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Friday, December 7, 2018

The Honourable GEORGE J. FUREY,  
Speaker

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



## THE SENATE

Friday, December 7, 2018

The Senate met at 9 a.m., the Speaker in the chair.

Prayers.

People's Republic of China, that they may have the religious freedom to worship during this sacred and holy time along with fellow Christians worldwide.

### SENATORS' STATEMENTS

#### RELIGIOUS FREEDOM IN CHINA

**Hon. Norman E. Doyle:** Honourable senators, China is currently engaged in the worst crackdown on Christians and Christianity in decades. During the recent meeting of the Canadian-Holy See Parliamentary Friendship Group, it was revealed that in Zhejiang Province between the years 2014 and 2016, more than 1,500 churches had their crosses demolished or removed by local authorities. Since last February, in Henan Province alone, authorities have confiscated Bibles from Christians, demolished more than 20 churches, removed or destroyed at least 100 crosses and other religious symbols, and made hundreds of arrests.

On April 17, a Catholic Church in Luoyang was demolished. Churches in at least five other provinces have been ordered to fly the Chinese flag, destroy banners and images with religious messages and sing Communist Party songs at their services. Young people under 18 have been forbidden to attend churches, and local people have been threatened with expulsion from education and employment if they "believe in religion." In some parts of the country, the faithful have been told to replace paintings of Jesus with portraits of President Xi Jinping.

This harsh and brutal crackdown is not only against Christians. The persecution of Tibetan Buddhists and Falun Gong practitioners continues, and in northwestern China up to 1 million Uyghur Muslims have been detained in "re-education camps." Many Muslims are believed to have been detained without charge, sometimes for activities as simple as praying, wearing Islamic clothing or reading the Quran.

The Chinese Communist Party has always sought to restrict religious activity. For the first three decades of Communist rule, they tried to eradicate it violently. But after the death of Mao and the period of reform over the past 40 years, the policy was one of control rather than outright repression, and there were periods of relaxation in some parts of the country.

However, since Xi Jinping came to power in 2013, he has pursued a severe crackdown on all human rights, including religious freedom. In March this year it was announced that religious affairs would now be overseen by the Communist Party's United Front Work Department. This move is a clear signal that Xi Jinping regards the oppression of religion as part of an ideological battle.

Senators, Christians globally will soon be celebrating the blessings, peace and joy of the Christmas season. Please join me in extending our hopes and prayers to all Christians living in the

### GENDER-BASED VIOLENCE

**Hon. Nancy J. Hartling:** Your Honour, dear colleagues, it's a bittersweet day for me today, as I rise with two purposes: first, to remember yesterday, December 6, the National Day of Remembrance and Action on Violence against Women in Canada.

[Translation]

We mark this date in memory of the 14 young women who were murdered at École Polytechnique de Montreal on December 6, 1989.

[English]

Fourteen young women were murdered because they were women. Since that time we have marked December 6 with vigils, and we have built monuments to remember women and girls who died of violence.

In Riverview, New Brunswick, where I live, our monument says: "First mourn: then work for change."

*Pleurez-les aujourd'hui, agissez demain.*

To mark this date, every year we gather at Caseley Park for a vigil. One day I hope this will truly be a day of remembrance and we will no longer be adding new names to the list.

Second, I would like to recognize the contribution of a very special New Brunswick woman, Ms. Rina Arseneault. Rina has contributed greatly to ensure that we continue to work towards the eradication of violence against women and gender-based violence.

Next Friday, December 14, in this very chamber, she will receive the Governor General's Award in commemoration of the Persons Case. Each year, six recipients are chosen from across Canada, including one youth. These awards recognize individuals who have made outstanding contributions to the goal of equality for women and girls in Canada.

In 1929, after two years of legal debate, Canada's highest Court of Appeal, declared that the word "person" included both women and men. The decision was made by the Judicial Committee of the Privy Council of Great Britain and made it possible for women to serve in this Senate. It paved the way for women's increased participation in public and political life.

[Translation]

I met Rina over 30 years ago, and our paths have crossed several times. For 20 years, she has been the Associate Director of the Muriel McQueen Fergusson Centre for Family Violence Research in Fredericton.

[English]

I want to note that Muriel McQueen Fergusson was a former Speaker of the Senate.

Rina is a fellow social worker and is also a researcher, activist, organizer, author and educator. She has received many awards, including the Canadian Association of Social Workers Distinguished Service Award in 2016 and the Order of Canada in 2014.

It is because of advocates like Rina that some advancements have been made in this quest to end violence against women.

[Translation]

Congratulations on your achievements, Rina!

[English]

You have been a driving force in this movement and you have made a difference. I know you're retiring at the end of December, but you will continue to be an inspiration for your dedication and passion on this issue.

Thank you from the bottom of my heart and on behalf of all the women who perhaps have not been able to thank you for themselves.

#### VISITORS IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, I wish to draw your attention to the presence in the gallery of a delegation of the National People's Congress of the People's Republic of China and members of the Canada-China Legislative Association. They are led by Mr. Chen.

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

**Hon. Senators:** Hear, hear!

#### CHANUKAH

##### FESTIVAL OF LIGHTS

**Hon. Marc Gold:** Honourable senators, today is the fifth day of Chanukah in the year 5779 of the Jewish calendar. During the eight days of Chanukah, Jews light candles, spin dreidels, exchange presents and eat far too much fried food. Why, you might ask? Let me tell you.

• (0910)

In the year 168, BCE, the Syrian king Antiochus Epiphanes sent his soldiers to Jerusalem. They desecrated the temple, the holiest place for Jews at the time. Antiochus abolished Judaism and installed altars and idols in the temple for the worship of the Greek gods. Jews were given two options, conversion or death. In response, Judah Maccabee led an army of Jews which defeated the Syrians in two major battles and recaptured the temple.

But the victory of the Maccabees followed as much from a civil conflict within the Jewish community as it did between Jews and Syrians. The empire of Alexander the Great had spread from India to Gaul, and had inspired loyalty amongst many Jews who were attracted to Greek culture, philosophy and science. Indeed, several Hellenized Jews became high priests of the Temple, and conspired with Antiochus to turn Jerusalem into a bastion of Greek culture.

I mention this because, like many of the holidays in Jewish tradition, the story of Chanukah has something to teach us about the human condition and about the challenges of living in this modern world.

Chanukah is a story of a battle over identity, between the pull of universalism, represented by Greek culture, and those of particularism, represented by Jewish nationalism. The story anticipates the conflicts that we experience today, the challenges faced by liberal democracy under siege, in the face of ethnic nationalism and populism, and the dilemmas that we all confront as we struggle to maintain our particular identities in the face of the homogenizing forces of globalization.

The story also teaches about the fragility of certain solutions to these conflicts and dilemmas and the need for compromise. The Maccabees won a decisive military victory and regained control of the temple. Very soon thereafter, they had to make a deal with the Syrians, whereby a moderate Hellenist was accepted as a high priest in return for the lifting of the siege of the temple. Chanukah reminds us that we cannot avoid accommodating our particular identities, whether religious, ethnic, or national, with those of the societies of which we are a part.

As we light candles, spin dreidels, exchange chocolate coins we call Chanukah gelt, and eat lots of donuts – you gotta love this holiday. Let us not forget the deeper lessons that Chanukah can teach us about the challenges that we all face in our world today.

Let me end on a lighter note, because lessons aside, this is, after all, a holiday. And to quote Adam Sandler's well-known line, it's:

... so much funukah to celebrate Chanukah. . .

So, have a taste of the Chanukah gelt that you will find in the library, and, as my grandmother would say, you should enjoy.

**Hon. Senators:** Hear, hear!

[Translation]

## ROUTINE PROCEEDINGS

### NATIONAL MATERNITY ASSISTANCE PROGRAM STRATEGY BILL

THIRTY-FIRST REPORT OF SOCIAL AFFAIRS, SCIENCE AND  
TECHNOLOGY COMMITTEE PRESENTED

**Hon. Chantal Petitclerc**, Chair of the Standing Senate Committee on Social Affairs, Science and Technology, presented the following report:

Friday, December 7, 2018

The Standing Senate Committee on Social Affairs, Science and Technology has the honour to present its

#### THIRTY-FIRST REPORT

Your committee, to which was referred Bill C-243, An Act respecting the development of a national maternity assistance program strategy, has, in obedience to the order of reference of Wednesday, October 24, 2018, examined the said bill and now reports the same without amendment but with certain observations, which are appended to this report.

Respectfully submitted,

CHANTAL PETITCLERC  
Chair

(For text of observations, see today's Journals of the Senate, p. 4187.)

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

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

[English]

### WRECKED, ABANDONED OR HAZARDOUS VESSELS BILL

FIFTEENTH REPORT OF TRANSPORT AND COMMUNICATIONS  
COMMITTEE PRESENTED

**Hon. David Tkachuk:** Honourable senators, I have the honour to present, in both official languages, the fifteenth report of the Standing Senate Committee on Transport and Communications, entitled *Bill C-64, An Act respecting wrecks, abandoned, dilapidated or hazardous vessels and salvage operations, with amendments and observations*.

(For text of report, see today's Journals of the Senate, p. 4188.)

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

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

### THE SENATE

STATUTES REPEAL ACT—NOTICE OF MOTION TO RESOLVE THAT  
THE ACT AND THE PROVISIONS OF OTHER  
ACTS NOT BE REPEALED

**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, pursuant to section 3 of the *Statutes Repeal Act*, S.C. 2008, c. 20, the Senate resolve that the Act and the provisions of the other Acts listed below, which have not come into force in the period since their adoption, not be repealed:

1. *Parliamentary Employment and Staff Relations Act*, R.S., c. 33 (2<sup>nd</sup> Supp):  
Parts II and III;
2. *Contraventions Act*, S.C. 1992, c. 47:  
-paragraph 8(1)(d), sections 9, 10 and 12 to 16, subsections 17(1) to (3), sections 18 and 19, subsection 21(1) and sections 22, 23, 25, 26, 28 to 38, 40, 41, 44 to 47, 50 to 53, 56, 57, 60 to 62, 84 (in respect of the following provisions of the schedule: sections 1, 2.1, 2.2, 3, 4, 5, 7, 7.1, 9 to 12, 14 and 16) and 85;
3. *Comprehensive Nuclear Test-Ban Treaty Implementation Act*, S.C. 1998, c. 32;
4. *Preclearance Act*, S.C. 1999, c. 20:  
-section 37;
5. *Public Sector Pension Investment Board Act*, S.C. 1999, c. 34:  
-sections 155, 157, 158 and 160, subsections 161(1) and (4) and section 168;
6. *Modernization of Benefits and Obligations Act*, S.C. 2000, c. 12:  
-subsections 107(1) and (3) and section 109;
7. *Marine Liability Act*, S.C. 2001, c. 6:  
-section 45;
8. *Yukon Act*, S.C. 2002, c. 7:

-sections 70 to 75 and 77, subsection 117(2) and sections 167, 168, 210, 211, 227, 233 and 283;

9. *An Act to amend the Canadian Forces Superannuation Act and to make consequential amendments to other Acts*, S.C. 2003, c. 26:

-sections 4 and 5, subsection 13(3), section 21, subsections 26(1) to (3) and sections 30, 32, 34, 36 (with respect to section 81 of the *Canadian Forces Superannuation Act*), 42 and 43;

10. *Assisted Human Reproduction Act*, S.C. 2004, c. 2:

-sections 12 and 45 to 58;

11. *Budget Implementation Act, 2005*, S.C. 2005, c. 30:

-Part 18 other than section 125;

12. *An Act to amend certain Acts in relation to financial institutions*, S.C. 2005, c. 54:

-subsection 27(2), section 102, subsections 166(2), 239(2), 322(2) and 392(2); and

13. *An Act to amend the law governing financial institutions and to provide for related and consequential matters*, S.C. 2007, c. 6:

-section 28, subsections 30(1) and (3), 88(1) and (3) and 164(1) and (3) and section 362; and

14. *Budget Implementation Act, 2008*, S.C. 2008, c. 28:

-sections 150 and 162.

