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The Honourable GEORGE J. FUREY,
Speaker

CONTENTS

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

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THE SENATE

Wednesday, March 28, 2018

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

Prayers.

SENATORS' STATEMENTS

WILLIE ELTON O'REE, C.M., O.N.B.

Hon. David Richards: Honourable senators, I rise today to speak about a letter I wrote to Mr. Lanny MacDonald, Chairman of the Hockey Hall of Fame, on behalf of Willie O'Ree of Fredericton, New Brunswick.

Mr. O'Ree is by any measure a building pioneer, being the first man to ever break the colour barrier, playing his initial game against the Montreal Canadians on January 18, 1958. He scored four goals and had 10 assists for the Boston Bruins in 1961, enduring harsh play, stickwork and outrageous derogatory taunts from opposing players and their fans.

Perhaps nothing exemplified his grace under pressure more than the added fact that he, being blind in one eye, was able to pick up passes on the rush in the NHL, the Western Hockey League and the AHL. In the latter two leagues, just a half step below the NHL of the day, he was able to excel, scoring 30 or more goals four times. Twice he won the WHL scoring title. The San Diego Gulls have retired his number.

He was, is and always will be a champion of the visible minorities who followed him into the arenas and onto the ice. Some say he does not deserve to be in the Hockey Hall of Fame because he did not do enough, play enough or score enough in the big league. But how can one say this when the big league, the NHL, was prohibited for so long from hiring him?

As Frank Mahovlich told us in Fredericton a few years ago, if Willie O'Ree had been White there would have been no question of him making the NHL long before he did; and then losing his eye and hiding this terrible fact from those who had the power to determine his future. One night in Chicago, after being butt-ended in the mouth, he was locked in his team's dressing room, his coach fearing hometown fans would batter him on the bench.

Being first means what it has always meant: taking unto yourself the harsh scrutiny and constant examination that if you held up well, others of your race, or creed, or place in the world would not have to face what you did; that you were doing this for yourself of course, but also for all who came after so they would not have to bear the burden you bore on their behalf. That is the epitome of bravery — the grace under pressure Hemingway spoke about.

I am not asking for an apology for Mr. Willie O'Ree. It is not my place. I'm asking for justice — simple justice for him. Because his life is a testament and, as a sportswriter once said about the great Joe Louis, he is a credit to his race — the human race.

Willie O'Ree not only demonstrated his right to be in the Hockey Hall of Fame in the builder category, his very life and humanity embodies it.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Mr. Lorne Kusugak, Minister of Community and Government Services, from Nunavut; he is accompanied by Mr. Mike Courtney. They are the guests of the Honourable Senator Patterson.

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

Hon. Senators: Hear, hear!

CANADIAN ARTISTS

Hon. Patricia Bovey: Honourable senators, Canadian artists are again at the forefront, with tonight's presentation of the Governor General's Awards for Visual Arts and the current exhibition of the work of David Milne in the U.K.

First, I congratulate the 2018 Governor General recipients: curator Glenn Alteen; visual artists Bruce Eves and Spring Hurlbut; media artists Wyn Geleynse and Midi Onodera; photographer Sandra Semchuk; visual and performance artist Adrian Stimson; and ceramist Jack Sures, recipient of the Saidye Bronfman Award.

Each has pushed the boundaries of their media, creating compelling works which reflect today's issues and communities, and as Simon Brault, Canada Council CEO said, each continues "to change our perception of the world, and remind us that it is artistic creation that demonstrates our humanity."

Several weeks ago, the U.K.'s Dulwich Picture Gallery opened a third significant Canadian exhibition, *David Milne: Modern Painting*, following *Emily Carr* presented in 2015 and the *Group of Seven* in 2013.

On view until early May, this is the first opportunity Londoners have had to see this Canadian 20th century master's oils, watercolours and drawings on loan from public and private collections across Canada. London's *Telegraph* dubbed Milne "one of Canada's greatest modern painters," and the exhibition as "revealing an artist of true originality and vision."

David Milne, 1882 to 1953, painted in New York, overseas immediately following World War I, and for many years in his native Ontario. I was excited to learn decades ago that his international acclaim began early, when one of his works was purchased from the 1913 New York Armory Show for the Russian Emperor's collection, now supposedly in the Hermitage, though I've not found it there and those to whom I've posed the challenge haven't either.

Today I salute the collaboration of Canada's curators, writers and art galleries, led by curator Sarah Milroy and McMichael Gallery director Ian Dejardin on this excellent exhibition showcasing Canada to the world. Its accompanying impressive publication includes contributions by a number of writers: award-winning novelist and Order of Canada member Jane Urquhart; internationally acclaimed Canadian contemporary artist Ed Burtynsky; National Gallery curator Katerina Atanassova; AGO's Katharine Lochan; historian Margaret MacMillan; Anne-Marie Ninacs of the University of Quebec; and Milne scholars David Silcox and UBC Professor Emeritus John O'Brian.

I was proud and moved when I saw *David Milne: Modern Painting* earlier this month. It was heartwarming to see and to hear comments of those who knew nothing about Canadian art, our landscape or places. Eyes were opened, and I overheard people talking about visiting Canada as a result.

I applaud the curators, collaborating writers and institutions.

INDIAN HORSE

Hon. Marty Deacon: Honourable senators, as a newly appointed senator, you can imagine how busy the first few weeks have been and how steep the learning curve is and continues to be.

As senators, each one of us is invited to a number of events outside the Senate. Many invitations come forth and we try to determine where and how we can learn and spend our time best.

Last week, I finally RSVP'd to my first event. I'm referring to last evening's special screening of the movie entitled *Indian Horse*. You may have read the book. The movie was adapted from Richard Wagamese's novel, a story about a young Indigenous boy named Saul. The life of Saul and his Indigenous family is portrayed in a compelling, raw and honest manner. The movie primarily focuses on residential schools and the experiences of Saul as he tries to cope living there.

Saul's story represents the story of many thousands of young children over many decades. Saul, however, at a young age found great joy in the opportunity to watch and play hockey. He felt physically and spiritually free during his time on the ice. Sport, specifically hockey, saved him as a young boy. Hockey, his love, his skill was also his ticket to life away from the residential school.

• (1410)

Before the movie screening, the Honourable Senator Sinclair opened the evening. We were introduced to the producers of the show and spectators, which included students and families who attended residential schools, their relatives, former Indigenous NHL hockey players, and young students from a few schools in the area, who experienced a very authentic learning evening.

The story unfolded and was well articulated as a world issue, a Canadian issue and an issue of human rights. It was told in a way that, frankly, most of us have never seen or felt before.

Following the screening, the director spoke. We met most of the cast. The actors spoke of healing, of hope and of seeing a stronger, more positive future for their families. The actors proudly said, "We are resilient. We are strong. We respect our past and know what we want our futures to be. It's slow, but we're moving, telling our stories, sharing our songs that assist with our healing."

I highlight this event for you this afternoon for two reasons. First, yesterday was a big day for Aboriginal peoples, both in committee, in the Senate, and at this very special evening screening.

Second, we were reminded many times last night, and with great conviction, that the request be made to invite people to attend this movie, to keep the conversation and healing moving forward.

Honourable senators, on April 13 the movie *Indian Horse* will open at 200 theatres across Canada. Much work is also being done nationally for openings, and curriculum is being developed for school students.

This afternoon, on behalf of so many, I invite you and your family and friends to get to the theatre. Go to the theatre and view this movie. Invite your network. The movie represents an important, meaningful, compelling and purposeful next step.

CHARTERED PROFESSIONAL ACCOUNTANTS OF CANADA

FIFTH ANNIVERSARY

Hon. Elizabeth Marshall: Honourable senators, as a chartered professional accountant, it is my privilege to highlight an important milestone for Canada's accounting profession. April 1 will mark the fifth anniversary of the profession's national body, Chartered Professional Accountants of Canada — or CPA Canada, as it is known — officially becoming operational.

