hon. Marilou McPhedran: Minister Duclos, thank you for being here with us today.

My question is about sexual exploitation of youth in Canada. The national action plan to end sex trafficking expired more than 18 months ago.

[English]

As an independent senator from Manitoba, which is home to one of the highest number of children in care and the highest number of indigenous people living in urban settings, sex trafficking of children in care and children aging out of care has been identified as a serious concern by indigenous and other civil society leaders.

Manitoba is one province where children who turn 18 age out of care, and there is a correlation between abandoning these instant, overnight adults and sexual exploitation. Yesterday they were children; today they are adults — and they are adults without the supports that helped them survive yesterday.

The Ma Mawi Wi Chi Itata Centre in Winnipeg offers an alternative approach — a culturally appropriate approach — to support these instant and highly vulnerable adults.

According to Diane Redsky, the executive director of Ma Mawi, funding for such culturally appropriate resources for children aging out is contributing to a demonstrated reduction of their sexual exploitation and potentially being trafficked.

Minister Duclos, my question to you is as follows: As the last national action plan to end sex trafficking expired in March of 2016, will you provide leadership to establish a new one? And will indigenous leaders with expertise in the prevention of sex trafficking be included in the development of a new national action plan to end sex trafficking?

Hon. Jean-Yves Duclos, P.C., M.P., Minister of Families, Children and Social Development: The answer is yes, you will have my full support in order to work appropriately with my colleagues, the Minister of Crown-Indigenous Relations and the Minister of Indigenous Services.

Although the extremely important and preoccupying issue of children in care and their mistreatment, including the sexual exploitation of these children, is obviously something of importance to all ministers of the Crown and all members of the government, the actual work is led by my two other colleagues. But they know, as you now know, that they have my full support because the welfare of all children is of the utmost importance in our society. Our children are our most precious resource and indigenous children, in particular, require our most important attention.

Of course, it is in the context of our broader work — an extremely important agenda around reconciliation, respect, partnership and cooperation so that we achieve much better outcomes for indigenous families and children when it comes to the many dimensions of their lives — that we are also building this important relationship that must exist among the Government of Canada, the Inuit, the Metis and the First Nations.

[Translation]

LEGALIZATION OF CANNABIS—PROTECTION OF CHILDREN

Hon. Thanh Hai Ngo: Thank you, Minister. My question is about your responsibilities as Minister of Families, Children and Social Development.

Bill C-45, the cannabis legalization bill developed by your government, contains a provision that allows young people between the ages of 12 and 17 to possess up to five grams of dried cannabis. As you know, experts consistently warn that it is hard to pinpoint a specific age when it is safe to consume cannabis.

Could you explain why you think it is appropriate to allow teens under 18 to bring cannabis to school? Also, could you tell us what measures the government plans to take to deter youth from consuming home-grown cannabis products in particular?

Hon. Jean-Yves Duclos, P.C., M.P., Minister of Families, Children and Social Development: Once again, this file is more within the purview of some of my other cabinet colleagues.

That said, you did make the connection with children, and I would like to elaborate on this a little. The objective of the legislation before you is to restrict, regulate and reduce access to this drug, cannabis, for children. It is important to understand just how bad the current system is for our children, how much our children are suffering because this drug is far too easily available in schools and on the street, how harmful it is to the health of thousands of people, including youth, and how crucial it is to stop organized crime from benefiting from the proceeds of selling cannabis.

I know you are working hard here in the Senate to make sure that this situation is corrected as soon as possible, so that we can adopt a system that better protects our children's health. I

respectfully urge you to carry out this work as seriously as possible, and also as efficiently as possible, because our children's health is at stake.

Hon. Paul E. McIntyre: Welcome to the Senate, minister. My question is along the same lines as that of Senator Ngo. Last year, the Canadian Medical Association recommended that the federal government set the minimum age for the purchase and use of marijuana at 21, and that it set restrictions regarding the quantity and strength allowed for users under 25. The Canadian Psychiatric Association endorsed the CMA's recommendations regarding that age limit, citing research on the negative effects of cannabis on the development of young brains.

My question is simple: As the Minister of Children and Families, do you agree with the opinions of medical experts concerning the serious repercussions of marijuana on the brain development of children and youth, which are based on research?

Mr. Duclos: Thank you, Senator. In reference to your last comment, I would like to state that the current system has very serious repercussions for the health of our children and that it is important and urgent that we fix this. We must absolutely regulate and restrict access to cannabis.

I would like to cite two important facts that people should know. The first is that the THC level, or the potency, of the cannabis currently found in schools and on our streets is three times higher than it was just a few years ago. Today's cannabis is extremely potent. We need sensible, science-based regulations for the good of our children, our young adults, and people over 18. If we do not create regulations, if we stubbornly refuse to improve the existing system, children and adults will be consuming unregulated, unknown, untested cannabis, and organized crime will keep working to increase cannabis consumption rates.

Canada has the world's highest cannabis consumption rates for young people. Cannabis consumption is not only high, but it is also bad for people's health, which is why we all need to pay close attention to it. I respectfully urge you to work as diligently as possible to ensure we fix the system for our children's health and well-being.

• (1550)

EARLY LEARNING AND CHILDCARE FRAMEWORK

Hon. Claudette Tardif: Good afternoon, Mr. Minister. I would like to follow up on Senator Gagné's question. There are two parts to my question. First, as you know, early childhood is key to helping minority francophone communities develop and thrive. Once federal monies are transferred to the provinces, some provinces do not provide adequate funding for early childhood programs in official language minority communities. What can those communities do to make sure their needs are recognized?