We know the Infrastructure Bank has spent at least \$11 million on salaries, travel and communications, again all for one project.

Senator, does the bank have a sense of when other projects may be announced and are there any more projects expected before the end of the year?

**Hon. Peter Harder (Government Representative in the Senate):** I thank the honourable senator for his question. It's an important one and I will take it under advisement and report back.

**Senator Smith:** Senator, in both February and September of this year I asked you to provide us with the Infrastructure Bank's list of projects so we could see what commitments have been made and where the money is being spent. The CBC reported on September 20:

Asked whether the bank plans to publish a list and timeline for prospective future projects, Infrastructure Bank CEO Pierre Lavallée said it's almost impossible at this point to predict when an investment might come together.

Senator, will the government insist that the Infrastructure Bank provide this information to taxpayers?

**Senator Harder:** Again, I thank the honourable senator for his question. Certainly the degree of transparency that this arm's-length bank will be operating under is one in which the bank will reveal its activities, as they are commercial and certainly quasi-commercial in some cases. It does require all parties to be aligned with the announcements with respect to the investments being made. Within that context, the bank will continue to be transparent.

## DEMOCRATIC INSTITUTIONS

### PARLIAMENT OF CANADA ACT AMENDMENTS

**Hon. Leo Housakos:** Honourable senators, my question is for the Government Leader. Again, I'd like to go back to my question that I asked yesterday in regard to the Parliament of Canada Act. In response to my line of questioning, Senator Harder replied:

Again, it's the same question. The government has not made any statement with respect to Parliament of Canada Act amendments. Should they make a commitment, it will be dealt with in the normal course of legislative provisions.

Of course, yesterday I stumbled across a letter, and I want to read a couple of excerpts of that letter:

While a pragmatic review of our rules remains a pressing concern, in particular the provisions of the Parliament of Canada Act, the government, the operations of the Senate, the government also acknowledges that as an independent and self-governing legislative body, the Senate must be an active participant in any review of the provisions of the act of the government that it operates.

• (0920)

## QUESTION PERIOD

### INFRASTRUCTURE AND COMMUNITIES

#### INFRASTRUCTURE BANK

**Hon. Larry W. Smith (Leader of the Opposition):** Honourable senators, my question concerns the Infrastructure Bank. In January, Infrastructure Bank chair Janice Fukakusa told *The Globe and Mail*: "We're hopeful that by the end of 2018, we'll have looked at some projects."

With little more than three weeks left in 2018, the Infrastructure Bank has announced funding for just one project, \$1.28 billion for light rail in Montreal. In fact, the Prime Minister had announced the same amount of federal support, \$1.28 billion, a year earlier, on June 15, 2017, well before the Infrastructure Bank was up and running.

The last paragraph of this letter reads:

[Translation]

In this spirit the government wishes to signal that it would welcome a comprehensive study of the act and related statutes by a committee of the Senate and hearing the Senate's recommendation.

## NATIONAL REVENUE

### CANNABIS REGULATIONS

**Hon. Claude Carignan:** My question is for the Leader of the Government in the Senate. My question is about how the revenue resulting from the legalization of cannabis will be shared. As you know, this is budget season for municipalities. When the government legalized cannabis, it promised municipalities that they would get money to cover expenses arising from cannabis legalization related to things such as building codes, zoning bylaws, and police services.

• (0930)

As one might expect, in most cases, there are currently no agreements in place between the provinces and municipalities to redistribute money on the ground where the needs are. Municipalities are having to pick up the tab, but they don't have the revenue to cover those costs. The only other option is not to spend the money, which means they can't provide appropriate levels of service on the ground, hire more police officers and front-line workers, and buy devices to detect impaired driving.

Can the Leader of the Government in the Senate provide assurances that municipalities will get the money they need as quickly as possible so they can meet their needs now that cannabis is legal and those needs are pressing?

[English]

**Hon. Peter Harder (Government Representative in the Senate):** I thank the honourable senator for his question. It is a concern for the Government of Canada that the funds allocated across Canada for these measures get down to the level of the municipalities as quickly as possible. Those are measures which the government cannot directly take and one in which the ministers who are responsible are working their provincial counterparts to ensure take place.

[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: all items called in the order in which they appear on the Order Paper with the exception of Reports of Committee, Other, No. 29, consideration of the thirty-fifth report of the Standing Senate Committee on National Finance, which will be called last, followed by second reading of Bill C-90.

This letter was sent by none other than Senator Peter Harder on May 7, 2018, to Senator Larry Smith, Senator Woo, Senator Day, and I was cc'd in my capacity as a member of the Rules Committee. The only question I ask is can we have a commitment that if the government opens the Parliament of Canada Act for review, that before they table any legislation, especially within an omnibus bill in this chamber, they will consult with the government side in this chamber and the opposition side as I think would be appropriate when you're touching something as sensitive as the Parliament of Canada Act.

**Hon. Peter Harder (Government Representative in the Senate):** I thank the honourable senator. I now have the assurance that he's read the letter, which is welcome because it hasn't been responded to. Nor has it been responded to by Senator Smith. It has been responded to by Senator Day. It has been responded to by Senator Woo. Their responses are part of the considerations the government will have in mind.

The senator will know from the letter that he's referred to — and perhaps he should table it so that all senators can be aware of it — the desire of the government to act as expeditiously as possible to take into account those changes in the Parliament of Canada Act that reflect the reality of this chamber and our experience of the last couple of years.

**Senator Housakos:** Government leader, I certainly read it and remember reading it, but you should remember you wrote it when you answered the question yesterday. All I'm looking for is a commitment. I read the response from Senator Day. I await a response from Senator Woo, but his response came to me in a similar letter. It wasn't a response, but from Senator Woo a few months later I received a similar letter making the same request for changes to rules and referring to the fact that there would be a need for a change to the Parliament Act.

All I'm saying is we're ready to review it and do it in an open, transparent fashion. Can we have a commitment from the government that we will not be surprised by a piece of legislation opening up the Parliament of Canada Act before consultation with both sides of this chamber?

**Senator Harder:** Again, I have been very clear that the desire of the government to respond to the concerns and needs of this chamber as it's evolved has been uppermost in the minds of the government. I took the steps that the honourable senator has referred to, to seek the views of this chamber as to how to proceed. On the basis of the information and responses I received, the government is reflecting and will decide how to move forward.

[English]

## CANADA-MADAGASCAR TAX CONVENTION BILL, 2018

### THIRD READING—DEBATE ADJOURNED

**Hon. Stephen Greene** moved third reading of Bill S-6, An Act to implement the Convention between Canada and the Republic of Madagascar for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

He Said: Honourable senators, I have nothing new to add. It is a wonderful bill. I urge passage of it right away.

**Hon. Senators:** Hear, hear!

(On motion of Senator Martin, debate adjourned.)

## ELECTIONS MODERNIZATION BILL

### BILL TO AMEND—TWENTY-NINTH REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE ADOPTED

The Senate proceeded to consideration of the twenty-ninth report of the Standing Senate Committee on Legal and Constitutional Affairs (*Bill C-76, An Act to amend the Canada Elections Act and other Acts and to make certain consequential amendments, with an amendment and observations*), presented in the Senate on December 6, 2018.

**Hon. Serge Joyal** moved the adoption of the report.

He said: Honourable senators, my first words will be to thank wholeheartedly the two deputy chairs of the committee, Senator Dupuis and Senator Boisvenu.

Without the cooperation of the two deputy chairs of the committee, the Standing Senate Committee on Legal and Constitutional Affairs would not have been able to deal with this bill, to give it a deep study without the cooperation of all the senators around the table. I remain grateful to the two deputy chairs for their cooperation.

I remind you that the bill arrived in the Senate on October 31, it was referred to the committee on November 7 and I reported the bill yesterday. In that short period of time, we were able to hear from 14 witnesses, receive four briefs, hear from the Chief Electoral Officer, the commissioner to federal elections and Mr. Scott Jones, the principal director of the Canadian Centre for Cyber Security.

Honourable senators, we report the bill with one technical amendment. Senator Dawson, who is the sponsor of the bill might want to introduce it. It is a corresponding adjustment to an amendment that was previously made by the other place when they considered the bill. I draw your attention, honourable senators, to the observations that we have appended to the report. If you listened to or watched the news last night, you would have been struck by two stories, which, in my opinion, are very serious.

The first one is the situation in which Canada finds itself with the arrest of a higher officer of the Chinese company Huawei, and the possible consequences in terms of cybersecurity following that arrest. As you know, Bill C-76 contains a certain number of provisions to address foreign influence in the electoral process and that situation presently unfolding might have unintended consequences.

I have no privileged information to tell you anything more than what I have heard last night and what I have read in the paper this morning.

The other element, which is of tremendous importance, is the sitting of the British committee of the House of Commons that is looking into Facebook activities. It was revealed that Facebook traded the information that they have with customers and pick and choose. It means the information that is available to Facebook might find itself in the hands of institutions, bodies or countries whereby the electoral process could be challenged. I think it would be very naive on our part not to recognize that. As a matter of fact, the Legal and Constitutional Affairs Committee last year conducted a study and tabled a report. It was tabled in this chamber in June 2017. The report was entitled and I read and refer it to you, honourable senators, because I think it is a very contemporary subject. The report was entitled *Controlling Foreign Influence in Canadian Elections*.

Bill C-76 gives effect to some of the recommendations of that report of the Legal and Constitutional Affairs Committee but not all of them. Bill C-76 also recognized around 80 per cent of the recommendations brought forward by the Chief Electoral Officer.

Bill C-76 is an answer from the other place to some of these preoccupations that we outlined in our report of June 2017. It's an ongoing subject. One of the recommendations of our report is to make sure that in the months ahead, and in the year ahead, the committee remains seized on this issue so we could report to the chamber of the initiatives that should be taken by the Senate and by the government to give effect to a better protection of the integrity of the electoral system.

Honourable senators, something which has always been in the back of my mind, since I sit in this chamber: There is always the perception in Canadian public opinion that, being not elected, senators should not bother with the electoral process and that they are disenfranchised to take part in a debate about the electoral process. I humbly defer from that opinion because the right to vote is a Charter right. It's section 3 of the Charter, and that section has been interpreted by the highest court on very significant aspects of the exercise of rights.

