



# DEBATES OF THE SENATE

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OFFICIAL REPORT  
(HANSARD)

Monday, June 11, 2012

The Honourable NOËL A. KINSELLA  
Speaker

## CONTENTS

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

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## THE SENATE

Monday, June 11, 2012

The Senate met at 6 p.m., the Speaker in the Chair.

Prayers.

### SENATORS' STATEMENTS

#### DR. GORDON GORE

##### CONGRATULATIONS ON NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL AWARD FOR SCIENCE PROMOTION

**Hon. Nancy Green Raine:** Honourable senators, I rise today to congratulate and pay tribute to a very special man in the community of Kamloops, British Columbia.

Dr. Gordon Gore has been awarded a \$10,000 prize from the Natural Sciences and Engineering Research Council of Canada, NSERC, for his leadership and dedication to the promotion of science.

The NSERC Awards for Science Promotion honour individuals or groups who make an outstanding contribution to the promotion of science in Canada through activities that encourage popular interest in science or that develop science abilities. Gordon Gore has definitely done that through his long career as a science teacher, as an author of textbooks, resource materials and general interest science books and, most importantly, in his retirement years, where his passion and creativity led to the founding of the BIG Little Science Centre in Kamloops.

When Dr. Gore retired, he began to visit schools and classrooms throughout our district, bringing a variety of interesting items to show the kids and to let them do fun stuff with science. Soon the back of his truck housed a collection of equipment that he would patiently unload, set up and show the kids.

In the spring of 2000, the BIG Little Science Centre was established in an empty classroom, and it has grown from there to an 8,000 square foot facility that now attracts more than 15,000 visitors a year. Housed in a surplus elementary school, the centre offers hands-on experiences to visitors of all ages that make science entertaining and accessible. It helps visitors develop a passion for science by running camps, clubs and traveling exhibits. The centre is manned primarily by volunteers, most of whom are also retired science teachers, engineers and scientists. Exhibits by the BIG Little Science Centre are the first place children will head to at community festivals, and by reaching out to the public, the centre has earned financial support from both local and provincial businesses as well as support from the local school board.

Gordon Gore is truly the spark plug of the non-profit organization that operates the science centre. In spite of being diagnosed with ALS three years after the centre opened, Dr. Gore

continues to come in daily, and, from the twinkle in his eye, you can see he still enjoys connecting with kids and turning them on to science. His upbeat and fun personality motivates all who work with him.

Honourable senators, I cannot think of anyone who deserves NSERC's recognition more than Dr. Gordon Gore. The president of NSERC, Suzanne Fortier, put it in perspective: "Dr. Gore's effort to stimulate an interest in science, particularly among young people, is essential to Canada's future capacity to innovate and prosper."

Gordon Gore's philosophy that science is best learned in a fun, hands-on environment has guided him for more than five decades. One of the staff gave another perspective: "What we have is a great place to enjoy teaching without report cards and politics."

Thank you, Gordon Gore, and thank you to all the volunteers at the BIG Little Science Centre who are inspiring so many kids to love science.

### DIAMOND JUBILEE MEDAL RECIPIENTS

**Hon. Larry W. Smith:** As we mark the sixtieth anniversary of Her Majesty Queen Elizabeth II's accession to the throne and honour Her Majesty's dedicated service to Canada, it is also fitting to recognize and honour the outstanding and significant achievements and contributions made by Canadians to their community and to their country.

*[Translation]*

On May 23, 2012, I had the privilege of honouring some Canadian men and women with the Queen Elizabeth II Diamond Jubilee Medal for the contributions they have made in their respective fields of endeavour: health, palliative care, the military, politics, charitable work, medicine, business and philanthropy.

*[English]*

These individuals, representing the cultural diversity of Canada, are the true heroes of our communities. They have tirelessly devoted their time to others and to numerous charitable organizations. They are the people who inspire others to become involved and to make a difference. What was particularly great about that evening is that over 200 members of family and guests made this a special event.

Let me read their names for honourable senators.

Pioneers in palliative care: Dr. Balfour Mount, O.C., O.Q.; Sylvie C. Crevier, M.Sc. PG; Teresa Dellar, M.S.W., P.S.W., FT; Russell Williams.

Creators of charities: Sid Stevens and Earl de la Perralle, who developed Sun Youth; Ginger Petty; Daniel Germain, C.M., C.Q., Breakfast Clubs of Canada; and Claude Chagnon.