Second, while I realize you cannot yet unveil what will be in the next official languages plan, we can presume that early learning, the first stage of the education continuum, will be part of it. Do you expect that the new investments to be announced in the official languages plan will be on top of the envelopes announced in the multilateral early learning and child care framework, or are those investments instead meant to replace the envelopes we expect the provinces to allocate out of federal transfer funds?

Hon. Jean-Yves Duclos, P.C., M.P., Minister of Families, Children and Social Development: Thank you for pointing out how important it is for our minority communities to have access to high-quality, accessible, affordable, educational child care in their mother tongue. That is very important for the development and survival of those communities.

I would reiterate what I said earlier: all the provinces and territories have to submit action plans so that the Canadian government can assess how the money they are allocated will support these communities over the next three years. The provinces and territories that signed bilateral agreements have already released their plans, and the remaining provinces and territories will follow suit. The provinces and territories are committed to investing some of their resources to support linguistic minority families and communities. Thanks to this multilateral framework, every province and territory has recognized the importance of this exercise.

Over the next few years, the federal government will engage in serious and significant work with the provinces and territories, but also with the partners and stakeholders, who are very enthusiastic about the idea of the federal government providing greater support to the provinces and territories in terms of investments in educational child care services. I met with people from those organizations this morning, and we are working very hard to ensure that the data, research, and opportunities for liaison and engagement are fully utilized in order to create a partnership with the provinces and territories, the federal government, and the partners and stakeholders who make the difference on the ground. It is through openness and transparency that we will get results.

[English]

SOCIAL INNOVATION AND FINANCE

Hon. Ratna Omidvar: Thank you, minister, for being with us today. My question is about social innovation and finance, still in Canada a rather new way of bringing private and institutional capital to deliver both a social dividend and an economic return. In your mandate letter, it is clearly stated that the government will develop a social finance strategy. You have struck a steering group to give you advice on this.

Can you update us as to what aspects of social finance and innovation the steering group is looking at? What is the timeline for it to report to you? When do you project to table your social innovation strategy?

Hon. Jean-Yves Duclos, P.C., M.P., Minister of Families, Children and Social Development: I have the impression that my agenda is scrutinized by members of the Senate. I was meeting with the co-creation committee this morning on precisely those matters.

First, with the timeline, their work is ongoing. It is going well. It will be continued until June 2018.

Second, their agenda, from a content perspective, is very strong. The aim is to use the power of social innovation and social finance to support the work of governments in order to make dollars invested by governments generate more dollars to be invested in helping our more vulnerable Canadians and more vulnerable communities.

They're working very hard. They know that for vulnerable Canadians, low-income Canadians, Canadians living in situations of handicaps, with mental health or physical health difficulties, those Canadians will be better helped if we master and we fully use the power of social innovation and social finance.

These are tremendously dedicated, intelligent, experienced individuals. We have 16 of them on our co-creation committee. They have been working very hard over the last few months. The problem is they all keep working even harder in the next few months so that by June 2018 we have the first ever social innovation and social finance strategy that we'll then be able to use to leverage all of those resources, human and otherwise, which they so ably demonstrated again this morning, to be able to use for the benefit of the most vulnerable Canadians.

CONVENTION ON THE RIGHTS OF THE CHILD

Hon. Victor Oh: Minister, welcome to the Senate Chamber.

My question to you is in relation to your role as a cabinet minister responsible for the well-being of children across the country. In July 2018, the federal government will submit an official report for the review of how Canada has implemented the Convention on the Rights of the Child.

So far, there has been no public reporting on actions taken to respond to the recommendations from the last review, including the need to improve the ability of essential data and analysts in order to assess progress achieved in the realization of children's rights. All stakeholders, including parliamentarians, who are duty-bound under the convention, must be allowed to engage in a substantive discussion before the submission of Canada's official report.

My question to you is what steps, if any, has the federal government taken to respond to the recommendations made by the United Nations Committee on the Rights of the Child in 2012?

Hon. Jean-Yves Duclos, P.C., M.P., Minister of Families, Children and Social Development: Thank you for this excellent question. It's a mandate that is shared by the Minister of Justice and myself. It's also very much part of my mandate. As you know, we are also working on a poverty reduction strategy that is going to set measures, targets and monetary mechanisms to make

sure that the Government of Canada is held accountable, to make sure that every Canadian and every child, in particular, has the right to be well and to succeed in life, and has an equal, equitable and fair right to be well in this society.

It's a broad agenda. As you know, it's a social inclusion and poverty reduction agenda that started two years ago with the first budget when we put in place measures like the Canada housing benefit in 2020, the Canada Child Benefit in 2016, which is reducing child poverty by 40 per cent. That means four children out of ten currently living in poverty are being taken out of poverty because of the Canada Child Benefit.

• (1600)

If we add to that the other minute investments we're making — the early learning and child care investment, the housing investment, the investment in supporting low income workers — all of that is conducive to the type of society we all want to be living in.

Finally, that broad agenda is supportive of the United Nations sustainable development goals. Goal number one, in particular, to make sure that poverty reduction is an objective of all countries, developing as well as developed countries. That's an objective which is going to be supported by the poverty reduction strategy to be revealed in 2018.

[Translation]

ETHICS AND TRANSPARENCY

Hon. Jean-Guy Dagenais: Thank you, minister. I hope you will be able to answer my question directly.

The Prime Minister appointed you Minister of Families, but he also made you responsible for the Quebec region. Although you are not involved in the plan to possibly buy back the old Quebec Bridge, I know you are the spokesperson on this file. It recently emerged that your former chief of staff, Josée Duplessis, now works for CN and is registered as a lobbyist on this file. That is a clear conflict of interest, or at least the appearance of one.