• (0940)

For instance, the delineation of borders or limits of electoral districts have been the subject of a very important decision by the Supreme Court in relation to section 3 of the Charter. The Supreme Court has also interpreted the rights of third parties to be involved in the election. There is a famous case — I'm looking at my friend Senator Tkachuk — involving former Prime Minister Stephen Harper when he was a member of the National Citizens Coalition. It was a landmark decision in relation to the exercise of the right to vote. With this being a Charter right, we are absolutely founded to look into the electoral system and make

sure the exercise of the right to vote is protected by the electoral system, by the electoral act and by all the other acts that have an impact on the integrity of the electoral system.

The committee is very concerned with that. I hope that in the months ahead, honourable senators, depending on what we hear on this unfolding issue, will we want to remain very committed to taking all the initiatives needed to maintain the integrity of the electoral system.

Bill C-76 proposes very welcome initiatives to try to tighten the system. However, there are aspects of it that I have mentioned in the previous weeks, and I want to read a quote on a subject that you might want to think about. It is a section of our observations, which is a totally satisfactory answer in our opinion. I will read it:

[d]espite the challenges in countering foreign interference, Canada's electoral laws must include strong prohibitions and sufficient penal consequences to deter and denounce any violations. Amendments could be considered that would allow for the seizure and forfeiture of assets of foreign entities that attempt to interfere in our elections.

We heard from a witness who I'm proud to identify as David Frum. We heard how important it is for Canada to tighten its legislative arsenal to address foreign influence because our capacity, as diplomatic resources are involved, are limited; hence, the importance of strengthening our legislative arsenal. That is what this recommendation deals with and addresses. I wanted to share it with you, honourable senators, because depending on how the situation evolves, we might have to revisit this question.

I want to also mention other new elements in the bill, especially involving Internet platforms. We heard from Google and Twitter. Facebook didn't want to appear. They sent a brief but declined the invitation to appear. I think the CEO of Facebook might have had a bad experience south of the border. He refused to appear in Britain at the House of Commons committee that is studying the activities of Facebook following the Cambridge Analytica situation. However, I think this bill offers approaches that would be essential to prevent the use of Facebook by buying advertisements during the election which would be contrary to the electoral law and, of course, the hacking of the electoral system that would remain one of the key preoccupations following the situation I described in my opening remarks.

In the report, there are also important recommendations for the committee to continue its study of gender parity in the electoral process. This issue was raised with the Chief Electoral Officer in Committee of the Whole. There is also the issue of the control of private information retained by political parties. The bill recognized that political parties should have a policy to govern their use of private data from Canadian voters, but the bill doesn't go further than that. It's merely a recognition that there should be policy, but there is no oversight of that policy proposed in the bill. As the Minister of Democratic Institutions has mentioned, there is an ongoing conversation on that issue, and I think we should be part of that conversation.

At the very moment we were studying Bill C-76, the Legal and Constitutional Affairs Committee was studying Bill C-58, the Access to Information Act, in terms of private information or private data retained by political parties and whether the act should be adapted to the context of today's needs to have a much tighter system of oversight on how that data is used, with whom it is exchanged and how it could be manipulated during the election.

Honourable senators, those issues are very sensitive and this bill is a good step, but it's not the last step. Some aspects of the bill — and I say this only for myself, as a senator — could go further. However, at this stage, it is what I think we could do to help, to protect the integrity of the system, to maintain the right to vote for Canadians and the trust they have in the electoral system.

There has also been an issue very dear to some senators, Senator Frum and Senator Batters, in particular. It is the issue of extending the right to vote for Canadians who live abroad. As you know, this issue is presently in front of the Supreme Court. The court has heard the parties. A decision might be expected some time down the road, in the forthcoming year. It might be before the election and may, in a way, confirm or change the provisions in the bill, but this issue remains pending. I'm sure that honourable senators will want to address that. We recognize that.

To conclude, as you will understand, we were given a short deadline. The committee sat extended hours with the cooperative will of all members. We would have liked to have more time to go through the issues I outlined. But on the whole, I invite honourable senators to support the report and the observations because I think it's a step forward, but we need to remain very vigilant in relation to those issues.

I have raised it here in this chamber on some occasions, and I think this is the major challenge that the Canadian electoral system is facing, considering the international situation that is unfolding. We do our job if we remain alert on the initiatives we can take, on the Legal and Constitutional Affairs Committee, to review these issues. It is in that context I ask you to support the twenty-ninth report of the Standing Senate Committee on Legal and Constitutional Affairs.

**Hon. Yuen Pau Woo:** Senator Joyal, would you take a question?

**Senator Joyal:** With pleasure.

**Senator Woo:** I wonder if you might provide clarification to this chamber and Canadians who paid attention to your statement that the detention of Ms. Meng on December 1 has nothing to do with interference in electoral systems in Canada, and really has to do with a request on the part of the Americans concerning the alleged breaking of sanctions on Iran.

I ask for this clarification only because at a time of fraught diplomatic relations, I feel it's important to be as clear as possible about the facts of the matter and not to inflame issues with information that may be inaccurate or to make suggestions that are unfounded.

**Senator Joyal:** Thank you, honourable senators, for giving me

**The Hon. the Speaker:** Senator Joyal, I apologize, but your time has expired. Are you asking for five more minutes?

**Senator Joyal:** Yes, I am asking for five more minutes.

**The Hon. the Speaker:** Is leave granted?

**Hon. Senators:** Agreed.

**Senator Joyal:** Thank you for the question.

• (0950)

I want to be very clear: There is no allegation of any sort that the reason the high-ranking officer of Huawei has been detained on request of extradition is linked whatsoever, directly or indirectly, to the integrity of the electoral system.

However, when we heard from the principal director of the Canadian centre on security and intelligence, we were told that the two countries that have records in relation to foreign intervention are Russia and China. We can't ignore what we heard at committee.

As I say, there are ongoing diplomatic discussions and negotiations, and we don't know how this will resolve. I hope it will be resolved to the satisfaction of the three countries involved, and Canada is squeezed in the middle.

We have nothing directly against Huawei. In fact, Huawei is active in Canada. It has a partnership with L'Ecole Polytechnique in Montreal and with other universities in Canada. So far, Huawei has been an honest corporate citizen vis-à-vis Canada. I want to be very clear on that.

On the other hand, we have to take into account the need to maintain a firewall around the electoral system in Canada. The integrity of the system is of paramount importance in maintaining democratic elections in Canada.

It is within this context of tension — due to another, totally unrelated, issue, I insist — that we see the situation evolving, and that is why we remain concerned.

We heard about elements from the past, namely, that Russia created 50,000 sites before the American election, and that there was foreign influence in the Brexit referendum. We heard that the next European election, which will take place next spring, is also the object of higher surveillance.

Honourable senators will understand that, as concerned Canadians, we must remain vigilant to ensure that our system remains as invulnerable as possible, even though we can never be assured 100 per cent that the system is fireproof.

We have been told that by the director for the Canadian Centre for CyberSecurity and by the Minister of Democratic Institutions, and we recognize that. Nevertheless, we have the responsibility to take every initiative possible. It has been suggested to us that we take a legislative initiative and that that is our best and most effective arsenal.

I am sharing this with honourable senators this morning, and I wish to be very clear. Thank you for giving me the opportunity to answer your question.

**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 Joyal, seconded by the Honourable Senator Day, that the report be adopted.

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

**Some Hon. Senators:** Agreed.

**An Hon. Senator:** On division.

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

#### BILL TO AMEND—THIRD READING— DEBATE

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

**Hon. Dennis Dawson:** Honourable senators, with leave of the Senate, I move that the bill, as amended, be read the third time now.

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

**Hon. Senators:** Agreed.

**Senator Dawson:** Honourable senators, after 42 years of following Serge Joyal's speeches, I know he is always a tough act to follow. Having spent years in the other place with Senator Joyal, and the last 13 or 14 in this place, I know he is a tough act to follow. I will do my best. I will deliver my speech in French so you won't be able to compare me to him. It will be to my advantage to have my speech interpreted.

[Translation]

I am pleased to rise today to speak at third reading of Bill C-76, the Elections Modernization Act. Before I begin, I would like to thank Senator Joyal and the two deputy chairs of the committee for their help and for the great work they did in moving this bill forward.

I would like to thank the leaders in this chamber for making it easier to hold an effective meeting of the committee of the whole, so that not just committee members but all parliamentarians and all senators had the opportunity to ask relevant questions about this bill. Though it may have been the result of fruitful collaboration, the bill also got a bit of help from the spirit of Christmas come early to the Senate.

I want to thank them for their flexibility in ensuring that the bill was passed quickly. As a result, the bill should come into force before the upcoming federal election next year.

Senators had the opportunity to talk with the Chief Electoral Officer and the Commissioner of Canada Elections, who both continue to support Bill C-76 and who said it would be good for our electoral system if this bill came into force before the next election.

Honourable senators, Bill C-76 includes important measures to modernize our electoral system, making it more secure, more accessible and more transparent. I would like to take this opportunity to briefly go over how Bill C-76 will further each of these objectives.

Transparency is needed in order to preserve and strengthen Canadians' faith in our electoral system and our democratic institutions. Bill C-76 proposes concrete measures to make the electoral process even more transparent.

For instance, creating a pre-writ period is a key feature of the bill. During that period, third parties who reach a certain threshold of spending or contributions will be required to submit interim reports to Elections Canada. That way, Canadian voters will have more information on those who may try to influence their vote.

[English]

As honourable senators know, I presented two private members' bills on this subject in the past. With the arrival of fixed election dates, the process did not control what was being spent before the election process. This was a major flaw in what I think was a very good decision to have fixed elections; it made the spending of money a bit more complicated.

[Translation]

During the last election we could all see one of the consequences of fixed date elections, namely in the increased volume of large-scale advertising campaigns just before the writ was dropped. Bill C-76 sets spending limits for political parties and third parties during the months preceding the campaign. These restrictions do not infringe on parliamentarians' work since they do not unduly limit freedom of expression or Canadians' ability to comment on the work of their parliamentarians.

Bill C-76 would also require online platforms to keep a record of ads published during pre-writ and writ periods. As everyone knows, the platforms are able to very precisely target who sees the ads. Bill C-76 will therefore allow for a minimum of transparency regarding the advertising efforts of various electoral players.

For purposes of accessibility, eligible voters should not have their right to vote breached by administrative barriers. That is why the Elections Modernization Act proposes making the electoral process more accessible by making it easier for as many Canadians as possible to vote.

Bill C-76 will once again let the Chief Electoral Officer authorize the use of the voter information card as proof of residency. In order to make it easier for those in more vulnerable situations to vote, the bill will also restore vouching, a measure that existed before the law was amended in 2014.

The bill also contains measures to foster the participation of the disabled in elections. For example, it creates financial incentives for political parties and candidates to make campaign materials more accessible. The bill also updates the language of the legislation to reflect current realities so that accommodation measures are not just available to those with physical disabilities.

The bill also makes important changes with respect to Canadians living abroad. In fact, it removes the requirements that they be outside Canada for less than five years and that they intend to return to Canada. As the Minister for Democratic Institutions said when she appeared before the Senate committee:

[English]

This is the right thing to do.

Because a Canadian is a Canadian is a Canadian, whether he or she lives in Canada or anywhere else.

[Translation]

To conclude my remarks on accessibility, I would like to mention that changes are being made for members of the Canadian Armed Forces, who will have greater flexibility in how they vote.

The electoral process must be made more secure. Bill C-76 will help achieve that objective. For example, it contains measures to prevent, as much as possible, foreign interference in our electoral process. One such measure prohibits third parties from using foreign money to fund partisan activities, even outside of the pre-writ and writ periods.