Service to our country and supporting our Canadian Forces: Brigadier-General Sydney Valpy Radley-Walters, CMM, DSO, MC, CD; Corporal Robert Routledge; Lieutenant-Colonel Steven Dubreuil; Major John Hlibchuk; Chief Warrant Officer Donald Green; and Stephen Robert Gregory.

Leadership in charities: Peter A. Howlett, C.M.; Guy Saint-Pierre, C.C., C.O.Q.; Jacques Bougie, O.C.; L. Jacques Ménard, O.C., O.Q.; Michèle Thibodeau-DeGuire, C.M., C.Q.; Nick Di Tomasso; James W. Hewitt; James D. Hindley; and Peter Dalla Riva.

Services and care to their communities: Judith Tellier; Dr. Leonard Welik; Dr. Ron Hrynioski; Frank Royle and Michel Bissonnet;

Community leadership: Halina Kula-Swinburne; Michel Gibson; Grand Chief Michael Delisle, Jr.; Marianna Simeone; Michael Di Grappa; Eric Bissell; Marilyn Frankel; Ted Greenfield, F.C.A.

I would like to thank these men and women for their tireless work in making their communities a better place to live and I wish them well and continued success in their future undertakings.

I hope that these honoured citizens serve to inspire every one of us to ask, "What more can I do to serve my country and my community?"

## THE SENATE

### TRIBUTE TO DEPARTING PAGES

**The Hon. the Speaker:** Honourable senators, I would like to take this opportunity to salute two of our departing pages.

Artour Sogomonian, who is this year's Chief Page, was born in Russia to Armenian parents and immigrated to Canada in 1998. He has served in the Senate for three years as a page while studying political science and law at the University of Ottawa. Artour will continue to work in the Senate Administration in the coming year as he completes his undergraduate degree.

• (1810)

Victoria Deng was born in Toronto and now calls Keswick, Ontario, home. She has recently completed a bachelor's degree in journalism with combined honours in political science and French at Carleton University. Victoria plans to pursue new career opportunities this summer.

[Translation]

## ROUTINE PROCEEDINGS

### NATIONAL DEFENCE

#### SECOND INDEPENDENT REVIEW OF BILL C-25—DOCUMENT TABLED

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, I have the honour to table, in both official languages, the document entitled: "The Second Independent Review by the Honourable Patrick J. LeSage C.M., OOnt., Q.C. of the provisions and operation of Bill C-25, An Act to amend the National Defence Act and to make consequential amendments to other Acts."

#### COMMENTS OF THE MINISTER ON THE SECOND INDEPENDENT REVIEW OF BILL C-25 AND BILL C-60—DOCUMENT TABLED

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, I have the honour to table, in both official languages, a second document entitled: "Comments of the Minister of National Defence on the Report of the Second Independent Review Authority regarding Bills C-25 and C-60."

### CANADA-FRANCE INTERPARLIAMENTARY ASSOCIATION

#### INVOLVEMENT IN SECOND ROUND OF FRENCH PRESIDENTIAL ELECTION, MAY 3-6, 2012—REPORT TABLED

**Hon. Claudette Tardif (Deputy Leader of the Opposition):** Honourable senators, I have the honour to table, in both official languages, the report of the Canadian delegation of the Canada-France Interparliamentary Association respecting its involvement in the second round of the French presidential election, held in Paris, France, from May 3 to 6, 2012.

### NATIONAL FINANCE

#### NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXTEND DATE OF FINAL REPORT ON STUDY OF POTENTIAL REASONS FOR PRICE DISCREPANCIES OF CERTAIN GOODS BETWEEN CANADA AND UNITED STATES

**Hon. Joseph A. Day:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(a), I give notice that later this day, I shall move:

That, notwithstanding the order of the Senate adopted on Thursday, October 6, 2011, the date for the presentation of the final report of the Standing Senate Committee on National Finance on its study of the potential reasons for price discrepancies in respect of certain goods between

Canada and the United States, given the value of the Canadian dollar and the effect of cross border shopping on the Canadian economy, be extended from June 30, 2012 to December 31, 2012; and

That the committee retain all powers necessary to publicize its findings until 90 days after the tabling of the final report.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

[English]

### THE SENATE

#### NOTICE OF MOTION TO URGE THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN TO GRANT CLEMENCY TO HAMID GHASSEMI-SHALL AND TO ADHERE TO ITS INTERNATIONAL HUMAN RIGHTS OBLIGATIONS

**Hon. Linda Frum:** Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That the Senate urge the Government of the Islamic Republic of Iran to grant clemency to Hamid Ghassemi-Shall on compassionate and humanitarian grounds, call for his release and return to his family and spouse in Canada, and urge Iran to reverse its current course and to adhere to its international human rights obligations.