Are you planning to recuse yourself as spokesperson on the Quebec Bridge file, or should we expect a saga similar to the one that Minister Morneau is involved in, illustrating your government's occasional lack of transparency and ethics?

Hon. Jean-Yves Duclos, P.C., M.P., Minister of Families, Children and Social Development: You must be joking. The Conservatives' saga in the House of Commons is their problem. I would have hoped this would not be among your concerns. If you are looking for a way to pass the time, you can come to the House of Commons and listen to all the rubbish that I have been hearing there for several weeks now. I will be glad once it is over. That being said, if you are hoping to add new dimensions to this nonsense, that is up to you, but I for one will not be a part of it.

[English]

NATIONAL CHILDREN'S COMMISSIONER

Hon. Jim Munson: Let's get back to children, minister.

[Mr. Duclos]

You and I have had conversations. I commend the government for the recent announcements, and that's all a good thing, but this has been a rather interesting time in the last month or so. This is sort of a follow-up to Senator Ngo's question. When you say UNICEF says children's well-being in this country ranks 25 out of 41 rich nations, I think we should be ashamed of ourselves, really. When you talk to people, they say Canada is number one or number two, but we are nowhere near it.

We've talked about a national children's commissioner. It seems to be working in the U.K. We have so many commissioners. We have ethics commissioners, lobby commissioners, we have official languages commissioners. What about the child, sir? What about the child? We're talking about the future, but the future is now for the child, minister.

Irwin Cotler wanted a national child's commissioner. Former member of Parliament, now Minister Garneau wanted a national child's commissioner. Led by Senator Andreychuk in our report in the human rights committee many years ago, *Silenced Citizens*, we asked for a children's commissioner.

Now, I know there are borders, but there are no borders for children in this country, sir. Are you able to commit to us, at least, today that within this mandate of your government that we can see with your negotiations with the provinces and the territories the creation of this position which would be a go-to place and a responsible place for Parliament and government to pay attention to the rights of the child? Thank you.

Hon. Jean-Yves Duclos, P.C., M.P., Minister of Families, Children and Social Development: Thank you. Let me say that when I hear this type of forward-looking language, it reminds me of a hockey team which wants to belong to a 3A league. You know, 3A for triple A governments, governments that are ambitious, that have both right actions and also have the right attitudes. Ambition because, as you say — and I share that view totally — there is no reason for which a child in this prosperous and developed country should live in poverty, in situations which not only impede his or her actual well-being but also his or her ability to develop and become a citizen that has the ability to contribute to everyone's well-being. It is something that is not accessible, and therefore we need to do better.

However, the planets are well aligned. We have taken action. The CCB, the Canada Child Benefit, which I mentioned earlier, is a key element. The poverty reduction strategy. The significant investments in early learning and child care. The housing investment. The investments to provide better training and work transition support. The important investments we need and we've started to do in indigenous communities. All of that makes your language very appropriate and timely.

I welcome your views and the view of all honourable senators on how we can do such a thing, how we can have a child or family commissioner that is able to support this long-term agenda around making society better for everyone, in particular those that truly need and deserve our support.

CANADA MORTGAGE AND HOUSING CORPORATION

Hon. Nancy Greene Raine: Mr. Minister, my question for you is in your role as the minister responsible for the Canada Mortgage and Housing Corporation.

This question was asked of Minister McKenna recently but it was not answered and I hope today that you will be able to give me a more detailed response.

Recent witnesses before our Senate Energy and Environment Committee indicated that the National Research Council is working on increasingly stringent energy codes in order to reduce greenhouse gas emissions. A new model code or guideline for existing homes is to be completed by 2022.

Minister, has CMHC conducted any analysis on the potential costs that will be imposed on homeowners as a result of the revision of the code, and if so, could you provide it? As well, could you give a guarantee — well, I guess that's hard, but I would like you to give me an assurance that your government will not impose any additional costs on Canadians when they sell their homes. In other words, would they have to bring their home up to code? Thank you.

Hon. Jean-Yves Duclos, P.C., M.P., Minister of Families, Children and Social Development: Again, I would be very happy to be able to respond to all of your legitimate and important questions. This being said, my mandate is limited. Fortunately, that gives other ministers some work to do as well and I would invite you to invite them to this house and make sure they also answer your appropriate questions.

What I can say, however, very quickly, is that the National Housing Strategy has specific targets when it comes to reducing energy consumption, reducing energy costs and making sure we have more tools to achieve our reduction of greenhouse gas emissions.

If you look in particular at the strategy, the National Housing Strategy, you will see that the new housing we will be constructing and the housing we will be renovating will entail a 25 per cent reduction in energy consumption, in energy costs and associated benefits in regard to our fight against climate change.

[Translation]

HOMELESSNESS STRATEGY

Hon. Claude Carignan: My question is for the minister. Minister, I have a question about the Homelessness Partnering Strategy. In October, you met with representatives from community organizations in Saint-Eustache, in my Senate district. At that meeting, stakeholders stressed the importance of getting back to a general strategy for helping those with no place to live, rather than an approach that focuses only on stabilizing supported housing.

I share the concerns of the stakeholders in my riding, and I would like to ask you how far you have gotten in examining this request, which is particularly urgent for people in my region.

Hon. Jean-Yves Duclos, P.C., M.P., Minister of Families, Children and Social Development: There are two important considerations here. The first is, obviously, investments in the homelessness strategy. The Homelessness Partnering Strategy is set to expire in 2019, which is why a committee was put in place several months ago to review it. The committee is chaired by my colleague, MP Adam Vaughan, and it is precisely for those reasons that its job is to determine, among other things, how to allocate the significant additional resources that will be provided to communities in the coming years. As an aside, from 2015 to 2020, the government will be doubling its support to Canada's homelessness strategy, so the strategy will be getting twice as much funding. This is the first time in 20 years that the budget for homelessness has increased.