The Canadian CPA unites three historic accounting designations into one globally respected and influential designation: the CA designation, the CGA designation and the CMA designation. What an incredible accomplishment.

We are now one of the largest national accounting bodies in the world, with more than 210,000 members at home and abroad.

Members of the CPA profession advocate for a better tax system for all Canadians. CPA Canada and its members also act in the public interest by volunteering to help modest-income Canadians with their tax returns, by delivering financial literacy education to Canadians across the country and by promoting sustainability to help Canadian companies achieve long-term success.

Honourable senators, please join me in congratulating CPA Canada on the occasion of their fifth anniversary.

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

TRANSPORTATION MODERNIZATION BILL

BILL TO AMEND—TENTH REPORT OF TRANSPORT AND COMMUNICATIONS COMMITTEE PRESENTED

Hon. David Tkachuk: Honourable senators, I have the honour to present, in both official languages, the tenth report of the Standing Senate Committee on Transport and Communications, which deals with 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.

(For text of report, see today's Journals of the Senate, Appendix, p. 3129.)

• (1420)

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

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

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

Hon. Senators: Agreed.

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

STUDY ON THE ACQUISITION OF FARMLAND IN CANADA AND ITS POTENTIAL IMPACT ON THE FARMING SECTOR

TENTH REPORT OF AGRICULTURE AND FORESTRY COMMITTEE
DEPOSITED WITH CLERK DURING ADJOURNMENT
OF THE SENATE

Hon. Diane F. Griffin: Honourable senators, I have the honour to inform the Senate that pursuant to the orders adopted by the Senate on October 5, 2016, and March 1, 2018, the Standing Senate Committee on Agriculture and Forestry deposited with the Clerk of the Senate on March 9, 2018, its tenth report entitled *A Growing Concern: How to Keep Farmland in the Hands of Canadian Farmers*.

[Senator Marshall]

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

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

[Translation]

THE SENATE

NOTICE OF MOTION TO AFFECT QUESTION PERIOD
ON APRIL 17, 2018

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That, in order to allow the Senate to receive a Minister of the Crown during Question Period as authorized by the Senate on December 10, 2015, and notwithstanding rule 4-7, when the Senate sits on Tuesday, April 17, 2018, Question Period shall begin at 3:30 p.m., with any proceedings then before the Senate being interrupted until the end of Question Period, which shall last a maximum of 40 minutes;

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

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

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

[English]

ADJOURNMENT

NOTICE OF MOTION

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That, when the Senate next adjourns after the adoption of this motion, it do stand adjourned until Tuesday, April 17, 2018, at 2 p.m.

NATIONAL PHYSICIANS' DAY BILL

FIRST READING

Hon. Art Eggleton introduced Bill S-248, An Act respecting National Physicians' Day.

(Bill read first time.)

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

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

AGRICULTURE AND FORESTRY

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

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

That the Standing Senate Committee on Agriculture and Forestry have the power to meet on Tuesday, April 17, 2018, at 5 p.m., even though the Senate may then be sitting, and that rule 12-18(1) be suspended in relation thereto.

GREAT NATION-BUILDERS OF CANADA

WILLIAM WYNDHAM GRENVILLE, JOHN GRAVES SIMCOE AND JOHN WHITE—NOTICE OF INQUIRY

Hon. Anne C. Cools: Honourable senators, I give notice that, two days hence:

I will call the attention of the Senate to the great nation-building authors of Canada and their constituting statute, the *British North America Act, 1867*, and to this Act's single conceptual and comprehensive framework expressed in its section 91, in the words "It shall be lawful for the Queen to make Laws for the Peace, Order and good Government of Canada;" and to British Whig Prime Minister William Wyndham Grenville, the architect of the British statute, the *Canada Act 1791*, known as the Constitutional Act 1791, that divided Quebec into two provinces, Upper Canada and Lower Canada; and to Upper Canada's first Lieutenant Governor, the great soldier-general, the slavery abolitionist John Graves Simcoe, who, in 1793, with Upper Canada's first Attorney General John White, achieved the adoption of their Bill, *An Act to prevent the further introduction*

of Slaves, and to limit the Term of Contracts for Servitude within this Province, which Act was the world's first slavery abolition statute.

• (1430)

LORD DURHAM—NOTICE OF INQUIRY

Hon. Anne C. Cools: Honourable senators, I give notice that, two days hence:

I will call the attention of the Senate to the great nation-building authors of Canada and their constituting statute, the *British North America Act, 1867*, and to this Act's single conceptual and comprehensive framework expressed in its section 91, in the words "It shall be lawful for the Queen to make Laws for the Peace, Order and good Government of Canada;" and to Lord Durham, the British Whig diplomat-politician, who was commissioned to British North America to examine and report on the political problems of the still British North American Provinces, and to his famous 1839 Report, The Report on the Affairs of British North America from the Earl of Durham, Her Majesty's High Commissioner and Governor General of British North America 1839, which ground-breaking Report boldly recommended responsible government for Upper Canada, Lower Canada, and the Maritime Provinces.

BRITISH NORTH AMERICAN PROVINCES' DELEGATES AT THE 1864 QUEBEC CONFERENCE AND JOHN A. MACDONALD— NOTICE OF INQUIRY

Hon. Anne C. Cools: Honourable senators, I give notice that, two days hence:

I will call the attention of the Senate to the great nation-building authors of Canada and their constituting statute, the *British North America Act, 1867*, and to this Act's single conceptual and comprehensive framework expressed in its section 91, in the words "It shall be lawful for the Queen to make Laws for the Peace, Order and good Government of Canada;" and, to the meeting of the British North American Provinces' delegates at their Quebec Conference, held October 10 to 25, 1864, which conference yielded the famous 72 Quebec Resolutions, which, when corrected and perfected, became the *British North America Act, 1867*; and to Canada's first Prime Minister, John A. Macdonald, who, with his clear, well-stocked mind, his exceptional skills, and his political intelligence was key to the achievement, success and longevity of our Constitution, the *British North America Act, 1867*, which has now lasted 150 years, a long time in constitution time.

QUESTION PERIOD

FINANCE

BALANCED BUDGET

Hon. Larry W. Smith (Leader of the Opposition): My question is for the government leader in the Senate, and it concerns the federal government's market debt, which, obviously, is in the news and on which the federal government pays interest.

According to a news report on Monday, the Government of Canada's market debt has passed \$1 trillion for the very first time. This Sunday, at the beginning of the 2018-19 fiscal year, the total market debt for the federal government will reach \$1.066 trillion.

The budget presented by Minister Morneau last month contains no indication that this government will live up to its election promise of a balanced budget in 2019, and no indication that it has a plan to ever do so.

I have a simple question for the government leader: When exactly does the government expect the budget to be balanced? If it's not in 2019, then when? Could you at least give us some form of an indication of a serious plan?

Hon. Peter Harder (Government Representative in the Senate): Again, I thank the honourable senator for his question and, with all due respect to the oration of last night from Senator Pratte, I will refer to a piece of paper as well.

Let me simply say that the Government of Canada has, in successive budgets, established as its fiscal anchor an ever-declining debt-to-GDP ratio and that it has now, in successive budgets, reported to Canadians that that debt-to-GDP ratio is, in fact, on an ever-declining basis.

Let me also inform the house that amongst the G7, Canada enjoys the lowest debt-to-GDP ratio, which is something we should be celebrating. It will soon reach its lowest point in almost 40 years.

That anchor is reflected in the budget that has just been tabled, and I should also point out that the net federal debt, when you consider the assets and liabilities, is about 40 per cent lower than the market debt to which the honourable senator referred, which will be around \$600 million, again, putting Canada in the best position of the G7 countries.