### TRINIDAD AND TOBAGO

#### NOTICE OF INQUIRY

**Hon. Don Meredith:** Honourable senators, I give notice that, two days hence:

I will call the attention of the Senate to:

- (a) the importance of relations between Trinidad & Tobago and Canada over the past 50 years.
- (b) the contributions that people of Trinidadian & Tobagan descent have made to Canadian society.

[Translation]

### PROMOTION OF ALBERTA'S INTERESTS

#### NOTICE OF INQUIRY

**Hon. Grant Mitchell:** Honourable senators, I give notice that, two days hence:

I will call the attention of the Senate to the connection between maintaining the social license to operate in the energy sector and promoting Alberta's interests.

[English]

## QUESTION PERIOD

### HUMAN RESOURCES AND SKILLS DEVELOPMENT

#### YOUTH EMPLOYMENT LEVELS

**Hon. Claudette Tardif (Deputy Leader of the Opposition):** Honourable senators, my question is for the Leader of the Government in the Senate.

With the release of the Statistics Canada monthly Labour Force Survey last week, we learned that over the month of May the economy added just 1,400 full-time jobs and 6,300 part-time jobs, a much weaker performance than previous months.

What alarms me the most of this newly released survey are the unemployment rates for youth aged 15 to 24. These figures remain overwhelmingly high, at 14.3 per cent compared to 10.9 per cent at the start of the recession in August 2008. The real unemployment rate, which includes discouraged workers and those waiting for a job to start, is even higher, at 22.7 per cent of youth aged 15 to 24. This means that there were 45,800 fewer youth employed in Canada in May 2012 than there were a year earlier.

Why is this government not acting in view of these alarming statistics affecting thousands of young Canadians?

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, as the Honourable Senator Tardif pointed out, the Statistics Canada job numbers came out last Friday. They were generally in line with what economists were forecasting, especially in view of the extremely high job growth in the two previous months.

Canada continued its economic growth for the first quarter of 2012, and May's job numbers mean that nearly 760,000 new jobs have been created since July 2009: 90 per cent full time and 80 per cent private sector. Of course, these are all positive signs that the government is on the right track.

With regard to the number of unemployed youth, honourable senators, obviously these are of great concern to the government. Those numbers were largely impacted by a lot of young people leaving university. Some of them are students that are planning to go back to university, post-secondary education, in the fall. Of course, the government, as honourable senators know, has many programs for student jobs over the summer.

However, I would be remiss if I did not express on behalf of the government some concerns about the numbers.

[Translation]

**Senator Tardif:** Honourable senators, I have a supplementary question.

Young workers continue to bear the brunt of unemployment in Canada. The unemployment rate for youth between 15 and 24 is twice as high as the national unemployment rate. That is shameful, Madam Leader. The financial crisis of 2008 has

destroyed every increase in employment that had been made since 2002. Ken Georgetti, president of the Canadian Labour Congress said that:

Ottawa prefers to chop public sector jobs and provide tax breaks to corporations in the hope that they will create jobs but they are not doing that. Young workers are the victims of poor public policy.

Mr. Georgetti added that older workers are afraid to leave the workforce because their pensions have been eroded and that means there is less room for young people to enter the workforce.

• (1820)

Madam Leader, a better youth employment strategy is needed, given these worrisome statistics. A dollar invested in Canadian youth is a dollar invested in the future of our country. What is the government going to do to address this serious problem?

[English]

**Senator LeBreton:** Honourable senators, I think it was backed up by many economists who were reporting on the job numbers last week on the youth side that we must not lose sight of the fact that 760,000 jobs have been created since the economy took that bad hit in 2008-09.

With regard to youth employment, the government has invested considerably to help youth get jobs and work experience. In 2010-11, through the Youth Employment Strategy Program, we helped 57,000 youth get the job skills and work experience needed to successfully enter the labour market. Budget 2012 commits \$50 million over two years to enhance the Youth Employment Strategy Program. This program will be required in view of the numbers.

Previously, we permanently increased Canada's Summer Student Employment Program by \$10 million; 3,550 additional jobs were created per year for a total of over 36,000 jobs for students during the summer. Budget 2011 supported the Canadian Youth Business Foundation for the creation of hundreds of businesses and thousands of jobs. It also supported Career Focus, Pathways to Education and Skills Link.