• (1610)

As you mentioned, the very large investment is important, but so is the way in which it will be invested across Canada. There is an important discussion — which is ongoing as the committee is examining the issue — on the objectives of prevention as compared to those of homelessness reduction and avoidance, which all involve the issues that you are very familiar with.

[English]

The Hon. the Speaker: The time for Question Period has expired. I am sure all senators would like to join me in thanking Minister Duclos for being with us today. Thank you, minister.

ORDERS OF THE DAY

NATIONAL FINANCE

STUDY OF THE MINISTER OF FINANCE'S PROPOSED CHANGES TO THE INCOME TAX ACT RESPECTING THE TAXATION OF PRIVATE CORPORATIONS AND THE TAX PLANNING STRATEGIES INVOLVED—COMMITTEE AUTHORIZED TO MEET DURING SITTINGS OF THE SENATE AND DEPOSIT REPORT WITH CLERK DURING ADJOURNMENT OF THE SENATE

Leave having been given to proceed to Motions, Order No. 273:

Hon. Percy Mockler, pursuant to notice of December 4, 2017, moved:

That the Standing Senate Committee on National Finance, have the power to meet for the purposes of its study on the Minister of Finance's proposed changes to the *Income Tax Act*, even though the Senate may then be sitting, with the provisions of rule 12-18(1) being suspended in relation thereto; and

That the Committee be permitted, notwithstanding usual practices, to deposit its report with the Clerk of the Senate, 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 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 FEDERAL ESTIMATES GENERALLY

Hon. Percy Mockler, pursuant to notice of December 4, 2017, moved:

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 National Finance in relation to its study on such issues as may arise from time to time relating to federal estimates generally, including the public accounts, reports of the Auditor General and government finance, be extended from December 31, 2017 to December 31, 2019.

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

Hon. Senators: Agreed.

(Motion agreed to.)

TRANSPORTATION MODERNIZATION BILL

BILL TO AMEND—SECOND READING—
DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Mitchell, seconded by the Honourable Senator Gagné, for the second reading of Bill C-49, An Act to amend the Canada Transportation Act and other Acts respecting transportation and to make related and consequential amendments to other Acts.

Hon. Pamela Wallin: I am pleased to rejoin the debate over Bill C-49 and resume my remarks on the need to strengthen air passenger rights through a bill that promises some plain language when it comes to carrier obligations and spells out standards for the treatment of passengers.

Travelling, as we all do weekly, but as I do from Saskatchewan, I realize that airlines clearly cannot be held responsible for weather emergencies or medical or security incidents, but Canadians do have a right to a reasonable level of respect and fair treatment and compensation when the former are denied.

Appropriate and timely reporting is key to measuring and managing. You can't fix what you can't measure.

In addition to establishing this passenger bill of rights, the bill also seeks to increase the limits on foreign ownership from 25 per cent to 49 per cent, with safeguards. For example, a single international investor will be permitted to hold no more than

25 per cent of voting shares in a Canadian airline, and no combination of international air carriers, either directly or indirectly through an affiliate, would be permitted to own more than 25 per cent of voting shares.

I believe that the committee should take a good look at these safeguards to make sure that they are workable and effective. The goal is to allow Canadian air carriers to access more capital investment. That should mean growth, and that should mean more route choice and improved service. It should also mean a more competitive industry, which should also lead to more choice.

Again, these outcomes need to be monitored to ensure that this bill is having the desired effect.

Bill C-49 also addresses the issue of joint ventures, enabling, among other things, air carriers to coordinate scheduling, pricing, revenue management, marketing and sales. This is a double-edged sword as coordination of scheduling might actually, in some cases, lead to fewer options.

This bill will allow or perhaps even oblige the Minister of Transport, in consultation with the Commissioner of Competition, to review these arguments before they are implemented, and I think that is a key element of this bill.

The bill also deals with a number of important rail issues and offers provisions to improve safety, increase efficiencies, and encourage capital investment by the companies, while enabling lower costs for shippers, including, importantly, grain farmers from my region and province.

I know we all have received a lot of email on the topic of locomotive voice and video recorders, referred to as LVVR. Voice recorders have been required in airplane cockpits for decades. I was truly taken aback to learn that neither voice nor video recorders are required to record internal locomotive conversations and activity in this country. This means that policy-makers, accident investigators and railway operators are at a profound disadvantage, with no access to this critical information, when it comes to determining why accidents have occurred, why they might occur and, more importantly, how to avoid them.

Bill C-49 will mandate the installation of voice and video recording equipment in all locomotives operating in Canada, and the information provided by these devices would be used for very specific purposes: for the railway companies for proactive action to ensure safety; for the Transportation Safety Board to investigate accidents and incidents; and for Transport Canada for policy development and accident and incident investigation.

Clearly, this issue has raised privacy concerns for workers, but there are safeguards. For example, access to the data for proactive safety issues can only be done through a legislatively defined random process. The data cannot be used to take action against an employee, except — and this seems more than reasonable — when someone has specifically tampered with the LVVR equipment or where a threat to safety has been identified.

Transport Canada is required to conduct audits to ensure compliance and has the authority to take enforcement action if infractions occur, and that is reassuring.

The bill also addresses the issues of pricing and service for shippers. Many shippers are captive, meaning they have limited access to competing options for transport of their goods. Too often, they can be held hostage to a single provider's service level and pricing.

The bill proposes a new measure called long-haul interswitching, or LHI. This requires any available railway to transport a shipper's goods where there is access to a competing railway. The further the long haul, the greater the benefit to captive shippers. This is an interesting development.