So the government is on a course of ensuring that our debt-to-GDP ratio is ever-declining and that we are in a competitive space with respect to our debt with our G7 partners. Let me just, for example, refer to the deficit-to-GDP projection, which is at 0.5 per cent, and compare that to the Government of the United States, which is currently at 3.5 per cent and which could reach about 5 per cent given recent actions by the American government.

Senator Smith: Thank you very much, senator. You know what they say about anchors; sometimes an anchor can sink a ship if it's heavy enough.

Let's take the example, if we could, senator, in a simplistic way, of two 35-year-olds, married, one child, both parents could be working, and they have a \$200,000 mortgage. Five years ago, you could get mortgages at about 2.5 to 2.75 per cent over five years. Now, five-year mortgages with the Royal Bank are somewhere around 5 or 5.25 per cent. So if you almost double your mortgage on a \$200,000 debt, think of the pressure that puts on that two-income family, in which, hopefully, both of the parents are working.

I guess the point is that we can come up with economic models, which, obviously, the government has decided to select, but there's a practical element: You cannot spend more than you have in your pocket. When you keep on piling debt up and interest rates go up, and they will — we've had many increases in the United States this year, and who knows how many more are projected?

Our governor is trying to manage as assertively, intuitively and knowledgeably as possible, but the fact is we have an issue which is quite serious. It's great to use a number, but clearly, with the pressure the U.S. will put on us with their market and tax changes, and the fact that it's been public knowledge that we're not a place to invest money, I just think that it's an important issue. Could you talk to the Minister of Finance and get some sense of it other than just using a term, because we need to make sure that we get ourselves back in order.

It's not you and I who will suffer. It's not the people in this room who will suffer. It's our kids and our grandchildren. We look at this as a very serious matter. Could you get us some more information that would give us some satisfaction that there is a plan? Having that percentage does not solve the problem of debt.

Senator Harder: Again, let me repeat that the government's view is that the Budget of Canada is designed to ensure that the appropriate economic initiatives are undertaken to support the overall economy of Canada.

Over successive budgets now, the government has made significant strategic investments in important areas of public policy. It has reduced taxes in a number of areas. It has introduced tax fairness. It has made important trade agreements to assure Canada's existing economic model of export continues to work for Canadians. The Budget of Canada is more than just one number of borrowings. It includes not only the initiatives I've suggested, and, indeed, the fiscal anchor to which they have attached their economic program, but all of the programs of the Government of Canada, which reflect themselves in ensuring that the middle class and those wishing to join the middle class are equipped to manage their affairs.

• (1440)

With respect to interest rates, it would be, of course, inappropriate for any government official to comment on interest rates. But let me simply assure all Canadians that the interest rates we have enjoyed are amongst the lowest in Canadian

history and that the governor himself has provided prudential advice to Canadians with respect to how they should manage their households.

Senator Smith: I have a short comment, just so we're clear: The government has stated that potentially by 2045 they could be out of debt. There are other statements that the government has no plan to get out of debt. In fairness to our youth and future generations, I think it's fiscally irresponsible for a government not to have some form of a target.

It would be really helpful if we could have some sense, even with the new way of looking at debt, reduction of debt and managing debt, where that leads us in the next 10 years. Where does that lead us in the next 20 years? Canadians have a right to know where this will lead us. There have to be projections somewhere.

Senator Harder: Again, let me simply assert that the government's objectives have been clear and transparent, have led us and will continue to lead us to an ever-decreasing debt-to-GDP ratio.

With all due respect, this devotion to surpluses is one that was absent in the 10 years of the Harper government.

AGRICULTURE AND FORESTRY

BUSINESS OF COMMITTEE

Hon. Donald Neil Plett: My question today is for the Chair of the Standing Senate Committee on Agriculture and Forestry.

Madam Chair, last week your committee travelled to Calgary, Alberta, as part of its study on the potential impact approximate of the effects of climate change on the agriculture, agri-food and forestry sectors. Given the attention that this government has paid to the issue of climate change, one would expect that senators would find this topic of particular interest.

I was therefore quite surprised, Madam Chair, to learn that a number of committee members from the Independent Senators Group abandoned the study in the middle of the trip and returned to Ottawa.

Some Hon. Senators: Oh, oh!

Senator Plett: I find this fact very disrespectful to the witnesses who took time out of their busy schedules to present to this committee.

Madam Chair, can you explain to this chamber why these independent senators chose to leave the committee meetings in the middle of a study. And while you were in Calgary, Madam Chair, did anybody from the ISG or the G3 ask you to return to Ottawa for a vote on a government bill?

Hon. Diane F. Griffin: That's a comprehensive question. It wasn't quite the one I was anticipating you were leading to either.

Senator Plett: I have a second one.

Senator Griffin: You wouldn't want to disappoint me with the facts and figures.

Can I answer the last part first? No one pressured me or suggested that I should come back to Ottawa. Like everybody else, I was aware there was an important vote in the Senate. But there was no pressure or request for me to come back.

Our committee did pass a motion that the chair and one other senator present could hear the evidence. Like yourself, we were very concerned that we not embarrass the witnesses who had travelled from the three Prairie provinces to meet with us in Alberta. I was pleased that we were able to carry on with that.

As for others who came back, I can't answer. They would have made up their own minds, but I think someone mentioned that at the end of the day our duty is to be responsible to this chamber. I can only make that assumption, but I can't speak for them.

I'm waiting for your second question.

Senator Plett: Well, thank you. At least you are honest in your answer, even though you can't give me an answer, contrary to what we usually get in this chamber.

My supplementary question, Madam Chair, is that knowing a business class ticket from Ottawa to Calgary is just over \$2,500, do you know how much extra money was spent to bring these senators back so that they could win by 44 to 29 instead of 42 to 29?

Senator Griffin: That's the question I was expecting, the money.

First of all, I will point out there were some savings, because two senators weren't there for the two extra days. So we saved on accommodation costs and we saved on the per diems. However, the flights did cost more because the changes were made on short notice. The sum total was roughly \$3,000 that we would have been expending that we would not have expended otherwise.

Hon. Yuen Pau Woo: Senator Griffin, since our colleague is so interested in the committee hearings out west, I wonder if you would tell us how the committee hearings went. They had three full days of hearings, both in Vancouver and Calgary, fully attended by the members who were present. Perhaps you can also tell us how many members of the committee from the various groups were in attendance from the very beginning, as an indication of the importance that the different groups place on this committee's work.

Senator Griffin: Let me answer the first part of the question first. My memory is good, but it's short.

The last part of the question was about how many senators were present. We had four at the beginning. We had three ISG senators and one Conservative senator present.

We heard from many witnesses. We had two days of hearings in British Columbia and the Vancouver area with people from the forestry sector, from agriculture, from academia. In other words,

there was a broad range of stakeholders. It was fascinating and we had a great field tour to the University of British Columbia, to the forestry research labs.

When we went to Calgary, we had two full days of hearings. On the third day, we went to the University of Calgary to meet with students in three different faculties in a question-and-answer session. Senator Maltais and I were kept busy answering.

Again, many sectors were represented: ranchers; farmers of all types of crops; academia; people from advocate associations, in other words, the grain producers, pulse producers, et cetera. I was really impressed with all of the presentations. We had some excellent presentations from agriculture researchers.

We thought it added greatly to our study. As mentioned, Senator Maltais and I were a little busy the last two days. Because he's such an experienced member of the committee, we were able to hear all the evidence and ask a lot of questions. It was quality; that's right. During the first panel, we went over time. We lost track of it in our enthusiasm for the questions.

NATURAL RESOURCES

TRANS MOUNTAIN PIPELINE

Hon. Mobina S. B. Jaffer: My question is also for the Leader of the Government in the Senate.

Yesterday, Minister Carr, Minister of Natural Resources, joined us for Question Period. I asked him a question on the genuine concerns of British Columbians towards the pipeline project and its effects on our lakes.