• (1000)

The bill also takes significant strides towards ensuring that anyone who violates the act will be punished. Not only does the bill put the Commissioner of Canada Elections back under the umbrella of Elections Canada, but it also gives the commissioner more effective enforcement tools. This includes, for example, the ability to seek a court order to force an individual to testify, and the creation of an administrative monetary penalties regime to be used for minor offences.

Honourable senators, the initiatives I have mentioned are just some examples of the proposed measures in Bill C-76 that will make our electoral system more secure.

The final key aspect of the bill has to do with modernizing our elections. The Elections Modernization Act implements more than 85 per cent of the Chief Electoral Officer's recommendations following the 2015 general election.

I want to share a quote from the Chief Electoral Officer's 2016 report:

Our statutory framework has stood up relatively well over the years, but it is increasingly showing signs of strain. While it is important to remember the past, we should embrace change and make sure that our legislative framework keeps pace with a rapidly evolving society. . . . we need legislative change to effectively and efficiently administer elections in the future.

Honourable colleagues, that is exactly what Bill C-76 does, and so I urge you all to support the Elections Modernization Act to ensure that it comes into effect before the next general election. Thank you.

[English]

**Hon. Linda Frum:** Honourable senators, I rise to speak on Bill C-76. Before I get into the details of the bill itself, please allow me to make a few general remarks on the way that this Parliament has made changes to the Elections Act.

I truly believe that, as much as possible, election reform measures must be well thought out, thoroughly debated and arrived at through consensus. For a very long time, this is exactly how it was done. I can only regret that this tradition seems to be a thing of the past. It is even sadder when you think that the true threat to the integrity of our elections is not petty fraud committed by one party or the other, but rather it is a threat of special interest groups, lobby groups and foreign actors trying to influence the results of Canadian elections. Canadians should work on these issues together.

I must also stress that the Legal and Constitutional Affairs Committee did not have enough time to study all the questions raised by this bill, nor did we have the opportunity to suggest how the Elections Act could have been improved. I believe that all members of the Legal Committee would like to have drilled deeper on some of the issues presented by this bill. Some issues were not even discussed at all because we were limited to three meetings at committee.

As the report of the committee stated, there is definitely a need to go back and review these topics sooner rather than later.

That being said, Bill C-76 brings welcome changes to the Elections Act, as I pointed out in my speech at second reading.

There is the modernization of the way Canadians will be able to vote and how elections Canada will manage the election. More importantly, what we saw in 2015, where foreign special interest groups targeted the Conservative Party and spent millions of dollars to defeat it, will no longer be legal. In Bill C-76 there is definitely some attempt to curb the influence of lobby and special-interest groups, particularly of foreign entities, and I strongly support this.

But this bill is wrong on some specific points, as I will explain. On several other aspects it is incomplete, as the members of the Legal Committee agreed. Allow me to elaborate.

**Voter identification.** In my speech at second reading, I raised my concern about the government plan to reintroduce the voter information card as acceptable proof of a voter's address. After the testimony heard in committee, I'm even more concerned. The last election in which the VICs were used was 2011. There were a considerable number of voter information cards that had wrong

information or were sent to the wrong address. Various testimonies pegged the number in the range of 1 to 2 million incorrect cards.

In his testimony, the Chief Electoral Officer did not dispute those numbers. He explained that when VICs are wrong, it is because the electoral list is wrong. This is where I have a problem with the logic of the whole system. People are asked to show ID to confirm that the address on the list is indeed their address, and they can use the VIC as proof. The VIC shows the address that is on the list. If that address is incorrect, then an error on the list will be confirmed by an error on the VIC.

Just so I am clear, I am not asserting that there will be a vast network of fraudsters using VICs to overturn an election. But in a democracy, people will accept the result of an election if they have confidence in the system.

Bill C-76 reintroduces a flawed system of ID in the rare event individuals who may be without one of the 30-plus pieces of legal ID, find themselves prevented from voting. It is not in my mind an optimal solution to a limited problem. We can and should do better. Let's not wait until there is an actual election where the result is contested because of this flawed system before we come up with something better.

Bill C-76 reinstates the flawed VIC as ID. I don't agree with those provisions of the bill.

The second problem I have with Bill C-76 is how it changes the rules regarding the voting rights of Canadian expatriates. The Supreme Court is now deliberating in the *Frank* case. The Ontario Court of Appeal upheld the validity of the current rules that have been in place since 1993. Right now, what is in place in the law respects the Charter. Indeed, Minister Gould admitted in committee that the changes to law regarding non-resident voters is a purely political decision to increase the number of potential voters in the next election by several hundreds of thousands. It is clear, these changes were not made because of a court decision, they were not made because of protected Charter rights. They were made, said Minister Gould, because they are part of the Liberal election platform of 2015. However, that is not so. The policy change was not, in fact, in the Liberal platform.

Beyond the "we think it is the right thing to do" argument of the government, the motivation for this decision is suspect. What is more intriguing is there is no logic in the changes brought by Bill C-76. The sacred right to vote is given only to a certain segment of non-resident Canadian citizens, those who previously resided in Canada. This supposedly universal right, protected by the Charter, is actually only given to some Canadians. Why? According to the minister, the government decided to withhold the right to vote from some Canadian citizens because our electoral system is based on residency. Yes, senators, the same criteria of residence that should not be used for one part of the rule — every Canadian should have the right to vote even if they don't reside in Canada — is now the defining criteria for another part of the same rule, only those who reside in Canada can vote.

Another bizarre change to the electoral law is the government not imposing a minimum time of residency in Canada for a citizen to be eligible to vote. As we have heard, even someone born here who left after one month would have the right to vote under Bill C-76. The minister says that all Canadians who resided here before should be able to vote because they have an emotional connection to Canada. Really? Someone who was born here and left after one month has a connection to Canada beyond his or her passport? This is not serious.

The rules for non-resident voting in Bill C-76 are not only illogical, they have been drafted in the absence of data. No one knows how many potential new voters we are empowering, where they are or how to reach them. From the testimonies we heard, it is clear Elections Canada is hoping that only a fraction of the 2 million non-resident Canadian citizens actually do register and vote. Their system would be quickly overloaded if more than the 30,000 expected actually do register and vote.

I do not believe that Elections Canada would have the time and resources to thoroughly process and vet applications if hundreds of thousands of non-residents register at the last minute. This is opening a huge hole in our electoral system. We will potentially have 2 million voters outside of Canada residing in jurisdictions where Elections Canada cannot enforce the rules as the Commissioner of Canada Elections, Mr. Yves Côté, admitted.

• (1010)

Some of these voters will reside in countries where the state surveils their movements and will not hesitate to exercise undue influence, to use the euphemism employed in Bill C-76.

In committee, Elections Canada admitted that a non-resident will not have any interaction with a human representative of the Canadian government to register to vote. No one will actually be able to verify the identity of the voter. The potential for abuse is great.

Why are we making this opening? To satisfy the demands of a few litigious expats who decided a long time ago that life was better away from Canada. These new provisions on the vote of non-residents are dangerous, and their application could be messy. They're also unfair to residents of Canada, those who would actually be affected by the decisions of the duly elected government. It is easy to vote for a Prime Minister who is cool but imposes taxes and deficits that you do not have to pay. All you get is the frosted side of the Mini-Wheats.

The provisions of Bill C-76 go against the social contract that the Ontario Court of Appeal so aptly described in the *Frank* decision and supported by the Trudeau government itself in the factum filed by the Attorney General in the Supreme Court.

People accept the decisions of the government because they have a say in electing the government. I am not sure they would so easily accept and be subject to the decisions of a government

elected by the votes of people who do not share in the impact of those decisions. For example, people who left Canada a long time ago and don't pay a cent of taxes here. We are, in fact, giving to these people representation without taxation.

That is why I believe Bill C-76 should be amended to put a limit of time that a voter has been away from Canada and to put a minimum of time that non-resident voters reside in Canada.

I outlined in my second reading speech the problems I have with the provisions of Bill C-76 regarding how lobby groups and special interest groups can influence an election. I am convinced that we will see creative minds exploiting the loopholes that exist in Bill C-76 and that were confirmed at committee. Let's hope there are not too many of those creative minds and that the true influence of the special interest groups will be limited. But I am certain that after the 2019 election, we will have to make another round of amendments to the Elections Act.

Too often the bureaucracy is fighting the last war, only correcting the problems after they arise instead of seeing them coming ahead. Unfortunately, Bill C-76 is just such a case. Regarding the influence of third parties, Bill C-76 is correcting the abuses of 2015 but not anticipating the next round.

I hope the next time Parliament is amending the Elections Act, we will try to correct the problems before they arise and not just correct them afterwards.

Also, we have to have debate in Canada about our levels of tolerance for the influence of special interests in elections. The Supreme Court of Canada, in the *Harper* case, put forward this notion of a level playing field in debate on public policy during an election. The courts discussed how spending caps are necessary to limit the ability of one side or one group in a public debate to have an overwhelming advantage.

We can discuss the caps on expenses, what is included in the calculation of expenses, and how the rules are enforced, but the principle of spending caps for political actors, including special interest groups, is now well established in Canada. What is left to debate, however, is how we can truly create a level playing field in the financing of those political actors.

There are strict rules on who can finance political parties, and there are strict limits to donations. We do not put such limits on how lobby groups are financed.

Also, the idea that monitoring the expenditure of funds as the only measure of a lobby group's interest is clearly outdated. There are several examples of PR campaigns with low or even zero budgets that have been very successful. We must also be cognizant of that and try to adjust our elections rules accordingly.

I think it's time to review this, and Mr. Perrault, Chief Electoral Officer of Elections Canada, agreed in his testimony.

This is just one area where Bill C-76 could have been better. However, because of the time constraints imposed on us, it is practically impossible for the Senate to improve this bill in a meaningful manner. Sadly, we will have to wait for the next round.

I said in my second reading speech that Bill C-76 would not stop foreign influence. I am sad to report that there is consensus on this: the minister said so, Mr. Perrault said so, and the members of the Legal and Constitutional Affairs Committee said so.

There will be attempts by foreign entities to influence the Canadian election of 2019. The Ministers of Democratic Institutions and of National Defence confirmed that recently. This week, the Centre for Cyber Security said "foreign countries are very likely to try to advance their agendas in 2019 by manipulating Canadian opinion with malicious online activity."

There are two possible sources of foreign influence: special interest groups and foreign governments or their surrogates. We are vulnerable to the two types of influence.

Clearly, Bill C-76 is a very timid attempt to fight this global threat. Again, I have the impression that the drafters of Bill C-76 tried very hard to correct the weaknesses of the Elections Act as they pertain to election 2015. Since then, the threat to the integrity of our elections has eroded. It is now clear there are organized movements from the left and right that want to influence elections in all Western democracies. It is very clear that some foreign powers are using subversive means to either influence results of elections or referendums or just sow discord to discredit the electoral systems and undermine the credibility of democratically elected officials.

To go back to the theory of the social contract that I outlined, those foreign powers are trying to convince voters that the contract between them and those who govern them has been broken and that they should not support their government because the election was tainted.

Bill C-76 barely addresses these threats. It bars foreign governments from using undue influence during an election, but creates exceptions so large they're almost an invitation to use them.