Previously, the reach was 160 kilometres, under the temporary extended interswitching provisions of the Fair Rail for Grain Farmers Act. It will now be extended to the greater of 1,200 kilometres or 50 per cent of the total movement in Canada. This will accommodate all captive grain elevators and will apply broadly across the country.

The LHI rates will also be established by the Canadian Transportation Agency. This will actually give people choices and options.

The current wording of Bill C-49 gives a shipper access to the nearest competing rail line. However, this is of little value if this interswitch traffic is in the opposite direction of the shipment's destination or does not have the capacity to hold the full size of the shipment, or if the competing rail line does not reach the actual shipment's destination.

The Western Grain Elevator Association testified in the other place that they want extended interswitching made a permanent remedy.

So again, our committee should look at this, too, to ensure the bill keeps prices and services competitive for the benefit of shippers and for farmers.

Adequate and suitable service will be defined for the first time in over 100 years in this bill. It will help to ensure that railways provide the highest level of service that can be reasonably offered, and it will give shippers some guarantees.

Again, because you can't fix what you can't measure, railways will be obliged to provide weekly information on their service and performance.

• (1620)

Additionally, reciprocal financial penalties will now be instituted. Currently, railways can apply for penalties against a shipper if they believe the shipper has not complied with the terms of their shipping agreement or tariff. But this is not the case for shippers. This bill makes it possible for shippers to apply for penalties against railways, and there will be a better dispute resolution mechanism in these cases.

As David Emerson, the former chair of the Canadian Transportation Act Review Panel said:

Bill C-49 includes some significant steps to improving the information base to enable better decisions, improve dispute resolution, and generally enhance the regulatory framework.

He made other suggestions that I would like our committee to look at as well. He says that the CTA ought to have the mandate to foresee and address issues before they become systemic issues. The agency needs the power to self-initiate investigations and, where practical, to initiate mitigating or preventive measures. I'm not sure of the practicality of that, but it seems a reasonable thing to study.

I will conclude my remarks with the hope that this bill makes its way to committee as quickly as possible so that we might see much-needed changes to ensure more air-passenger rights, to ensure improved safety in the rail transport sector, and to keep our grain and pulses moving so that our farmers can continue to feed the world.

Thank you, and I ask that this debate remain adjourned in Senator Mercer's name.

The Hon. the Speaker *pro tempore*: Senator Wallin, will you accept a question?

Hon. David Tkachuk: When the bill is passed, will there be a passenger bill of rights at that time, or does the bill simply punt the passenger bill of rights to another agency to implement?

Senator Wallin: Thank you, senator. I'm not sure I can answer that directly. Both things are true — that it will come into effect, and it may be executed by someone else. That's my understanding.

Senator Tkachuk: My understanding is that it can be altered or changed by the national transportation agency, but the actual bill of rights doesn't take place when the legislation is passed. Nothing will change, except someone else will be in charge of actually drafting it from the guidelines given and then implementing it.

Senator Wallin: There is a further consultation process envisioned in this. As soon as this is approved, the consultations begin with all of the interests, including passengers. So it's a process question.

The Hon. the Speaker *pro tempore*: Honourable senators, is it agreed that this bill be adjourned in Senator Mercer's name?

Hon. Senators: Agreed.

(On motion of Senator Mercer, debate adjourned.)

THE SENATE

MOTION TO RESOLVE INTO COMMITTEE OF THE WHOLE TO RECEIVE NANCY BÉLANGER, COMMISSIONER OF LOBBYING NOMINEE, AND THAT THE COMMITTEE REPORT TO THE SENATE NO LATER THAN NINETY MINUTES AFTER IT BEGINS ADOPTED

Hon. Peter Harder (Government Representative in the Senate), pursuant to notice of December 4, 2017, moved:

That, at 9:30 a.m. on Friday, December 8, 2017, the Senate resolve itself into a Committee of the Whole in order to receive Ms. Nancy Bélanger respecting her appointment as Commissioner of Lobbying; and

That the Committee of the Whole report to the Senate no later than 90 minutes after it begins.

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

Hon. Senators: Agreed.

(Motion agreed to.)

NON-NUCLEAR SANCTIONS AGAINST IRAN BILL

THIRD READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Tkachuk, seconded by the Honourable Senator Carignan, P.C., for the third reading of Bill S-219, An Act to deter Iran-sponsored terrorism, incitement to hatred, and human rights violations.

Hon. David M. Wells: Honourable senators, I rise in support of Bill S-219, An Act to deter Iran-sponsored terrorism, incitement to hatred, and human rights violations.

The intent of this bill is simple: It is to hold the Iranian regime accountable for its support of terrorism and its human rights abuses. The bill establishes a framework for Canadian policy in order to help the international community prevent Iran's state sponsorship of terrorism. It is important to note that this bill does not target the Iranian people but those who have oppressed the Iranian people. The bill offers all of us an opportunity to set the standard with Iran and its treatment of minorities.

One fact that is undeniable is that the Iranian regime has been identified as the leading sponsor of terrorism for many decades. This bill requires the Minister of Global Affairs to provide an annual report on Iran's behaviour in three areas: incitement of hatred, human rights abuses and the sponsorship of terrorism. Additionally, it addresses the identification of Iranian officials responsible for those activities.

It also stipulates that the sanctions cannot be eased unless two consecutive annual reports conclude that there is no credible evidence of terrorist activity or incitement to hatred emanating from Iran, and that there has been significant progress in Iran in respect of human rights. It also asks that the Minister of Public Safety and Emergency Preparedness consider whether to recommend that the Islamic Revolutionary Guard Corps be named a listed entity — that is, a terrorist group — under the Criminal Code.