After yesterday's mostly unanswered questions, I am no longer sure that it is helpful to have a minister here when they give no answers, compared to you, who tries to give us answers. So we may have to visit that at another time.

My question to Minister Carr at Question Period yesterday was: At the time of the arrest at the Trans Mountain pipeline protest, the Leader of the Green Party of Canada, Elizabeth May, expressed her concerns on bitumen oil projects. I asked four questions and I'm going to ask you, leader, to ask the government or the Minister of the Environment to give full answers. I am a believer that there should be a pipeline, but I'm also a believer that I must put the concerns of British Columbians here in the chamber.

My first question to the minister was — and this is what Elizabeth May had said — why does crude bitumen have to be transported and not refined in Alberta as it would save hundreds of lakes? Second, she believes the permits that were issued to Kinder Morgan did not represent a proper process. Third, she said the permits issued to Kinder Morgan do not respect the rights of intervenors or the rights of Indigenous peoples on these territories. Finally, she said the commitment to build a pipeline in 2018 while we are in a climate crisis is a crime against future generations.

• (1450)

Leader, I ask that comprehensive answers be given so that we can give British Columbians the full picture as to why it is in the national interest that there be a pipeline. Non-answers are not helpful; a comprehensive answer would help British Columbians understand this.

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her questions. I've noted them and will ensure the appropriate response is forthcoming.

Hon. David Tkachuk: I have a supplementary question. I also asked the minister yesterday about whether the Prime Minister had sent a letter to the Premier of British Columbia, and whether he would table it. I never got an answer to that question.

Perhaps the honourable senator could inquire of the Prime Minister's Office if a letter has been sent on behalf of Canada to the Premier of British Columbia, and whether it could be tabled in the Senate.

Senator Harder: Again, I thank the honourable senator for his question. I will undertake to do that.

I do, however, want to take the opportunity to repeat, as Minister Carr did, that the Prime Minister has, on a number of occasions, made very clear the position of the Government of Canada. As to whether that was in a letter, I will make inquiries.

INFRASTRUCTURE AND COMMUNITIES

TELECOMMUNICATIONS IN NORTHERN COMMUNITIES

Hon. Dennis Glen Patterson: My question is for the Leader of the Government in the Senate.

Senator Harder, the federal government has clearly stipulated that companies bidding for federal funding to build or improve telecommunications services in northern and remote regions of Canada must provide open access to their networks, with dedicated capacity available on a wholesale basis to third parties in order to encourage competition and to keep these services affordable for Canadians in the North.

Senator Harder, this is a critical issue for the people of Nunavut, who suffer from high prices and limited network capacity for telecommunication services, as you probably know from the time you worked there. They deserve to benefit from the lower prices, the added investment, innovation and choice that open networks will bring. It is, in my view, critical that funded parties do not stifle competition by providing themselves a head start in the retail market to the detriment of third parties.

Will the government ensure that Northwestel, a recipient of a \$50-million contribution from the Connect to Innovate fund and a subsidiary of Bell Canada, will honour the requirement that funded parties must provide effective and affordable wholesale access as a condition of the funding contribution agreement?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for his question. He is correct in describing the policy framework this and successive governments have had in place to ensure the competitiveness in third party entrants.

With respect to the specific question he asked about Northwestel, I will make inquiries and will be happy to report back to ensure that compliance with that policy is under way.

Senator Patterson: Thank you. I'm happy to have a supplementary question, because yesterday, I had a minister respond to the preamble to my question, but not the question, so it's great to have a supplementary.

Senator Harder, I draw your attention to Northwestel — which, as I mentioned, just received a commitment of \$50 million — that submitted a brief to the House of Commons Committee on Industry, Science and Technology on January 30 of this year that denounced the requirement to provide wholesale access in the funding agreements. The claim was made that, contrary to all evidence, wholesale access discourages bids, forecloses investments and delays the extension of broadband.

If Northwestel is backing out of this condition of the contribution agreement of the Connect to Innovate funds they successfully applied for, would the senator agree that they must be held to comply with the policy and the conditions as a condition of a contribution agreement?

Senator Harder: Again, let me speak to the generalities. Conditions are exactly that: They're conditions of agreements.

With respect to the specific matter of Northwestel, I'll be happy to make inquiries.

[Translation]

JUSTICE

EXPLOITATION AND TRAFFICKING IN PERSONS

Hon. Pierre-Hugues Boisvenu: My question is for the Leader of the Government in the Senate. For the past three years, many victims groups and victims of sexual exploitation and human trafficking have been waiting for the Liberal government to enact Bill C-452, which was unanimously passed by the House of Commons and the Senate.

Again this morning, independent MPs and members of the NDP urged the government to enact Bill C-452. Last week, in a unanimous motion, the Quebec National Assembly called on the Trudeau government to enact this bill. For three years, the Trudeau government has been passively complicit as hundreds of young girls are being virtually kidnapped by street gangs and lured into child prostitution.

Will you ask your Prime Minister, who voted in favour of Bill C-452, to enact this bill as quickly as possible?

[English]

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for his question. I will undertake to ensure the minister responsible and the Prime Minister are informed of the honourable senator's question and respond appropriately.

[Translation]

Senator Boisvenu: For three years, Mr. Leader, you have been consulting, talking and waiting. Last week, the House of Commons Justice Committee and I met with the joint committee, which is made up of representatives from the RCMP, the Sécurité du Québec and the Montreal police. There are 1,000 young girls between the ages of 12 and 16 in Montreal — and approximately 2,000 throughout Quebec — who are working as prostitutes. This societal plague has spread to every region. These young girls are being abused by over 400 pimps, who lead them into a world of violence and drugs.

The government could have enacted Bill C-452 three years ago. Had it done so, the police would have the tools they need to intervene. However, because the government did not enact this bill, the police are barely able to scratch the surface of this problem. They are unable to make any real progress in these cases. The police are saying that they need this legislation.

Why is the government aiding and abetting criminals rather than taking immediate action and giving the police the tools they need to properly address this situation?

[English]

Senator Harder: Again, as I indicated in my response to your first question, where you asked that I bring this to the attention of the Prime Minister, I will do so, and I will respond appropriately.

NATIONAL REVENUE

SERVICE CANADA AUDITORS—TEMPORARY FOREIGN WORKERS

Hon. Pamela Wallin: My question is for the Government Representative. It concerns Service Canada's plan to conduct unannounced surprise audits on farmers who use the Temporary Foreign Worker Program. I think they're also targeting caregivers as well.

Farms are already subject to frequent audits by CRA, and I don't think farmers have a problem when it comes to this program. Many say they welcome the scrutiny because it weeds out bad employers who don't pay proper wages, et cetera. But these audits also cause stress on farm resources.

I'm asking whether it's a violation of their privacy as well. The letter sent to farmers says that Service Canada auditors can access and snoop around their family computers. Farms in my community and I'm sure many others are also homes, so surely we can expect a reasonable level of privacy in our own homes.

They're comfortable with the checks to make sure they're following the rules, but the surprises can interrupt a work season that's already pretty short when it comes to growing seasons.

One farmer stated that the Service Canada surprise audit lasted 11 weeks, consuming 50 per cent of working time, and no irregularities were discovered. If this is separate and apart from CRA, and if it's just an assessment of the Temporary Foreign Worker Program, then what is the need for such lengthy and time-consuming exercises?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question. The Temporary Foreign Workers Program is an important component of a number of sectors in Canada, particularly the farming sector, as the senator well notes. The audits are designed to ensure that the integrity of the program remains at the high level that it ought to be.

With respect to the parameters in which those audits take place, I'll make inquiries to see what level of intrusion, so to speak, is guiding those who seek to validate the temporary worker conditions and report back.

• (1500)

FISHERIES AND OCEANS

SURF CLAM QUOTA

Hon. Norman E. Doyle: Honourable senators, my question is for the Leader of the Government in the Senate. Of course, the leader will remember that on February 26 I raised a question of the town council and the people of Grand Bank, Newfoundland, with respect to the expropriation of 25 per cent of the surf clam quota.