Also, with the unclear language of Bill C-76, the loopholes embedded within it and the extremely limited ability of Elections Canada to enforce the rules, foreign funded special interest groups will still be able to intervene in the next election. They will not be able to do it in quite the same way they did last time, but we would be naive to think these groups will stay on the sidelines and not try and steer the results.

Let me quote the Chief Electoral Officer at the Legal Committee:

We have to be clear that the notion that we can monitor all the activities that occur across the planet is not realistic, and it's not even realistic in Canada. We're not monitoring in real time all of the activities that any third party, which is any individual in Canada, any association, any group. If they are organizing a meeting, a parade, an activity, we can't monitor that.

As we hear more and more about what happened in the Brexit and New Caledonia referendums, in the last campaigns in the U.S. and other democracies, we have good reasons to be fearful for election 2019.

It is very concerning that on the eve of our next election, we are not better prepared. It is like the government indulged in wishful thinking when drafting Bill C-76. Most of the provisions in the bill on foreign influence were added at the last minute in committee at other place.

Colleagues, I wanted to remind you Bill C-76 was tabled in the spring of 2018, long after the spectre of foreign influence in elections became a dangerous concern in several other democracies. The government did not take this question seriously. Bill C-76 leaves us vulnerable and woefully unprepared.

Obviously, in the little time it had, the Legal Committee could not come up with a comprehensive plan to address this issue. As our chair, Senator Joyal, pointed out several times during our meetings and again here today on the floor, the committee had tabled a report in June 2017 with detailed recommendations on this precise issue. Why those recommendations of the committee and at the committee of the house that dealt with the same topic were not followed by the government is a mystery to me.

That being said, we still have the opportunity today to make some modest changes to Bill C-76 that would at least close what I consider to be a glaring loophole in the bill.

Under Bill C-76, a Canadian citizen living outside of Canada is not a foreigner for the purposes of defining foreign influence. Even if he has dual citizenship and has been living abroad his entire adult life, that person could spend \$1.5 million of personal funds during the pre-writ and writ period while being a resident of Moscow or Beijing, so long as he is a Canadian citizen who has resided in Canada at some point and is registered with Elections Canada.

I said the law requires that those expenses must be covered by his personal funds, but, of course, Elections Canada's ability to actually verify this information is limited to none.

In committee, we heard testimony about generous donors to political campaigns in Europe who also happened to have benefited from lucrative arrangements with the Russian government.

Also, under Bill C-76, a group is considered a foreign third party if no person who is responsible for the group is a Canadian citizen. There is no definition of what constitutes a group and the meaning of what is being responsible for a group. Someone could create a loose band of five people, give it a name like Friends of Canada, and so long as one of the persons holds some kind of undefined responsibility in the group, they can spend \$1.5 million between July 1 and October 21, 2019, to try to influence the election. I don't know why the government is leaving such a large loophole in our election law.

• (1020)

I remind honourable senators that the Chief Electoral Officer admitted that Elections Canada would not monitor the activities of third parties during the election. I presented him with some scenarios during the committee hearings and he seemed genuinely taken aback by these gaps in the bill. When I asked if he had made a recommendation that third parties be prohibited from operating outside of Canada, his answer was no and the reason was, "This is not a concern that was brought to my attention, that I was cognizant of, until you raised it."

The fact that the committee adopted an amendment at the request of the government means that Bill C-76 will be sent back to the House of Commons from the Senate. We should take that opportunity to improve the bill. I will therefore suggest an amendment that would correct the weakness of Bill C-76 I just outlined. Only residents of Canada will be included in the definition of "third parties." This will help to reduce the risk of foreign influence. Also, the notion of "group" would be changed to require the group be principally based in Canada.

Honourable senators, I know there is not one of us in this chamber who does not agree that it is our duty to do everything in our power to protect the sanctity and integrity of our democratic process. I deeply appreciate the words and leadership of Senator Joyal on this issue.

I urge honourable senators to support this amendment that I'm about to propose so we can buttress our electoral system against the possibility of foreign influence.

#### MOTION IN AMENDMENT—VOTE DEFERRED

**Hon. Linda Frum:** Therefore, honourable senators, in amendment, I move:

That Bill C-76, as amended, be not now read a third time, but that it be further amended in clause 223,

(a) on page 118, by adding the following after line 17:

"(a.1) an individual who does not reside in Canada";

(b) on page 121,

(i) by replacing lines 21 to 26 with the following:

"(a) if the third party is an individual,

(i) the individual is neither a Canadian citizen nor a *permanent resident* as defined in subsection 2(1) of the *Immigration and Refugee Protection Act*, or

(ii) the individual does not reside in Canada; or", and

(ii) by replacing lines 37 to 39 with the following:

"(c) if the third party is a group, that group does not carry out activities in Canada"; and

(c) on page 122, by deleting lines 1-4.

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

**Some Hon. Senators:** Question.

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

**Some Hon. Senators:** Yes.

**Some Hon. Senators:** No

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

**Some Hon. Senators:** Yea.

**The Hon. the Speaker:** All those opposed please say "nay."

**Some Hon. Senators:** Nay.

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

*And two honourable senators having risen:*

**Senator Plett:** Your Honour, I wish to defer the vote to the next sitting of the Senate.

**The Hon. the Speaker:** Pursuant to rule 9-10, the vote will be deferred to the next sitting of the Senate.

#### OIL TANKER MORATORIUM BILL

#### SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Jaffer, seconded by the Honourable Senator Cordy, for the second reading of Bill C-48, An Act respecting the

regulation of vessels that transport crude oil or persistent oil to or from ports or marine installations located along British Columbia's north coast.

**Hon. Elaine McCoy:** Honourable senators, I'm pleased to address this issue of a ban on oil tankers on the West Coast of Canada, more or less north of the northern tip of Haida Gwaii, formerly known as the Queen Charlotte Islands.

Let me start by saying, as I'm sure all of us are aware that Canada is a pluralistic society. We have, in fact, taken many years — decades — to honour that tradition of being a pluralistic society. We don't insist that everybody be the same and we do look for ways in which we can provide opportunities for all of our citizens.

When I started out in my career as a lawyer, first, I was legal counsel with the Public Utilities Board of Alberta and then I became senior legal counsel. We were tasked with finding the public interest in decisions regarding public utilities in the province. It became clear early on that there is no such thing as a single public interest. There are many facets to the public interest. Our task was always to balance those different interests so that we could come up with a way forward that provided opportunities for all — not just one group, but all interests in the province.

In this country, I think we have looked for solutions that are not either/or, but tend to be solutions that are both/and. We've done well at that. In fact, we're regarded all around the world, I think, as a role model for pluralistic societies that honour the aspirations of many different interests in our society — so much so that, in the Constitution Act, 1982, section 36(1) says, in part:

. . . Parliament and the Legislatures, together with the Government of Canada and the provincial governments, are committed to

(a) promoting equal opportunities for the well-being of Canadians;

(b) furthering economic development to reduce disparity in opportunities; and

(c) providing essential public services of a reasonable quality to all Canadians.

This is a constitutionally embedded approach to life in Canada. In my opinion, sadly, this Bill C-48 does not honour those principles. It chooses to recognize the very legitimate concerns and interests of one group of Canadians and ignore the equally valid aspirations and concerns of other groups of Canadians.

I think it also sets up one rule for one part of Canada, the West Coast, which is not equally applied to rules on the East Coast. I think that is contrary to section 36 regarding providing equal opportunities or economic development to reduce disparities in opportunities. This is not the Canadian way of doing business. It's a failure of imagination.

Now, this is not a simple matter. We've heard a lot of speakers. A lot of different issues have been raised. We know, for example, that there's no unanimity among Indigenous

interests in B.C. That's clear from what I've heard and from what people that have met with me say and yet we haven't had a full opportunity to explore that in this chamber. We haven't had a full opportunity to hear from knowledgeable users about new technologies. Many fears are based on old technologies — or different kinds of oil tankers — than are being contemplated here.

We haven't heard very much about the Great Bear Rainforest which isn't a wildlife preserve at all. It's a forest management agreement in British Columbia that deals nothing with habitat or wildlife protection.

There's another one, I'm told, but I haven't verified it, namely, there's no single country in the world that has banned tankers because we belong to a convention, or a treaty, on marine traffic. We all honour it. By passing this legislation, we would also be in breach of our international obligations.

Honourable senators, all of those are important issues. If I were standing here and simply wanting to deal with this bill expeditiously, I would hope a majority would defeat it. But we're the Senate of Canada, this is a second reading and we have a long-standing practice of saying no, we will not defeat a bill at second reading, we will, indeed, send it to committee so we can have in-depth scrutiny and hear from knowledgeable Canadians and others with interests. We can then have a thorough look at the bill and perhaps find a creative solution that will honour everyone's aspirations and, indeed, find a way to promote equal opportunities for the well-being of Canadians without scuppering or preventing other Canadians in their aspirations.

• (1030)

I will not hold up the legislation at this stage. I will commend it to committee. I trust that the committee to which it is referred will take their time and make sure we have a long list of witnesses who will take a proper and thorough scrutiny of this legislation in all its aspects so that we may, indeed, find a solution that honours all Canadians and not just one small group. We should not let one small group in the scheme of things have a veto over the rest of the Canadians.

Thank you.

(On motion of Senator Martin, debate adjourned.)

## IMPACT ASSESSMENT BILL CANADIAN ENERGY REGULATOR BILL NAVIGATION PROTECTION ACT

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 Pratte, for the second reading of Bill C-69, An Act to enact the Impact Assessment Act and the Canadian Energy Regulator Act, to amend the Navigation Protection Act and to make consequential amendments to other Acts.

**Hon. Elaine McCoy:** Honourable senators, I speak now to a companion bill, which is the environmental legislation. When I first heard that there was going to be a new environmental assessment bill, I was very pleased. In another aspect of my multi-faceted career, somewhere around 1995, we started the Macleod Institute for Environmental Analysis, which we launched at the University of Calgary. Our purpose was to have something of a neutral third party facility for critiquing — doing peer reviews primarily — or giving advice on environmental assessments. I learned from some of the best in the business, actually, and particularly in Alberta. We had some exposure to energy projects but not just energy projects.

In 2010 and 2012 there were changes made to the federal environmental regime that I regarded as unfortunate. When I heard there was going to be new environmental legislation brought in by this government, I assumed the ill-conceived changes from those years would be corrected. When I started going through the bill, however, all 359 pages, I became somewhat disenchanted, more and more so. We are at second reading and I am going to keep my comments restricted to the principle of the bill.

Therefore I turned to page 1 and I was happy to see a preamble. This is excellent. I start going through. The first principle and the preamble say that we are committed to sustainability. I was pleased to support the second one:

Whereas the Government of Canada is committed to enhancing Canada's global competitiveness by building a system that enables decisions to be made in a predictable and timely manner, providing certainty to investors and stakeholders, driving innovation and enabling the carrying out of sound projects that create jobs for Canadians;

It then goes on with some more principles, but I thought, well, let's see now if there is internal consistency in this bill. I flipped to page 2 and I found a whole other preamble. Then I flipped forward and I found, on page 9, purposes. Then, as I was trying to get an idea of exactly what this bill was all about, I discovered that from there on to page 95 was about impact assessments; page 96 begins with the Canadian Energy Regulator Act and there is a third preamble and, indeed, there is even another purposes statement and that goes on for 200 pages.