In other words, the objective of the bill is to ask the Iranian government to give Parliament a report on human rights improvements made within the country before Canada lifts sanctions. It offers a framework whereby Canada's well-established concerns with Iranian actions are balanced with the objective of re-engagement with Iran.

As mentioned previously in this chamber, this bill is entirely in accordance with the stated policies of the current government to keep the Iranian regime accountable for its support of terrorism and human rights abuses. However, I believe opposition to this bill is based on a misconception. As Senator Tkachuk said, some of the criticisms of this bill are based on a fundamental misunderstanding of the bill's intent and provisions.

Many critics of this bill claim that this legislation will hinder the re-establishment of normal diplomatic relations with Iran. I believe this to be untrue. Another false notion is that the sanctions the bill refers to will prevent Canada from engaging with Iran. In May, Canadian officials travelled to Iran to engage in talks with Iranian officials. This was followed by another visit just last month. In September, Global Affairs Minister, Chrystia Freeland, met at the UN with the Iranian foreign minister. It was only a short while ago that Senator Harder himself admitted that Canada is engaging with Iran while these sanctions remain in place. In fact, he said that our engagement with Iran is fully consistent with our policies with regard to bilateral and multilateral sanctions.

Colleagues, the idea that a bill about reporting on the results of our engagement with Iran will interfere with the engagement it is reporting on is less than accurate. Nonetheless, we are told by critics that Iran will respond negatively to this bill's passage. I believe this is an improbable claim, because it is difficult to reconcile with the claim made by the very same critics that Canada, acting alone, is too minor an actor to influence Iran.

With regard to sanctions, this bill clearly introduces no new sanctions but rather expands the scope of entities covered, specifically adding the exclusion of Imam Khomeini's order to the list of existing sanctions on Iran. The sanctions it refers to have been in place since 2010, and they were put in place after close consultation with the United States and the European Union. Those are the words of Global Affairs Canada. Both the U.S. and the European Union have sanctions in place, notably in the area of terrorism and human rights.

As Senator Tkachuk reiterated in this chamber, sanctions against Iran are already in place. This bill ensures that those sanctions already in place can only be lessened if Iran shows significant change with regard to terrorist sponsorship, human rights abuses and incitement to hatred.

• (1630)

Iran is unique, however, in that not only has it systematically incited hatred, particularly against Israel, and has consistently violated human rights, but it has also been a fervent state sponsor of terrorism for more than 30 years. Many Canadian-Iranians support this bill despite the risks such support entails for their relatives still living in Iran. Colleagues, let us not discredit this chamber by classifying this bill as something that runs counter to Canadian interests.

As you may know, policies of engagement with Iran without preconditions have now been pursued for many decades. We had an embassy in Iran, and neither policies nor having that embassy reduced Iran's support for international terrorism. It didn't prevent Iran from arming Hezbollah in violation of United Nations Security Council resolutions. It didn't prevent Iran from providing support to other terrorist groups, including al Qaeda, as has recently come to light.

Honourable colleagues, engagement with Iran without requirements and without clear benchmarks has been wholly unsuccessful. Such engagement also flies in the face of historic experience. The lessons of history teach us that one cannot engage with oppressive and tyrannical states to change their behaviour without first setting clear objectives and standards for such engagement.

In our own era, one cannot expect to engage with states such as North Korea or Iran without setting clear guidelines which demand a change in behaviour in exchange for a resumption of normal relations. In the absence of benchmarks, history shows that totalitarian states will not change their objectives or their behaviour. This is a principle on which Canada can be a leader and which Bill S-219 seeks to establish.

Now, in contrast, what does Bill S-219 ask Iran to do? Nothing too arduous: They have to cease committing actions contrary to international peace and security and to human rights. They must stop hanging children, stop persecuting minorities, stop imprisoning political opponents, stop sponsoring terrorism, stop inciting hatred and stop saying death to America and death to Israel.

Honourable colleagues, Bill S-219 provides an opportunity for Canada to be on the right side of history. For all of these reasons, I will be supporting Bill S-219, and I urge you to do the same. Thank you.

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

[Translation]

FRAMEWORK ON PALLIATIVE CARE IN CANADA BILL

THIRD READING—MOTION IN AMENDMENT WITHDRAWN—
DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Eaton, seconded by the Honourable Senator Seidman, for the third reading of Bill C-277, An Act providing for the development of a framework on palliative care in Canada.

And on the motion in amendment of the Honourable Senator Petitclerc, seconded by the Honourable Senator Lankin, P.C.:

That Bill C-277 be not now read a third time, but that it be amended in clause 2, on page 2,

(a) by replacing line 12 with the following:

“frameworks, strategies and best practices;” and

(b) by replacing line 15 with the following:

“End-of-Life Care; and

(h) identifies measures for public education and awareness on palliative care.”.

Hon. Chantal Petitclerc: Honourable senators, pursuant to rule 5-10(1), I ask leave of the Senate to withdraw my motion to amend Bill C-277.

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

Hon. Senators: Agreed.

(On motion of Senator Cordy, debate adjourned.)

FOOD AND DRUGS ACT

BILL TO AMEND—SIXTEENTH REPORT OF SOCIAL AFFAIRS,
SCIENCE AND TECHNOLOGY COMMITTEE—
DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Ogilvie, seconded by the Honourable Senator Patterson, for the adoption of the sixteenth report of the

Standing Senate Committee on Social Affairs, Science and Technology (*Bill S-214, An Act to amend the Food and Drugs Act (cruelty-free cosmetics), with amendments*), presented in the Senate on October 5, 2017.