When Minister LeBlanc announced the decision on February 21, he indicated that the allocation of that quota would be going to organizations with Indigenous and First Nations affiliation. He stated that "This is a powerful step toward reconciliation." Actually, I never thought that reconciliation could be achieved by causing such division.

On March 21, the Fisheries Council of Canada issued a letter to Minister LeBlanc, harshly criticizing his way of doing things. In addition, the Fisheries Council of Canada said that, "When it comes to increasing Indigenous involvement in the industry, they" — that is, the fisheries council — "prefer an existing program that allows Ottawa to buy licences from holders willing to relinquish their quota and then reissue it to Indigenous people."

Will the government withdraw its poorly thought out and divisive decision and consider the recommendation of the Fisheries Council of Canada?

[Senator Wallin]

Hon. Peter Harder (Government Representative in the Senate): Again, I thank the honourable senator for his question. He will know, as the minister has made clear, that the government will not reconsider its decision. It was one that was taken deliberately — well in advance of the final determination. There was a process, as the honourable senator will know, for hearing from potential bidders. The conditions were well established and the review of the bids led to the decision the minister has made. This was a deliberate policy choice to ensure that the fisheries, particularly the clam surf fisheries, were available and open to Aboriginal and Native peoples.

I should remind honourable senators that 75 per cent of the fisheries remains in the hands of the monopoly that exists.

Senator Doyle: Is the leader aware that, over the last number of years, his government has invested millions of dollars in buying back licences and redistributing them to Indigenous communities as per the Donald Marshall ruling of some years ago?

Now the government is doing directly the opposite, by interfering with small communities on the Burin Peninsula, whose only wish is to be left alone to make a living. Why is the government doing that? Does it have anything to do with the recent media coverage indicating, dare I say, that some of the beneficiaries of this new deal have close ties to the Liberal Party of Canada? Is that why the people of the Burin Peninsula have to take that kind of shot to the head?

Senator Harder: Again, I thank the honourable senator for his supplementary question. Let me assure him that the decisions were made in a transparent fashion. As the senator will know, that is a policy announcement, followed by a bidding process, followed by a final determination. The minister has stated, both here and in the public, that this decision was a long time in coming and was entirely consistent with the well-stated policy of the Government of Canada with respect to the Aboriginal fisheries.

[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: consideration of the twenty-fifth report of the Standing Senate Committee on National Finance; consideration of the twenty-sixth report of the Standing Senate Committee on National Finance; second reading of Bill C-72; second reading of Bill C-73; consideration of the tenth report of the Standing Senate Committee on Transport and Communications on Bill C-49, followed by all remaining items in the order that they appear on the Order Paper.

[English]

THE ESTIMATES, 2017-18

SUPPLEMENTARY ESTIMATES (C)—TWENTY-FIFTH REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

The Senate proceeded to consideration of the twenty-fifth report of the Standing Senate Committee on National Finance, entitled *Final Report on the Supplementary Estimates (C), 2017-18*, tabled in the Senate on March 22, 2018.

Hon. Percy Mockler moved the adoption of the report.

He said: Honourable senators, I rise today to discuss the twenty-fifth report of your Standing Senate Committee on National Finance. This report deals with the Supplementary Estimates (C) 2017-18, which were referred to our committee for review on February 15, 2018.

Honourable senators, I want to share this with you: The supply process begins when the Finance Minister stands up in the other place and presents his budget, telling all Canadians where he intends to invest their hard-earned tax dollars and the tax measures he plans to use to pay for it.

So in the coming weeks, senators, we will be asked to pass judgment on these initiatives when the details are presented in the first of the two Budget Implementation Acts.

Honourable senators, each department is required to report in the estimates how much money they are going to spend for the coming fiscal year, where they are going to spend it and what outcomes and results they are expected to achieve. This is common sense.

In this instance, both the supplementary estimates and the interim estimates were tabled in this place on February 13, giving the committee more time, but never enough, to undertake a formal review before the actual bills arrived last week. Although the government showed some promise in the area of results early in its mandate by creating a new position within the Privy Council Office entitled “Assistant Secretary to Cabinet for Results,” I have unfortunately witnessed little in terms of outcomes and results from this new group and continue to rely solely on the independent testimony from each department, which at times can also be challenging.

[Translation]

Honourable senators, this is the third and final set of supplementary estimates for the 2017-18 fiscal year. In these supplementary estimates, the government is asking Parliament to approve an additional \$7 billion in voted appropriations for 48 federal organizations. It also reduces forecasted statutory expenditures by \$336 million. This brings total budget authorities to date, including the latest supplementary estimates, to \$271 billion.

During its examination of the 2017-18 Supplementary Estimates (C), the Standing Senate Committee on National Finance held three meetings and questioned 20 representatives of

eight organizations requesting total voted appropriations of approximately \$3.1 billion. That amount represents 78 per cent of all the voted appropriations requested in the 2017-18 Supplementary Estimates (C).

• (1510)

[English]

Your committee had a number of observations arising from its hearings. Please permit me to share them with honourable senators.

The Treasury Board of Canada Secretariat has the largest spending request in these supplementary estimates: \$919 million of additional voted appropriations for six spending items, including \$623 million in funding to address shortfalls in the Service Income Security Insurance Plan and \$250 million for pay list requirements related to the payment of accumulated service pay benefits.

Honourable senators, your committee had concerns about the completeness of financial information for long-term, multi-year initiatives. Additionally, we will work with the secretariat to determine whether it should expand the three-year pilot project whereby Transport Canada replaced its grants and contributions vote with purpose-based votes, they said.

Honourable senators, the Department of National Defence is requesting \$775 million for 11 spending items, including \$435 million to support Canada's defence policy — *Strong, Secure, Engaged* — as well as \$278 million to support its overseas operations.

[Translation]

Honourable senators, the committee is not satisfied with the response from the departmental representatives, because they were unable to provide a clear, specific and transparent answer as to how and when the increased funding associated with the government's new national defence policy will be phased in.

[English]

Honourable senators, Employment and Social Development Canada is requesting \$228 million for two spending items: \$204 million to write off debts for unrecoverable Canada Student Loans and \$25 million for the Province of Quebec to support post-secondary education and skills training. Your committee noted that the department has written off over \$850 million in student loans over the past four years and needs to continue to reduce the loan default rate.

[Translation]

Honourable senators, Global Affairs Canada is requesting a total of \$423 million for four spending items. The department needs \$203 million to support its international assistance priorities, which will be aligned with Canada's Feminist International Assistance Policy, and \$170 million to help developing countries address the impact of climate change.

The committee noted that Global Affairs Canada is the lead department organizing preparations for the G7 Summit that will take place in Charlevoix, Quebec, in June 2018. The department would therefore be well advised to put in place solid expense-control mechanisms so that the \$600 million forecast for the entire project is not exceeded. The department also needs to provide clear and specific public reporting on the achievement of general policy objectives related to its international development assistance, as well as assistance to address climate change in general.

Public Services and Procurement Canada is requesting \$189 million for nine spending items, including \$152 million for the stabilization of the Government of Canada's pay system, Phoenix, and \$12 million for the 2017 G7 Summit in Charlevoix, Quebec. Despite the additional hundreds of millions of dollars that have gone towards resolving the issues with the Phoenix pay system, the committee noted that the government is still unable to pay its employees accurately and on time, without overpaying or underpaying anyone.

[English]

Health Canada is requesting \$35 million for three spending items, which is primarily \$32 million to maintain core regulatory operations for therapeutic products because the fees Health Canada charges producers for the regulation of therapeutic products are insufficient to cover the department's enforcement activities, such as inspection of pharmaceutical and medical device manufacturers.