What kind of consistency with that first principle as to predictability and certainty do we find? I started looking. That was preamble number 2.

Principle number 8, page 3, what does it say? It says:

Whereas the Government of Canada recognizes that a transparent, efficient and timely decision-making process contributes to a positive investment climate in Canada;

It's not entirely consistent.

I go forward to purpose number 1. The purpose of the assessment provisions does not pick up or recognize anything to do with clarity and predictability. I go to preamble number 3, and yes, on page 96, we have another version of the same principle,

principle number 3, and again, now we're talking global competitiveness, decisions that are predictable and certainty to investors and shareholders.

I ask myself this: Why is there no internal consistency? In any kind of regulatory legislation you need to be consistent and predictable. In the statement of principles I don't even see any consistency or predictability. I worry about that.

Then let's take another look at how principle number 2 is carried forward — again, predictability and certainty. It comes to my mind that one of the changes that was made in 2012, which I argued strenuously against at the time, was to give decisions to ministers or the cabinet, Governor-in-Council.

• (1040)

Well, as a former cabinet minister myself, I'm not ashamed to say that certainty and predictability are not necessarily hallmarks of political decisions, and for all the right reasons. That's not, generally speaking, what politicians do. That's why we set up tribunals and panels of people who are knowledge holders, to bring in scientific evidence, engineering evidence or traditional Indigenous knowledge, for that matter, and bound to all the interests in a neutral way, arm's length from the political influences.

I said to myself, "I wonder what they have done in this bill." Have they corrected one of the most serious changes that were made six years ago? We did a digital search and find on this 359-page document. Our search terms were "minister" and "Governor-in-Council," and we got 412 responses to the word "minister" and 229 for "Governor-in-Council," meaning cabinet. If anything, the number of places where politics can be reinserted into this process has mushroomed, which does not augur well for certainty and predictability.

It didn't take me very long to stumble over one example that I want to bring to your attention, although I'm straying perhaps a little into detail here. It is one of the reasons why we will have to take a strong look at this bill, too. One of the things that the minister may do is, in proposed section 9 on page 13 of the bill, designate a physical activity as being subject to assessment — listen to this — if "... public concerns related to those effects warrant the designation." Well, there are no criteria, none whatsoever. It's arbitrary. There is no necessity for giving reasons in this either.

I'm sure all of you are in the same position as I am. As of last Wednesday, I have received 20,554 emails on this bill. They are more or less balanced for and against, by the way. We wanted to respond to them, so we did some analytics on those emails. In 95 per cent of them, we could not verify that they were real Canadian emails. They actually were all on an American server. When we tried to respond to them, the email bounced back.

We did respond to some individuals who had emailed us, but if we hadn't done any analysis, we would have taken them as public concerns. Is that what the minister will do? There are some serious questions to be asked about this bill.

Then I went back to the seven paragraphs of the preamble on pages 96 and 97 in relation to the proposed Canada energy regulator act, and I wondered how they hung together. There are seven principles in the preamble for the energy regulator. The seventh principle is that:

... the Government of Canada is committed to assessing how groups of women, men and gender-diverse people may experience policies, programs and projects and to taking actions that contribute to an inclusive and democratic society. . . .

I'm thinking, does that really hang together with enhancing global competitiveness, driving innovation, certainty and predictability, and is it really objective? Or are we just asking somebody how they feel and what their experience is like? I find it puzzling, and we need to look carefully at that aspect as well.

I will make one final comment this morning on this bill. My understanding of the way the bill is put together is that this is an attempt to have one impact assessment regime and process apply to all different kinds of projects. I don't think you can have a one-size-fits-all. I don't think the same issues arise for, for example, a hard rock mine that would happen in Ontario, or the hydroelectric project at Muskrat Falls in Newfoundland, or a nuclear plant in Saskatchewan, or an oil sands plant in Alberta, or a dam in northern B.C. I just don't think the issues are the same. Quite frankly, I never found any principles that were outlining what gets put on a list that will attract a federal impact assessment. I never found any principles to outline that.

Of course, we're being asked to make decisions on this bill without having this finalized or explained. Whole schedules are referred in definitions in the bill. One page of schedules at the very back, on page 358, is completely empty. It's entitled, "Components of the Environment and Health, Social or Economic Matters," and it's completely blank. That's a definition.

**The Hon. the Speaker:** I apologize for interrupting you, Senator McCoy, but your time has expired. Are you asking for five more minutes?

**Senator McCoy:** If I may.

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

**Hon. Senators:** Agreed.

**Senator McCoy:** There is much to be desired about this enormous bill, and it cries out for very careful scrutiny. We are going to need the help of Canadians coming forward, knowledge holders, from a variety of different fields and perspectives, so that we can begin to find a way to come up with an environmental assessment process that will serve all our needs.

Again, I would not vote against this bill at this stage, but if this bill comes out into third reading in anything like the condition it's in now, I, as an Albertan, will definitely vote against it. I will give notice on that part, but let's first give us a chance. Let's hear from people who are knowledge holders and stakeholders, and see what more we can learn and where, if at all possible, we can build into this regime a sufficient number of certainties,

practicalities and predictabilities so that it will attract the admiration of not only Canadians, but people from all around the world. Thank you very much.

(On motion of Senator Martin, debate adjourned.)

• (1050)

[Translation]

## BUDGET IMPLEMENTATION BILL, 2018, NO. 2

### THIRTY-SEVENTH REPORT OF NATIONAL FINANCE COMMITTEE PRESENTED

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

**Hon. Percy Mockler**, Chair of the Standing Senate Committee on National Finance, presented the following report:

Friday, December 7, 2018

The Standing Senate Committee on National Finance has the honour to present its

### THIRTY-SEVENTH REPORT

Your committee, to which was referred Bill C-86, A second Act to implement certain provisions of the budget tabled in Parliament on February 27, 2018 and other measures, has, in obedience to the order of reference of December 4, 2018, examined the said bill and now reports the same without amendment but with observations.

Respectfully submitted,

PERCY MOCKLER  
*Chair*

(For text of observations, see today's Journals of the Senate, p. 4192.)

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

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

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

**Hon. Senators:** Agreed.

[English]

THIRD READING—DEBATE ADJOURNED

**Hon. André Pratte:** Honourable senators, as I said in my second reading speech, Bill C-86 is a big omnibus bill but most of all, it is a good bill for Canada. There are many reasons why, in my humble opinion, we should vote in favour of this bill. Let me give you six of these reasons.

One, Bill C-86 brings forward a new pay equity act that will correct long-standing injustices which for decades have been affecting women working in the federally regulated sector. If it were only for this historic change, it would be worth voting for this bill.

Two, Bill C-86 introduces the most significant modernization of the Canada Labour Code in the last 50 years. The changes will mean improved working conditions for hundreds of thousands of workers, especially non-unionized, the most vulnerable of workers. As the Social Affairs, Science and Technology Committee concluded, “the proposed amendments are necessary to address the work-life balance concerns of employees as well as employers.”

Three, the bill contains a new consumer protection regime for bank customers. This regime introduces a series of new protections for bank customers without infringing upon provincial jurisdiction. This means bank customers will benefit from the strongest elements of both federal and provincial consumer protection laws.

Four, Bill C-86 introduces a climate action rebate which, in the four provinces where the federal carbon levy will apply, will more than compensate taxpayers for the cost of the levy.

Five, the bill amends the Canada Business Corporations Act so that every federally incorporated company will be required to keep a register of individuals with significant control over the corporation. As our Banking Committee noted, these changes are an important first step towards establishing a beneficial ownership registry at both the federal and provincial-territorial levels of government.

Six, Bill C-86 amends the First Nations Land Management Act and the First Nations Fiscal Management Act to enable additional First Nations to benefit from the provisions of these acts, which are stepping stones towards increased autonomy for First Nations. As the Aboriginal Peoples Committee noted, these changes are First Nation driven.

[Translation]

Let me say, honourable senators, that I personally learned a lot from studying this bill. I learned that seriously studying a huge omnibus bill with such a compressed timeline is difficult, but not impossible. As I said at second reading, one should not judge an omnibus bill based on the number of pages it contains but rather on its content, and one must take the political and parliamentary context in which it was introduced into account.

I learned that, when it comes to consultation with Indigenous peoples, the government and Parliament still have some work to do despite all of their good intentions. Sending an email to hundreds of communities to ask them their opinion on the bill isn't good enough. Furthermore, if a community doesn't reply, it doesn't mean they agree with the bill. That said, according to some Indigenous representatives, the measures proposed in Bill C-86 pertaining to them are very positive.

I learned that the area of pay equity is extremely complex and that every little detail matters. That's why I hope Parliament will review the implementation of the pay equity legislation within six years of its passing, as suggested by the committee tasked with studying Bill C-86, the Standing Senate Committee on National Finance.

I learned a lot, and apparently I'm not the only one. The federal government also learned a few things. It learned that it can fully exercise its jurisdiction in one area — in this case, banking — while still carefully respecting provincial jurisdictions — in this case, consumer rights.

In a letter he sent yesterday to Government of Quebec officials, Minister of Finance Bill Morneau said, and I quote:

We are certain that our proposal does not conflict with Quebec law and that consumers will continue to enjoy the same protections offered under Quebec law, while getting new protections from the banks under federal legislation.

Honourable colleagues, it couldn't be clearer. This is federalism at its finest.

[English]

Honourable senators, I could speak for another 40 minutes about the numerous measures comprised in the Budget Implementation Act. I know with whatever I said, I would bore you more than convince you.

Therefore, I will only ask you to think of these six reasons, the six provisions I outlined, which is suffice for Bill C-86 to warrant your support: pay equity; enhanced rights and benefits for workers; better protection for bank customers; the climate action rebate; improved beneficial ownership transparency; and measures that will help First Nations take additional steps towards the full autonomy they seek and deserve.

Friends, I was proud to sponsor a bill that, if you adopt it, will lead to a more prosperous, greener and fairer Canada and more specifically to significant, concrete improvements in the lives of Canadians.

**Some Hon. Senators:** Hear, hear.

(On motion of Senator Martin, debate adjourned.)

[Translation]

## ADJOURNMENT

### MOTION ADOPTED

**Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate)**, pursuant to notice of December 6, 2018, moved:

That, when the Senate next adjourns after the adoption of this motion, it do stand adjourned until Monday, December 10, 2018, at 6 p.m.;

That committees of the Senate scheduled to meet on that day be authorized to do so for the purpose of considering government business, even though the Senate may then be sitting, and that rule 12-18(1) be suspended in relation thereto;

That, notwithstanding rules 9-6, 9-10(2) and 9-10(4), if a vote is deferred to that day, the bells for the vote ring at the start of Orders of the Day, for 15 minutes, with the vote to be held thereafter;

That rule 3-3(1) be suspended on that day; and

That the Senate stand adjourned at the end of Government Business on that day.

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

**Hon. Senators:** Agreed.

(Motion agreed to.)

• (1100)

[English]

## THE ESTIMATES, 2018-19

### SUPPLEMENTARY ESTIMATES (A)—THIRTY-FIFTH REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

The Senate proceeded to consideration of the thirty-fifth report of the Standing Senate Committee on National Finance, entitled *Final Report on the Supplementary Estimates (A), 2018-2019*, tabled in the Senate on December 5, 2018.