Hon. Pierrette Ringuette: Dear colleagues, this speech will probably be the shortest of my political career. I have read the speeches delivered in this chamber and the testimony given in committee. I want to speak to this bill at report stage because I feel there have been maybe not oversights but a lack of perspective as to its consequences.

I want to talk to you about cosmetics in Canada. I cannot speak from personal experience because I do not buy these products. However, cosmetics used in Canada are not made by Canadian manufacturers, nor do they benefit from research conducted in Canada. Approximately 75 per cent of the cosmetics purchased in Canada are imported. This bill would take cosmetics that have been cruelly tested on animals off the market. All things being equal, I don't see how anyone can identify the 75 per cent of imported cosmetics that have been cruelly tested on animals. That question did not come up in committee.

I promised that I would be brief, so I am voicing my concerns about this. If 75 per cent of the cosmetics used in Canada are imported from the United States, what impact will this bill have on our existing free trade agreement? Although these questions are not entirely on topic, we still need to ask them, because they remain unanswered. Perhaps we will get some answers to these questions at third reading. Perhaps additional questions will be raised. For now, I agree that we should go ahead and adopt this report.

(On motion of Senator Martin, debate adjourned.)

• (1640)

[English]

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. Nancy Hartling: Honourable senators, I rise today to speak to inquiry No. 26, policies and mechanism for responding to sexual harassment, complaints against senators.

[Translation]

Combatting harassment in the Senate is a very serious and very important matter.

[English]

In May 2017, Senator McPhedran introduced an inquiry to call 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.

I wholeheartedly agree with this statement. This is an opportunity we must embrace. We need to be better able to respond to complaints of harassment. I propose going even further than that to say that we may need to begin to change our culture so that these policies and procedures are rarely, if ever, needed. Obviously, we aren't there yet, and, therefore, we need strong policy to deal with these issues when they arise.

Some of you may be familiar with the work of Donald B. Ardell, PhD, and his philosophy, which is often referred to as the "upstream approach" in the health system. It is a fable of our time. I will tell you the story.

It was many years ago that villagers in Downstream recall spotting the first body in the river. Some old timers remember how spartan were the facilities and procedures for managing that sort of thing. Sometimes, they say, it would take hours to pull 10 people from the river, and even then only a few would survive.

Though the number of victims in the river has increased greatly in recent years, the good folks of Downstream have responded admirably to the challenge. Their rescue system is clearly second to none: most people discovered in the swirling waters are reached within 20 minutes — many in less than 10. Only a small number drown each day before help arrives — a big improvement from the way it used to be.

Talk to the people of Downstream and they'll speak with pride about the new hospital by the edge of the waters, the flotilla of rescue boats ready for service at a moment's notice, the comprehensive health plans for coordinating all the manpower involved, and the large number of highly trained and dedicated swimmers always ready to risk their lives to save victims from the raging currents. Sure it costs a lot but, say the Downstreamers, what else can decent people do except to provide whatever is necessary when human lives are at stake.

Oh, a few people in Downstream have raised the question now and again, but most folks show little interest in what's happening Upstream. It seems there's so much to do to help those in the river that nobody's got time to check how all those bodies are getting there in the first place. That's the way things are, sometimes.

Many in our society continue to explore downstream problems but rarely solutions are found upstream. It is upstream where we can focus on prevention to deal with situations expediently or even prevent them from happening in the first place.

While keeping this fable in mind, we must return to the two words in this inquiry title — “policies” and “mechanisms.” In my opinion, there is a distinction to be made between the two.

Let me begin with policy. As you know, we do have Senate policy on the prevention and resolution of harassment in the workplace. It was adopted by some of you, and our predecessors, in June 2009. This document, as it reads currently, was a beginning. However, with more and more attention being brought to sexual harassment and workplace harassment — for example, bullying — we need to revise, review and strengthen our policy.

Earlier this year the Advisory Working Group under the Standing Committee on Internal Economy, Budgets, and Administration was struck to review our Senate policy and work collaboratively with Human Resources. I understand it is now to become a new committee to continue this work.

I’d like to recognize our recently departed colleague, Senator Tobias Enverga, Jr., who volunteered to be part of this working group. He was very eager to embark and work on this committee with us. He had many wonderful qualities, and he will be deeply missed in this place.

I encourage the new committee to review our policy critically with a gender-based, analysis-plus — GBA+ — approach to allow us to identify biases and assumptions which are unfortunately entrenched in the current policy. This review is imperative.

For example, on page 5 of the policy, sexual harassment is defined as:

... any conduct, comment, gesture or contact of a sexual nature, whether on a one-time or reoccurring basis, that must reasonably be expected to cause offence or humiliation or might reasonably be perceived as placing a condition of a sexual nature on employment, training or promotion.

This definition is consistent with the definition of harassment and sexual harassment contained, for example, in the Canadian Human Rights Act. However, our policy does not provide examples of what harassment can include.

Assuming that there is a common understanding of what conduct might reasonably be expected to cause offence, harm or humiliation is problematic. A 2014 Angus Reid Institute or ARI online survey on workplace harassment in Canada shows that men and women have different opinions of what is acceptable or not in the workplace. For example, men were more likely than women to think that expressing sexual interest in a co-worker, calling co-workers’ outfits sexy or giving a colleague a shoulder rub are acceptable behaviours in the workplace.

The survey results also show that age makes a difference in what behaviour people find acceptable. There are other issues with the policy such as the current reporting structure not taking into account power differentials, or the different organizational structures taken on by new recognized groups or senators in the future, a lack of mandatory training for those receiving complaints, and the absence of gender identity or expression as a prohibited ground of discrimination in its definition.