The newly created Department of Indigenous Services Canada is requesting \$291 million for eight spending items, including \$74 million to reimburse First Nations emergency management service providers for on-reserve response and recovery activities, and \$67 million for non-insured health benefits for First Nations and Inuit.

Your committee believes that with the creation of Indigenous Services Canada, mechanisms must be put in place to ensure that there is no duplication, overlap and confusion among those departments. We were surprised that officials could not provide information on the cost to create the department.

[Translation]

The Royal Canadian Mounted Police, or RCMP, needs \$252 million for six spending items. Of that amount, \$125 million will be allocated to hosting the 2018 G7 Summit. In addition, \$70 million will be used to maintain RCMP operations pending a comprehensive resourcing review. The committee believes it will be difficult for the RCMP to use the funds requested to build infrastructure and acquire equipment in preparation for the G7 Summit, since funding will not be approved until shortly before the end of the fiscal year.

[English]

Senators remain frustrated with the reforms being implemented and the fact they will be expected to approve funding based on history rather than a precise future plan.

[Senator Mockler]

Although a decision has not been taken by the committee, there is great interest in moving toward a purpose-based system once the costing implications associated with such a transformation are fully understood.

Honourable senators, the members of the committee are determined to make the supply process more transparent, accountable and predictable for parliamentarians and the Canadian public to understand where the hard-earned taxes are being directed.

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

Hon. David Tkachuk: Thank you for that presentation. You mentioned a \$25 million grant separately to the Province of Quebec for higher education. Was that part of a grant to all provinces or was that just a one-off? Is there any information on that?

Senator Mockler: I'll have to give you the following answer, which is not precise: We don't have all the details here, but I can provide them to you.

Hon. Elizabeth Marshall: Honourable senators, I rise to speak on the report on Supplementary Estimates (C). Supplementary Estimates (C) are requesting authority to spend an additional \$4 billion for 48 organizations for this fiscal year, which ends on Saturday, March 31.

• (1520)

Over the past several years, Treasury Board has been working to better align the estimates with the budget. In previous years, the Main Estimates were tabled before the budget. As a result, most, if not all, of the new budget initiatives were not included in the Main Estimates.

For example, for last year's budget, Budget 2017, 22 items totalling \$148 million of the budget initiatives are just now being included in these Supplementary Estimates (C), which are just before us now for approval.

In addition, in a report issued last month, the Parliamentary Budget Officer indicated that one quarter of last year's Budget 2017 initiatives were not included or clearly identified in either Supplementary Estimates (A), (B) or (C). I expect that they will be included in next year's estimates. Also included in these Supplementary Estimates (C) are three Budget 2016 initiatives, totalling \$126 million.

With the reformation of the estimates process this year, we expect that Treasury Board will include virtually all Budget 2018 initiatives in the 2018-19 Main Estimates, which are expected to be tabled on or before April 16. So, within three weeks, we should see the Main Estimates. I am looking forward to seeing how the government is going to present its Budget 2018 initiatives in the Main Estimates, which, as I said, will be released within the next three weeks.

So, honourable senators, this is a historic year as it is anticipated that these Supplementary Estimates (C) will be the last Supplementary Estimates (C) presented by the government. To quote Treasury Board officials, this "... is a tremendous step forward in terms of coherence and transparency."

We'll know whether it is or not within the next three weeks.

Senator Mockler has already summarized the main items in Supplementary Estimates (C). However, there are several issues that concern me and that I would like to raise.

First, when reviewing requests for supply, we tend to look at the amount requested to determine whether it is material. For example, this year, Treasury Board has requested \$3 million for what they call the Back Office Transformation project. Without getting into a description of the project, \$3 million of a \$4 billion request for funding does not appear material. Thus, most likely, we wouldn't ask a question on it.

However, \$110 million has already been spent on this project over the past three years, and it's not yet completed. At the time of our hearings, Treasury Board officials could not provide the National Finance Committee with the estimated cost to complete the project.

This demonstrates the importance of focusing on the life of a project and not just the amount of funds being requested in one year or the one supply request.

A second issue is the cost of projects that span several departments. The Phoenix payroll system is a good example. While Supplementary Estimates (C) do refer to the Phoenix payroll system as a horizontal initiative, cutting across several organizations, and do indicate the funding requests of all of the departments, which is \$186 million in total, there is no information on the cost to date or the estimated cost to complete the Phoenix project. Treasury Board officials informed the committee, at a recent hearing, that the effort to develop a complete costing of Phoenix is being led by the Comptroller General, who will present a full costing of Phoenix later this spring.

However, given the significance of the Phoenix payroll system and the attention it has received, I had expected costing information to be readily available to the committee.

Budget 2018, released last month, indicated that the government has committed more than \$460 million to implement Phoenix and to resolve subsequent problems. In addition, Budget 2018 proposes to spend another \$430 million, over the next six years, on the Phoenix system and also to spend \$16 million to work toward a new pay system.

The Standing Senate Committee on National Finance is presently reviewing the Phoenix system. However, I look forward to the review being carried out by the Comptroller General, which should indicate the cost of Phoenix to date and the estimate of future costs.

Monies requested by departments and other organizations in Supplementary Estimates (C) are at a high summary level. During meetings, officials are often asked to provide additional details on the amounts being requested. While some officials can readily provide the details requested, other officials do not have the information to support the funding required. For example, the Department of National Defence is requesting \$435 million in

Supplementary Estimates (C) to support Canada's new defence policy, which was released last year under the heading "Strong, Secure, Engaged."

Canada's new defence policy commits to an increase in spending, from \$18.9 billion in 2016-17 to \$32.7 billion in 2026-27. However, the recently released 2018 Budget does not indicate any additional funding for new initiatives over the next five years for the Department of National Defence.

Departmental officials have committed to providing the committee with additional financial information to explain how Supplementary Estimates (C) and Budget 2018 will support the implementation of Canada's new defence policy.

Honourable senators, in its 2015 election platform, the government made a commitment to make decisions using the best data available and to invest only in programs proven to offer good value. This commitment was further referenced in subsequent budget documents. For example, Budget 2016, this government's first budget, stated that they would:

Pursue evidence-based decision-making, arrived at through independent, expert advice

This commitment carried through in Budget 2017 and Budget 2018.

However, results, if they are disclosed, are often qualitative rather than quantitative. For example, the Department of Indigenous Services Canada is requesting \$50 million in Supplementary Estimates (C) for the Post-Secondary Student Support Program and the University and College Entrance Preparation Program. The department website indicates that its target is "Incremental increase year after year."

Given that the government has a unit within the Privy Council Office devoted to monitoring results and the delivery of government policies, it would be more informative if quantitative measures were also used in addition to the qualitative measures. For example, for the Post-Secondary Student Support Program I just referenced, perhaps an increase of a specific number of students in the program could be used as a target for the \$50 million.

I'd now like to make a few comments with regard to statutory items, although, as you know, these items aren't included the supply bill because they are authorized by their own statutes. There's a decreased forecast for statutory budgetary expenditures in the amount of \$336 million, primarily because of a forecasted decrease in interest on unmatured debt, forecasted OAS payments and forecasted GIS netted against the increase in statutory expenditures.

The statutory budgetary increases include such items as the Canada Student Grants, Canada Education Savings Grants, Canada Disability Savings Grants and Canada Learning Bond payments. The National Finance Committee has traditionally not spent significant amounts of time on statutory payments as they are authorized by separate statutes rather than by the supply bills.

However, given that statutory payments for budgetary items now make up the majority of expenditures — it's 57 per cent this year — it is important to be aware of these expenditures and changes in their forecasted amounts.

The last point I would like to make relates to the availability of information. While the government continues to provide information on its website, it is still difficult to locate information. As I mentioned previously, information on multi-year projects is limited, especially with regard to total costs. Also, details on certain items, such as the writeoff of student loans, which Senator Mockler mentioned, and the Service Income Security Insurance Plan, which was \$622 million, are not readily available. I encourage the government to make more information available on its planned expenditures.