**Hon. Elizabeth Marshall** moved the adoption of the report.

She said: Honourable senators, I would like to make a few comments on our report from the Standing Senate Committee on National Finance.

We studied Supplementary Estimates (A) for 2018-19. These are the first supplementary estimates for this year. They were tabled on October 25 and referred to our committee on October 30.

Through the estimates the government asks for an additional \$7.5 billion in voted expenditures. The committee itself held three meetings and we questioned officials from 10 organizations that are requesting approximately \$6.2 billion of the \$7.5 billion. So we did quite a detailed study on the majority of the expenditures.

For those of you have been on the National Finance Committee, you'd be aware that we have quite robust discussions in very minute detail on the amounts that are in the supplementary supply bill. After our study, we made 10 recommendations, and they are listed in the report. I refer honourable senators to the report and encourage you to read it.

I do have a number of comments on the report, but because the supply bill supports the estimates or the estimates support the supply bill, I will defer my comments and make them when I speak at second reading of the bill, so as not to be repetitive and also in the interests of time. Thank you.

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

**Some Hon. Senators:** Agreed.

**Some Hon. Senators:** On division.

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

[Translation]

## APPROPRIATION BILL NO. 3, 2018-19

### SECOND READING

**Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate)** moved second reading of Bill C-90, 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, I rise today to speak to Bill C-90, An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2019. This is the third appropriation bill for 2018-19 and the first supplementary estimates of this fiscal year. This budget seeks authorization for expenditures that were not outlined in the economic update or the Main Estimates.

[English]

Before going any further, I want to thank all honourable senators who participated in the Standing Senate Committee on National Finance on the subject matter. They have tabled a report on the Supplementary Estimates (A) and Senator Marshall just referred to it and I invite you to read this report.

[Translation]

This appropriation bill contains about \$8.1 billion in budgetary authorities: \$7.5 billion in voted authorities, meaning new spending that the government is asking Parliament to approve, and \$0.6 billion in statutory items, meaning spending for which Parliament has already given legislative permission.

Why do we need to approve supplementary estimates? The short answer to that question is simply that it is generally impossible to predict all the spending that the government may commit to over the course of the year in the Main Estimates adopted in April.

[English]

During the current budgetary cycle, 2018-19, as many of you have witnessed, the budgetary process began with an interim estimate tabled on February 12, followed by the federal budget tabled this year on February 27, and then succeeded by the Main Estimates tabled on April 16. This fiscal year, the Main Estimates followed the federal budget to take the budget commitments that Mr. Morneau announced into account in the Main Estimates.

[Translation]

This is a new approach. The estimates used to be tabled before the economic update and didn't take into account new commitments announced by the Minister of Finance. That's why the Treasury Board usually presented three supplementary estimates that included the spending outlined in the economic update and any unforeseen expenditures. This year, due to the changes made to the budgetary process, two supplementary estimates are expected to be tabled.

[English]

The new budgetary process is still in transition, and it is difficult to see any forthcoming situations and expenditures. This supply bill is the first supplementary budget for the fiscal year 2018-19.

[Translation]

For the current budgetary cycle, the total proposed year-to-date voted authorities amount to \$121 billion, an increase of 6.6 per cent over existing authorities and last year's Main Estimates.

[English]

Let me provide you with an overview of the main budgetary items. This bill contains provision of \$827.3 million to the Department of Fisheries and Oceans for the funding to procure three icebreakers for the Canadian Coast Guard. This funding will support the acquisition, conversion, refit and operation of three commercial icebreakers. These icebreakers will provide interim capability for the Canadian Coast Guard while existing

ships undergo maintenance and vessel life extensions, and replacement vessels are built under the National Shipbuilding Strategy.

It provides \$666 million to the Department of Indian Affairs and Northern Development for the implementation of a settlement agreement for special claims under the Williams Treaties. The Williams Treaties relate to the Crown's 1923 acquisition of three large parcels of land in southern and central Ontario. This funding will cover negotiation, legal and ratification costs for the Williams Treaties special claim settlement agreement and provide compensation to the First Nations.

[Translation]

Furthermore, \$541 million will be allocated to the Treasury Board of Canada Secretariat for compensation adjustments resulting from agreements signed between August 1, 2017, and August 10, 2018. A total of \$438.5 million will also be given to the Ministry of Crown-Indigenous Relations and Northern Affairs, the Department of Indigenous Services and the Department of Public Safety and Emergency Preparedness for infrastructure-related projects in Indigenous communities. That money will be divided between 14 initiatives and will support projects such as nursing stations, long-term care facilities, policing facilities, and water and wastewater facilities.

A total of \$423.1 million will also be allocated to Indigenous Services Canada for water and wastewater facilities for First Nations, the operation and maintenance of those facilities, training for water distribution operators, and the monitoring and analysis of drinking water quality.

[English]

A figure of \$323.3 million is provided for the Department of Indigenous Services Canada for health, social and education services and support for First Nations children under Jordan's Principle.

Jordan's Principle ensures that all First Nations children can access the products, services and supports they need when they need them. This funding may cover, for example, specialized medical supplies or equipment, physiotherapy and speech language therapy, respite and other home care services and special educational supports.

A figure of \$291.8 million is provided for the Office of Infrastructure of Canada for the new Champlain Bridge corridor project. In April 2018, the Government of Canada and Signature on the St. Lawrence Group announced a settlement agreement to address issues such as cost overruns related to the transportation of oversized parts and construction delays. This funding will be used to pay for the settlement, including costs of accelerating work to recover from construction delays, and to establish a contingency reserve for 2018-19.

• (1110)

[Translation]

A total of \$283.6 million will be allocated to the Windsor-Detroit Bridge Authority for the Gordie Howe International Bridge. This money will cover project costs and the construction of the Gordie Howe International Bridge, as well as the authority's operating costs.

A total of \$282.2 million will be allocated to the Department of National Defence for capital expenditures related to the Strong, Secure, Engaged defence policy. That money will be used to fund investments of under \$100 million, including the procurement of military equipment, such as vehicles, forklifts, mobile cranes, lab equipment, servers and computer software. The money will also be used to support the modernization of Canadian Forces Intelligence Command facilities, construction projects, and the modernization of the Carling Campus in Ottawa.

[English]

Finally, two items: \$239 million to Indigenous and Northern Affairs Canada for implementing a settlement agreement for Agricultural Benefit specific Claim under Treaty 8. This funding will cover compensation payments as well as the negotiation, legal and ratification cost of the First Nation.

A figure of \$210.4 million is allocated to the office of Infrastructure Canada to assume the P3 Canada Fund commitments of PPP Canada. PPP Canada, a Crown corporation created to promote public-private partnership, was dissolved in March 2018. This funding will allow Infrastructure Canada to deliver on the remaining funding agreements with other levels of government, which the government had undertaken with the former P3 Canada Fund.

[Translation]

To sum up, eight departments and organizations are asking for funds in excess of \$200 million. In descending order, they are: Department of Indian Affairs and Northern Development, \$1.7 billion; Department of Indigenous Services, \$1.2 billion; Department of Fisheries and Oceans, \$978.2 million; Treasury Board of Canada Secretariat, \$815.5 million; Office of Infrastructure of Canada, \$548.2 million; Department of National Defence, \$393.5 million; Department of Foreign Affairs, Trade and Development, \$316.6 million; and, lastly, the Windsor-Detroit Bridge Authority, \$283.6 million.

In conclusion, colleagues, I ask that you support Bill C-90. The National Finance Committee has already studied these supplementary estimates and reported to us, so there's no need to refer this bill to a committee. We can proceed to third reading shortly, but for today, I'd ask that you pass this bill at second reading. Thank you.

**Hon. Senators:** Hear, hear!

[English]

**Hon. Elizabeth Marshall:** Honourable senators, I rise to speak to Bill C-90, An Act for granting certain sums of money for the federal public administration for the fiscal year ending March 31, 2019. This bill is requesting parliamentary approval for \$7.5 billion.

During its study, the Standing Senate Committee heard from 10 departments and agencies, which account for \$6 billion of the \$7.5 billion being requested.

Government has already received approval to spend \$278 billion. Once this bill has been approved, government will have parliamentary approval to spend \$285 billion.

Budget 2018 estimated total government expenses for this year will be \$338 billion so I expect we will see another supplementary supply bill after Christmas and before the end of the fiscal year.

To fund its expenses, government raises revenues mostly through various taxes. However, government revenues are not sufficient to pay for all its expenses so government expects to borrow \$35 billion in this fiscal year.

The government, in 2015, committed to deficits of \$10 billion annually during its first term in office. However, actual deficits have been much larger than this: \$17 billion in 2016-17; \$19 billion last year; and \$18 billion for this year.

There is no plan to return to a balanced budget. In fact, this government is projecting deficits until the mid-2050s.

Government has been borrowing to fund its deficits, borrowing \$25 billion in 2016-17, an estimated \$39 billion last year, and we'll see the real number when the debt management report is tabled, hopefully sometime during this month. They expect to borrow \$35 billion this year.

In addition to the government's debt, some Crown corporations such as CMHC and Export Development Canada also have authority to borrow. Their borrowings are in addition to government's borrowings.

Given the increase in borrowings, Parliament granted approval in last year's Budget Implementation Act to cap government and Crown corporation debt at \$1.168 trillion. If total debt is to exceed this amount, government must return to Parliament for the necessary parliamentary approval.

Budget 2018 estimates that total debt this fiscal year will be \$1.066 trillion, or about \$100 billion below the cap established by the Borrowing Authority Act. The \$1.066 trillion consists of \$755 billion in government debt and \$311 billion in Crown corporation debt.

Bill C-90, sometimes referred to as Supplementary Estimates (A) for 2018-19, is the first of two planned supplementary estimates for this fiscal year. Prior to this year, government tabled three supplementary estimates each fiscal year. However, with the reform to the estimates process, there are now two

planned supplementary estimates for 2018-19. This is Supplementary Estimates (A). Supplementary Estimates (B) will be tabled early in the new year. Accordingly, another supply bill is expected after Christmas.

For the past several years, government had planned to reform the estimates process. We had initially been informed that all budget initiatives for 2018-19 would be included in the Main Estimates.

Unfortunately, what was promised was not delivered, and I spoke on this previously in the Senate. Budget initiatives for 2018-19 were simply added up and put in one large central vote entitled by Treasury Board as "Vote 40" in the amount of \$7 billion. Vote 40 resides in the Treasury Board.

As new budget initiatives are finalized and approved by Treasury Board, the funding is transferred out of Vote 40 and into the department or agency responsible.

As of November 1, 2018, \$2.9 billion has been transferred out of the \$7 billion Vote 40 and into government departments and agencies.

Since the budget initiatives included in Vote 40 were not fully developed at the time of Main Estimates, Finance Committee discussions on Supplementary Estimates (A) included discussions on budget initiatives which have been transferred to a number of departments.

The Parliamentary Budget Officer, in his report on Supplementary Estimates (A) stated that, as of October 2018, only 45 per cent of Budget 2018 initiatives have been allocated to departments.

But as of October of last year, 58 of the Budget 2017 initiatives, or two thirds of the 2018 budget initiatives, have been included in the Main Estimates and supplementary estimates.