To give you an idea of the frequency of workplace harassments, the ARA survey also found that approximately 30 per cent of Canadians say they have been sexually harassed in the workplace. As many of us know, these types of crimes are often under-reported; therefore, the actual numbers are probably higher. Many who were surveyed probably didn’t want to admit it at all. The survey also found that of those who did admit to being harassed, very few of them reported this to their employers.

Federal employees have been surveyed through the Public Service Employee Survey and were asked about harassment in the workplace. The last survey in 2014 was the first to distinguish between the kinds of harassment experienced.

As an example, 19 per cent of public servants experienced harassment. The most common types of harassment reported were offensive remarks, unfair treatment, and being excluded or ignored; 9 per cent of those experienced sexual harassment, which could be either through a comment or a gesture. The annual report on the *House of Commons Policy on Preventing and Addressing Harassment 2016-17* provided statistics that are consistent with the findings from both of these surveys.

• (1650)

They had 19 complaints, 15 of which were women. Most of the alleged perpetrators were men, with 11 out of 19; five were women, while four were undisclosed. Though there is no similar report for the Senate, to my knowledge, one could safely expect the numbers to be similar.

On November 29, 2017, CBC quoted Ms. Alison Korn, spokesperson on behalf on the Senate, in stating the following:

There have been three formal harassment complaints received by the Senate Human Resources during the past two years.

To the best of my knowledge, information about these complaints has not been made public thus far.

If we go back to Dr. Ardell’s fable, we would imagine that our current policies sit somewhere “midstream.” I suggest this, as such a policy is meant to be used as a deterrent, for example, to prevent harassment and assault from happening, thus upstream, though it often ends up being used downstream as a service, so to speak, to try to pull or help women or survivors out of the river once the event has happened already — and yes, men can be harassed too.

Framed in this context, updating the policy is still of utmost importance, and strengthening it will hopefully continue to be a more effective upstream intervention while we continue to look at other systematic changes.

Upstream is where we need to look for causes and potential gaps in our practices and then begin to put mechanisms in place to address our heavily engrained, patriarchal and misogynistic culture, and to prevent harassment from happening or least vastly reduce its frequency. I believe that by focusing some of our attention on mechanisms, it will help us achieve better results in addressing sexual or other kinds of harassment in the Senate.

On November 5, I listened to Constance Backhouse's interview on CBC Radio's "The Sunday Edition." Professor Backhouse is an internationally known feminist researcher and has had several publications on sexual discrimination and the legal history of gender and race in Canada. In 1979, she co-authored, with the late Leah Cohen, a book called *The Secret Oppression: Sexual Harassment of Working Women*. It was the first Canadian work on the subject. During her interview, she said things have not really improved much on this issue since then. However, she is hopeful that we have recently reached a recent turning point.

Her interview, which occurred a month after the news of Weinstein's sexual predation broke, was most likely prompted by this event. However, her insight on hierarchical workplaces contributing to victims staying silent and fearing serious repercussions in their job if they came forward could have easily been about another sphere, for example in politics or even the Senate. She specifically spoke about how difficult it is for women to avert unwanted sexual advances when you combine gender and power, and the role this power differential has in silencing the victims of sexual harassment. Ms. Backhouse suggested that our culture needs to be adapted to line up with existing laws in our country.

All of us are affected and influenced by centuries of myths about gender, and until our culture, our language and our way of thinking changes, we will never be able to properly help victims of sexual harassment.

I am very preoccupied about the effects of harassment on mental health and well-being of employees. Several researchers have made links between harassment and the effect on employees, including clinical depression, anxiety, PTSD, shame, guilt, fear, an overwhelming sense of injustice, to name a few. The costs are high, not just emotionally but economically. Workplaces lose good employees, as they may choose to leave in order to cope with what they have experienced or to avoid further harassment. The policies may be there, but the mechanisms are not functional.

In this place, I have heard from women, especially staff, that it is an issue they are concerned about but they don't have a real voice.

Today, I challenge of all you to begin thinking about changing the narrative, for each of us to become an engaged bystander instead of being complicit in our silence. We should be asking more questions when we see something or suspect something is not quite right. If we witness harassment, we should call it out for what it is: completely unacceptable behaviour. When we stand by silently or turn a blind eye, we are dishonouring ourselves and this institution.

[Translation]

If you see something, report it.

[English]

As policy-makers and as senators, it is our responsibility and our duty to lead by example, to walk the talk, to practise what we teach. We can set an example for our country and for the world. #MeToo has shown us that sexual harassment is very much alive and is, I believe, the beginning of a very important cultural revolution. I look forward to, and encourage, our continued discussions on this subject, both formally and informally.

(On motion of Senator Lankin, debate adjourned.)

TRANSPORT AND COMMUNICATIONS

COMMITTEE AUTHORIZED TO EXTEND DATE OF FINAL REPORT ON THE STUDY OF THE REGULATORY AND TECHNICAL ISSUES RELATED TO THE DEPLOYMENT OF CONNECTED AND AUTOMATED VEHICLES

Hon. David Tkachuk, pursuant to notice of November 29, 2017, moved:

That, notwithstanding the order of the Senate adopted on Thursday, March 9, 2017, the date for the final report of the Standing Senate Committee on Transport and Communications in relation to its study on the regulatory and technical issues related to the deployment of connected and automated vehicles be extended from December 31, 2017 to March 1, 2018.

He said: So that honourable senators know why we're doing this, originally the committee was scheduled to report back by December 31 but because of the time lost during the transition of the committees and because we expected Bill C-49, we decided to move this motion in case we do get the bill before the end of the year. That's why we're requesting that the date be extended to the end of February.

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

Hon. Senators: Agreed.

(Motion agreed to.)

(At 4:57 p.m., the Senate was continued until tomorrow at 2 p.m.)