Honourable senators, this concludes my comments on Supplementary Estimates (C) and the accompanying report.

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

Hon. Senators: Question.

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

Some Hon. Senators: Agreed.

Senator Martin: On division.

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

THE ESTIMATES, 2018-19

INTERIM ESTIMATES—TWENTY-SIXTH REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

The Senate proceeded to consideration of the twenty-sixth report of the Standing Senate Committee on National Finance, entitled *Final Report on the 2018-19 Interim Estimates*, tabled in the Senate on March 22, 2018.

Hon. Percy Mockler moved the adoption of the report.

He said: Honourable senators, I rise today to discuss the twenty-sixth report of your Standing Senate Committee on National Finance. This report deals with 2018-19 interim estimates, which were referred to our committee for review on February 15, 2018.

The interim estimates reflect a recent change to the estimates process. As part of its efforts to align new spending announced in the budget with requested spending authorities in the Main Estimates, the government has delayed tabling the Main Estimates until mid-April.

• (1530)

[Translation]

In the past, the government received its spending authorizations for the first three months of the fiscal year through interim supply, which usually worked out to three twelfths of the amounts set out in the Main Estimates.

[English]

Honourable Senators, historically, Parliamentarians have been provided with the spending plans of all operating programs within departments — yes, detailing the spending authorities to match the Appropriation Act.

Now, for the first time, we are being expected to approve funding based on history rather than based on a future plan. The government would like us to approve the funding first and then have them explain to us later how it was spent.

I want to repeat this, honourable senators: The government would like to ask us to approve the funding first and then have them explain to us, later, how it is spent.

As we are all mindful of transparency, accountability and predictability, a question is now relevant: How can Parliament hold the government to account for the allocation and management of public funds when funds are given without knowing how they will be used?

The document contains information for \$31 billion in voted budgetary expenditures and \$14.3 million in voted non-budgetary expenditures.

[Translation]

According to the new calendar, the Main Estimates will not be presented until after the fiscal year has begun. The government is therefore asking Parliament to authorize spending for the first three months of the fiscal year through a new mechanism: the Interim Estimates. It will be based on the amounts set out in the Main Estimates of the previous fiscal year.

[English]

The 2018-19 Interim Estimates provide information for \$30.9 billion in voted budgetary expenditures and \$14.3 million in voted non-budgetary expenditures. These amounts are outlined in a proposed schedule to the first appropriation bill for the fiscal year.

[Translation]

The committee had a meeting on the Interim Estimates with representatives from the Treasury Board of Canada Secretariat. They assured us that the calculation used to come up with the amounts in the Interim Estimates was very similar to the method used in the past for interim supply.

[English]

Nonetheless, as the stated goal of the amended estimates process is to improve the spending alignment of the budget and the Main Estimates, we were told, your committee will examine the Main Estimates to assess the extent to which departmental votes include new spending announced in the budget. Additionally, honourable senators, your committee will examine how the Interim Estimates relate to the Main Estimates and the amounts allocated for the remainder of the fiscal year.

Therefore, there is a saying that action speaks louder than words, so let the words teach and let actions speak.

Your Standing Senate Committee on National Finance will always uphold the transparency, accountability and predictability within our mandate.

As I conclude, honourable senators, I welcome Senator Day's Bill S-246 to restore Parliament's traditional and historic control over government borrowing. We must bring a better balance to the control of government borrowing so that Canadians understand where this government wants to bring us.

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

Hon. Senators: Question.

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

Some Hon. Senators: Agreed.

Senator Martin: On division.

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

[Translation]

APPROPRIATION BILL NO. 5, 2017-18

SECOND READING

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate) moved second reading of Bill C-72, An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2018.

She said: Honourable senators, I rise today to speak to Bill C-72 at second reading. I will start with the good and then maybe talk about the bad.

[English]

Let me start by thanking my colleagues on the Standing Senate Committee on National Finance for their careful consideration of this bill and for the report that they have tabled in this place. I'm talking about the first report that we just adopted, which was carefully studied and, I think, carefully reported. I will make other comments for the next report that we just adopted.

[Translation]

Bill C-72 is a money bill, as you know, and according to *Senate Procedure in Practice*, these types of bills refer to, and I quote, "legislative initiatives which contain either appropriation or taxation measures." This bill pertains to the adoption of Supplementary Estimates (C) for the 2017-18 fiscal year. As my colleagues have said, this bill concludes the 2017-18 budget cycle and the approach taken in the estimates process.

[English]

It also marks a departure in how supplementary estimates will be presented, which I will explain more fully in my speech on Bill C-73.

[Translation]

Recently, parliamentarians in the other place passed a motion to amend the Standing Orders regarding the budgetary cycle. I will come back to these reasons in my other speech. For now, I will say that Bill C-72 is the last budget under this estimates process. I remind senators that up until now, the estimates process involved five steps, and Parliament was called upon to vote five times on funding public spending.

The financial cycle generally started in February, with the introduction of the Main Estimates. This document set out the expenditure estimates for all federally funded departments and agencies and was followed by the adoption of two appropriation bills, bills no. 1 and no. 2. The first was passed before April 1, because the fiscal year ends on March 31, and the government could not go without funding for salaries and expenses. The second appropriation bill was passed in June.

Up until now, honourable senators, the process got started in February with the tabling of the Main Estimates, and this document was drafted by the Treasury Board of Canada, based on historical data. The appropriation bills passed before April 1 and in June were based on the Treasury Board's study of the Main Estimates. In other words, in the Main Estimates the Treasury Board presented the spending estimates for the next fiscal year and only took into account inflation, expenditures related to the system, and fiscal commitments that had already been budgeted. This document preceded the budget speech and therefore did not take into account the government's budgetary intentions for the year ahead. Accordingly, it did not take into account the budget tabled in March by the Minister of Finance.

• (1540)

That is why, during the year, in addition to the budget and appropriation bills nos. 1 and 2, the Treasury Board tabled three supplementary estimates, (A), (B) and (C), which were also accompanied by appropriation bills nos. 3, 4, and 5. The bill I have introduced at second reading, Bill C-72, is appropriation bill no. 5 and is based on the most recent expenditures to be made and voted before the end of the year.

Today, the Senate Finance Committee presented its report on the study of the Supplementary Estimates (C), which we adopted a few minutes ago and which led to Bill C-72.

I will not repeat the main expenditures in Bill C-72. However, I invite you to read it because these appropriation bills are very different from the others. You will find the details of every budgetary item by department and by organization and according to the type of the expenditure. This bill includes nearly 50 pages and two schedules, and that is what we are asking you to pass, because it has to be passed by both chambers in order to come into force. I ask that you concur in this bill at second reading.

[English]

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

Hon. Senators: Question.

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

Some Hon. Senators: Agreed.

Senator Martin: On division.

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

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

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

[Translation]

APPROPRIATION BILL NO. 1, 2018-19

SECOND READING

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate) moved second reading of Bill C-73, An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2019.

She said: Honourable senators, again, I want to thank the members of the Standing Senate Committee on National Finance for their work and the report that they submitted. The comments by the committee's chair are not included in the report that we adopted. Fortunately, he knows why.

First, I was saying during my previous speech that the government and the Treasury Board Secretariat undertook to reform the process related to the annual budgetary cycle. The 2018-19 fiscal year is a transition year of sorts, since this new budgetary cycle begins right now. Why this change? For years, parliamentarians have been complaining about the inconsistency between the estimates and the budget statement delivered by the Minister of Finance. This inconsistency stems from the fact that the Main Estimates, which used to be tabled in February by the Treasury Board, under the old system, did not take into account the budget statement that was presented in Parliament in March.