As a result, for this year, the reform of the budget, which was implemented earlier this year, has not so far improved the implementation of the budget.

Honourable senators, of the \$7.5 billion in the supply bill, the Department of National Defence is requesting \$393 million, of which \$313 million is capital.

In June 2017, the Minister of National Defence unveiled Canada's new defence policy: Strong, Secure, Engaged. Of particular note, the new policy proudly disclosed what the government calls a 20-year stable and predictable funding model.

Under the policy, significant increases were forecast in capital spending. This was evident in a graph presented in the original new policy and later in the Defence Investment Plan.

Last year, in studying the 2017-18 Main Estimates and supplementary estimates, the Finance Committee had requested that the aggregate 20-year funding disclosed in Strong, Secure, Engaged be provided by fiscal year. This information is needed to compare actual capital funding requested in the estimates each year with the amount projected in Strong, Secure, Engaged.

Despite numerous requests for this information and confirmation by the department that they have it, the committee has yet to receive the requested information.

Based on the information that is available, it appears that for the last fiscal year, 2017-18, which is the first year of the new defence policy, National Defence spent about one half of its intended spending on new equipment and infrastructure, just \$3.7 billion of the \$6 billion espoused by the policy.

In these supplementary estimates and in this supply bill, the request for capital funding will increase available funding for this year to \$4 billion.

• (1120)

Given that the policy estimates that capital expenditures for this year are \$6.6 billion, I would expect that Supplementary Estimates (B) will request additional funding of \$2.6 billion.

However, without the financial information that had been requested, it is not possible to conclude the implementation of their capital program for 2018-19.

Honourable senators, of the \$7.5 billion being requested by Bill C-90, \$815 million, or 10 per cent, relates to Treasury Board Secretariat.

Of this amount, Treasury Board is requesting \$18 million for the Back Office Transformation Initiative, which will replace human resources, financial, and information systems in a number of departments. While the amount being requested represents only 10 per cent of their requested funding, this project has been ongoing for a number of years, and the initiative is expected to continue into future years.

During committee discussions on Supplementary Estimates (C) in February of this year, officials informed us that \$110 million had been spent thus far on this project, but they could not provide the committee with information on the project's overall budget.

During hearings on these Supplementary Estimates, officials again informed us that they are still working to determine a future budget, even though the project started in 2014-15 and has spent \$130 million to date. They were also unable to provide us with an estimated completion date or implementation schedule for various stages of the project.

If you look at the Treasury Board website, it says:

The Treasury Board of Canada Secretariat provides advice and makes recommendations . . . on how government spends money . . . and how it is managed.

Given the mandate of the secretariat and its role of providing financial oversight within all of government, I would have expected details regarding costs to date, costs to complete, implementation and completion dates for different phases of the project, as well as the final completion/implementation date.

Honourable senators, this supply bill does not request any funding for the Trans Mountain pipeline, although I had anticipated that it would be included. Questions regarding the Trans Mountain pipeline were directed to the Treasury Board Secretariat and officials from the Office of the Auditor General.

Transactions related to the Trans Mountain pipeline are not included in this supply bill, although I would have expected the cost of purchasing the pipeline — which is about \$4.5 billion — to be included as a “voted, non-budgetary” item.

Officials from the Office of the Auditor General indicated that the first set of financial statements to include Trans Mountain transactions will be issued after December 31, 2018.

The pipeline is a wholly-owned subsidiary of the Canada Development Investment Corporation, and that Crown corporation will be consolidated into the Government of Canada’s financial statements for the year ending March 31, 2019. Both Export Investment Canada and Canada Development Investment Corporation have December 31 year-ends.

We do know that Kinder Morgan was paid approximately \$4.5 billion for the Trans Mountain Expansion Project, and related pipeline and terminal assets, and that \$5.2 billion was borrowed from government’s Canada Account, which is administered by the Export Development Canada.

In addition, the government guaranteed financing for the 2018 construction season through a \$1-billion loan guarantee from Export Development Canada’s Canada Account. The Canada Account also indicates an August 18 agreement to provide \$1 billion in financing for the pipeline as “support for working capital/general corporate purposes.”

However, complete financial information regarding the total cost of the Trans Mountain pipeline project has been challenging to locate.

Officials of the Treasury Board Secretariat, in response to questions regarding the financing of the Trans Mountain transaction, indicated that:

The Export Development Corporation exists to provide loans and backstop. They’ve used that authority as the initial vehicle, and Canada Development Corporation will actually have the day-to-day management.

In response to a request for “all the transactions associated with Trans Mountain, the acquisition of that pipeline, and the work that has been carried out,” Treasury Board officials committed to following up with the Department of Finance and providing an explanation to the Finance Committee of the structuring of the deal.

The Minister of Finance, in his appearance at the Finance Committee on Wednesday evening, also committed to providing the committee with information on the amount of government’s investment in Trans Mountain, along with other financial commitments.

Honourable senators, I’d like to make a few comments on statutory estimates, even though statutory estimates aren’t included in the supply bill because they’ve been authorized by other legislative authorities. Because they aren’t included in the supply bill, the Finance Committee reviews Main Estimates or supplementary estimates and pays very little attention to statutory items.

So far this year, the estimate for statutory expenditures is \$163 billion, or 57 per cent of total estimates to date. When we see government expenses and trace them back to the legislative authority, we notice that now less than half are being approved by the supply bill and more than half are being approved by other legislative authorities. Estimates for voted items are significantly less, at \$121 billion, and those are the items we usually concentrate on.

The Finance Committee has traditionally spent little time reviewing statutory items. Both the Auditor General and the Parliamentary Budget Officer have encouraged us to review statutory items.

Honourable senators, \$555 million for statutory items are included in Supplementary Estimates (A) for information purposes and \$477 million of the \$555 million represents a payment to the Canada Infrastructure Bank.

I noticed this morning that Senator Smith had a question relating to the Canada Infrastructure Bank.

The bank was established last year under its own act and has been provided with statutory approval of \$35 billion over the next 11 years. Funding provided to the Canada Infrastructure Bank won’t go through the regular supply process because this has been approved under its own legislation.

Honourable senators, the Department of Citizenship and Immigration is requesting \$68 million. Of this amount, \$50 million will be used to compensate provinces for the temporary housing of asylum seekers.

Of particular interest to committee members in past committee meetings has been the cost to the federal government of managing the increase in irregular migrants, that is, the recent increase in the number of asylum claimants entering Canada between official ports of entry. Determination of costs has been challenging, since several federal departments and agencies provide services to irregular migrants.

Last week, the Parliamentary Budget Officer released a report that provides an estimate of the total and projected costs to the federal government of managing the increase in irregular migrants. These estimates include all costs, beginning from the initial port of entry into Canada to the final decision of the Immigration and Refugee Board of Canada and/or Federal Court, as well as removal costs.

Consistent with information provided to the committee by the department, the Parliamentary Budget Officer indicated that the federal government has no obligation to reimburse the lower levels of government for these costs. However, the government has agreed to reimburse provincial governments \$50 million of these costs.

Of the \$50 million included in Bill C-90 for the Department of Citizenship and Immigration, the committee was informed that \$3 million has been allocated to Manitoba, \$11 million to Toronto, and \$36 million to Quebec.

I noticed a tweet just came in from the Premier of Quebec, saying that the federal government owes them \$300 million for costs related to irregular migrants, so I expect we may see something in addition to the \$50 million.

I will summarize the conclusions of the Parliamentary Budget Officer. There are nine federal organizations involved with the irregular migrants. The Parliamentary Budget Officer said the total cost in 2017-18 for 23,755 migrants intercepted by the RCMP was \$340 million. That works out to an average of \$14,000 per person.

For the current fiscal year, the Parliamentary Budget Officer estimates a cost of \$368 million, or an average of \$15,000, for the same number of migrants that were intercepted in 2017-18. Further, he said that, assuming the number of asylum seekers during the current fiscal year is 10,000 less or 10,000 more, the costs are estimated to be between \$208 million and \$538 million. We now have an indication of the total cost.

Budget 2018 includes \$186 million over two years for six organizations for irregular migrants. I expect a request for additional funding will come in with the next supply bill and with Supplementary Estimates (B).

Provincial and municipal governments also provide social services to irregular migrants. The \$50 million is not included in the costs estimated by the Parliamentary Budget Officer.

In his report, the Parliamentary Budget Officer also identified a recent phenomenon where a claimant enters Canada irregularly and acts as an anchor relative for other family members.

• (1130)

As a result, these family members can enter at a port of entry and not be considered as irregular migrants.

The Parliamentary Budget Officer requested data from the Canadian Border Services Agency on this phenomenon, but the data is not currently tracked.

The Parliamentary Budget Officer is scheduled to meet with the Finance Committee next Wednesday evening to discuss this report on irregular migrants. That should be an interesting meeting.

Bill C-90 is requesting \$1.6 billion for the Department of Indigenous and Northern Affairs Canada and \$1.2 billion for the Department of Indigenous Services Canada.

The creation of Crown-Indigenous Relations and Northern Affairs Canada and Indigenous Services Canada were announced in August 2017. The two departments were created in November 2017 by order-in-council.

Funding for the two new departments was transferred from the old Department of Indigenous and Northern Affairs Canada as well as some funding from the Department of Health.

The 2017-18 budget of the former Department of Indian Affairs and Northern Development was \$10 billion. The 2018-19 budgets of the two new departments so far are just over \$15 billion. However, as I said earlier, some of the funding was transferred from Health Canada.

Departmental officials have committed to provide a reconciliation of program funding in the former department to the program funding in the two new departments to ensure there hasn't been a decrease in program funding with the amalgamation of the two new departments.

My last comments relate to the Department of Fisheries. This is something Senator Bellemare mentioned in her remarks.

The department is requesting funding of \$980 million of which \$827 million is for the purchase and conversion of three icebreakers for the Canadian Coast Guard.

One vessel has already entered service and will undergo conversion at a later date. However, the other two vessels will undergo conversion before entering service in 2019 and 2020 respectively. Funding for another vessel in the amount of \$58 million is also being requested.

The vessel is called the Canadian Coast Guard Offshore Oceanographic Science Vessel and is intended to replace the 55-year-old ship, *CCGS Hudson*.

Preliminary cost estimates of the new vessel is \$331 million with an estimated completion date of 2022 or 2023.

Since Bill C-90 provides only partial funding for the three icebreakers and their conversion costs, and the offshore science vessel is not fully funded under these estimates, additional funds will have to be requested in further supply bills.

In closing, I would like to draw your attention to one issue in particular that spans a number of departments.

While the government provides a significant amount of financial and program information, it is still difficult to obtain and track financial information from one fiscal year to another. I have previously mentioned a number of examples, including capital defence spending, the back office transformation project, the budget of the two new Indigenous Affairs departments and the Trans Mountain pipeline.

In closing, I would like to thank my colleagues on the Finance Committee for their participation during meetings. In the Finance Committee we focus on the lower detailed level. I think we do a good job of challenging the numbers and questioning officials that appear before our committee.

I would like to thank all my colleagues for their participation during meetings on the supplementary estimates. I look forward to working with them in 2019.

**Hon. Senators:** Hear, hear.

**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.

**An Hon. Senator:** 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.)

*(At 11:35 a.m., the Senate was continued until Monday, December 10, 2018, at 6 p.m.)*

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