These are some of the comments that we received about the old process. The June 2012 report of the Standing Committee on Government Operations and Estimates indicates, and I quote :

... opportunities exist for transforming the way information is provided in order to streamline and reduce the complexity and volume of printed materials. Other opportunities exist to make the processes more meaningful for both members of Parliament and the general public by better connecting the budget and the estimates documents or by changing the vote structure to give parliamentarians more control over program activities.

[English]

In May 2017, the report entitled *Following the Dollar*, produced by the Parliamentary Budget Officer, stated:

... there is no clear line of sight from budget announcements to their implementation. ... The Government may be able to alleviate some of these challenges by preparing and presenting its budget and estimates concurrently and using a more consistent method of presentation.

[Translation]

In order to respond to those concerns, Treasury Board made changes to the budgetary cycle, which were later adopted by regulation.

From now on, the Main Estimates will follow the budget statement. That is what everyone wants. In other words, the Main Estimates for 2018-19 will be tabled by April 16 at the latest and will take into account the budget statement presented on February 27. The Main Estimates will be tabled at the same time as the departments' plans and priorities.

However, this change leads to others. Can the new Main Estimates be tabled before the end of the fiscal year? That is something that must be considered. This is not a certainty, and it will obviously not be the case this year. Nevertheless, Parliament has to vote supply before the beginning of the next fiscal year, otherwise salaries will not be paid and many expenditures will have to be deferred.

In order to address that problem, Treasury Board tabled an interim budget for 2018-19 on February 13 so that we would not be voting supply inappropriately. That is the document that was examined and reported on by the Standing Senate Committee on National Finance and that we adopted a few minutes ago. This interim budget is based on historical data, but only a part of it. We used to prepare our budgets based on complete historical data.

Now the government wants us to vote on these interim estimates by March 31 in order to fund public expenditures and ensure continuity as we head into a new fiscal year. The first appropriation bill is nothing new. In the past, the Senate has always approved about 30 per cent of the budgetary expenditures set out in the Main Estimates. Now the Treasury Board

Secretariat is tabling interim estimates for parliamentarians to analyze before they vote on appropriation bill no. 1 for fiscal year 2018-19.

Like Bill C-72, this bill is fairly lengthy, because it proposes appropriations for all departments and agencies. The rest of the planned expenditures, meaning the nine tenths of the expenditures planned for the coming year, will be voted in June through Appropriation Act No. 2. It will be supported by the next Main Estimates, which will come out in April and will contain all of the changes announced by the Minister of Finance. Does this mean there will be no more supplementary estimates? Probably not.

• (1550)

[English]

But following the changes brought forward by the Treasury Board, there will probably be for the coming year two supplementary budget estimates for a fiscal year instead of three.

The interim estimates before us today in Bill C-73 include an overview of both budgetary and non-budgetary spending requirements for the first three months of the 2018-19 fiscal year. The interim estimates include \$30.9 billion in budgetary expenditures that cover the cost of operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations. The 2018-19 interim estimates also include \$14.3 million in voted non-budgetary expenditures. These include the loans, investments and advances.

Total 2018-19 planned expenditures will be presented in the Main Estimates. Funds for the remaining nine months will be sought through Appropriation Act No. 2 in June 2018.

Honourable senators, should you require additional information, I would be pleased to try to provide that to you.

[Translation]

Thank you very much. With that, I move that we proceed to second reading of Bill C-73.

Hon. Percy Mockler: I would be remiss if I didn't clarify a few points.

[English]

I rise to discuss Bill C-73 and bring additional information. It is "an Act for granting Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2019," which is the first appropriation bill for the fiscal year 2018-19.

This bill would authorize the funding that was set out in the 2018-19 interim estimates as I'm sure Senator Cools knows very well. That is \$30.9 billion in voted budgetary expenditures and \$14.3 million in voted non-budgetary expenditures. The bill is required to provide funding to the government for the first three months of the fiscal year.

As you will recall, in previous years, we were asked to approve interim supply, which was a proportion of the amounts set out in the Main Estimates, usually three twelfths of the budget. This year, the government changed the process and delayed the Main Estimates until mid-April. Thus, the government is asking our approval for interim estimates, which present specific spending amounts for each federal organization. While we were told the interim estimates amounts are calculated based on the previous year's Main Estimates, the exact method of their calculation is not transparent, and they are not directly connected to the coming year's spending needs.

Senators, I suggest that we examine how these interim estimates are related to the Main Estimates, which will be tabled in the Senate in less than a month. The justification for the changes to the estimates process was to align the budget and the Main Estimates. However, honourable senators, we recently learned that the Main Estimates will not include budget spending measures within departmental votes. Instead, guess what? They will be included in a budget implementation vote managed by Treasury Board.

Senators, we will need to examine this new vote structure carefully to ensure that it upholds the principle of parliamentary control of public spending, and that it transparently presents the government's actual spending needs for the coming years.

I will conclude by saying thank you to the members of the Senate Finance Committee. We will continue to uphold transparency, accountability and predictability.

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

Hon. Senators: Question.

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

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

Some Hon. Senators: Agreed.

Senator Martin: On division.

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

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

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

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, before calling upon Senator Tkachuk, I would like to point out that we only have a minute to a minute and a half left. Perhaps Senator Tkachuk intends to be a little longer than that. Normally, we would adjourn at 4 p.m. on a Wednesday.

Is it the wish of the Senate that, rather than have Senator Tkachuk begin his speech for a very brief time and then interrupt him, that we adjourn now?

Hon. Senators: Agreed.

The Hon. the Speaker: It being almost 4 p.m., pursuant to the order adopted on February 4, 2016, the sitting will be suspended until 5:30 p.m., at which time the Senate will proceed to the deferred vote on Motion No. 309, moved by Senator Harder, seconded by Senator Mitchell.

The bells will ring at 5:15 p.m. to call in the senators.

(The sitting of the Senate was suspended.)

• (1730)

(The sitting of the Senate was resumed.)

NATIONAL SECURITY AND DEFENCE

MOTION TO AUTHORIZE COMMITTEE TO HEAR WITNESSES IN
REGARD TO EVENTS SURROUNDING PRIME MINISTER'S
TRIP TO INDIA—DEFERRED VOTE—MOTION IN
AMENDMENT ADOPTED

The Hon. the Speaker: Honourable senators, the question is as follows: It was moved by the Honourable Senator Harder, seconded by the Honourable Senator Mitchell:

That the motion be not now adopted but that it be amended by replacing all words following the word “country” with the following —

May I dispense?

Hon. Senators: Dispense.

Motion in amendment of the Honourable Senator Harder agreed to on the following division:

YEAS

THE HONOURABLE SENATORS

Bellemare	Harder
Black (<i>Alberta</i>)	Jaffer
Black (<i>Centre Wellington</i>)	Lovelace Nicholas
Boniface	Marwah
Bovey	McCallum
Boyer	McPhedran
Campbell	Mégie

Cools
Cormier
Coyle
Day
Deacon
Dean
Dupuis
Dyck
Eggleton
Gagné
Gold

Mitchell
Moncion
Munson
Omidvar
Petitclerc
Pratte
Ringuette
Saint-Germain
Sinclair
Wetston
Woo—36

NAYS

THE HONOURABLE SENATORS

Andreychuk
Batters
Beyak
Boisvenu
Carignan
Dagenais
Doyle
Duffy
Eaton
Frum
Greene
Griffin
Housakos
MacDonald
Maltais
Manning
Marshall

Martin
McIntyre
Mockler
Ngo
Oh
Patterson
Plett
Poirier
Raine
Richards
Seidman
Smith
Tannas
Tkachuk
Verner
Wallin
Wells—34

ABSTENTIONS

THE HONOURABLE SENATORS

Downe
Galvez
Lankin

Massicotte
White—5

(At 5:36 p.m., pursuant to the order adopted by the Senate on February 4, 2016, the Senate adjourned until 1:30 p.m., tomorrow.)