Honourable senators, I think the government has made a concerted effort for those youth who do not aspire to university education to have the opportunity to take part in trade schools and skills training because there are labour shortages across the country in the skills trades.

## ENVIRONMENT

### NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY

**Hon. Grant Mitchell:** Honourable senators, in a recent interview, as rare as they are, the Prime Minister said:

If it's the case that we're spending on organizations that are doing things contrary to government policy, I think that is an inappropriate use of taxpayers' money and we'll look to eliminate it.

Since when did Canada get a Prime Minister who thinks that he governs only for the 39 per cent who voted for him and not for all Canadians with all their different views and their interest in having an open public policy debate on so many issues, particularly those on which they might disagree with the Prime Minister of Canada?

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, I think the honourable senator has taken what the Prime Minister has said completely outside of context, which is not surprising.

**Senator Mitchell:** I do not think so.

**Senator LeBreton:** The honourable senator's own leader today has joined with the Leader of the Official Opposition in suggesting that Canadians' hard-earned tax dollars be used to bail out European economies.

**Senator Fraser:** What does that have to do with the price of eggs?

**Senator Mitchell:** I know the leader would like to build a firewall around Canada, so I guess that would be consistent with her not wanting to help the rest of the world do much of anything.

This is an interesting statement about openness, and it is from Bob Mills, a former Conservative member of Parliament. He is from Red Deer, Alberta, and is right wing in many respects. He says about the round table:

I've always said that if you're smart you surround yourself with really smart people. And if you're dumb, you surround yourself with a bunch of cheerleaders. We don't need cheerleaders. What we need are smart people. And in the round table, a collection from all walks of life, all different political stripes, it didn't matter — but they were pretty smart people.

I wonder which groups will be left to consult and give this Prime Minister objective advice on things like climate change and the environment if he has just laid off the round table and left himself with a bunch of cheerleaders in the caucus that I guess are the only people he ever talks to.

**Senator LeBreton:** The Honourable Senator Mitchell guessed wrong. I am not questioning, nor is the government, the qualifications of the various individuals over the years who have served on the National Round Table on the Environment and the Economy. I think I explained to the honourable senator that I was actually in the room and at the table when this organization was established back in the 1980s. It met a requirement and need at the time, but times change, and at the present time there is no shortage of organizations that are able to provide advice and research. There is now no longer a need for the National Round Table on the Environment and the Economy, and it is time to put the funding for this organization to better use on behalf of the taxpayers.

**Senator Mitchell:** What we are talking about here is open public policy debate, input and the fact that people do not need to be and should not be intimidated to be able to give advice to the Prime Minister. On the other hand, if someone wants to get into one of the Prime Minister's rallies, they need a ticket. He attacks, in the most scurrilous fashion, perfectly legitimate environmental NGOs.

Apart from a few photo opportunities at Tim Hortons, could the leader tell me when the Prime Minister last sat down and talked to ordinary, everyday working Canadians, the ones he talks about so often? When do they get a chance to talk to the Prime Minister of this country?

**Senator LeBreton:** I would not expect the Honourable Senator Mitchell to be interested in what the Prime Minister does on a daily basis, but he has opportunity each and every day to talk to regular —

**Senator Mitchell:** Right, behind his glass windows.

**Senator LeBreton:** — Canadian taxpayers who work hard, play by the rules and appreciate the efforts of this government to focus on jobs, the economy and our short-term and long-term prosperity.

**Senator Mitchell:** This government attacks environmental groups and calls them eco-terrorists. Captain Trevor Greene was wounded with an axe in his head fighting real terrorists. I will ask this question on his behalf. Why would this government diminish the efforts of Canadian men and women in the military who are fighting real terrorists around the world for democratic rights so that environmental NGOs can speak out without being intimidated, without being bullied by this government by being called terrorists? This government is diminishing all the work, effort, risk, and lives lost and wounds taken by the Canadian men and women who are fighting for democratic rights.

**Senator Stratton:** That is called verbal diarrhea.

**Senator LeBreton:** As was the case for many years in this country, and as is the case now and will be the case in the future, people are entitled to their own opinions.

**Senator Mitchell:** Not if they are an NGO.

**Senator LeBreton:** Citizens speak up, and obviously that is their right. Not everyone has to agree with them. I do not have to agree with the honourable senator and he does not have to agree with me. That is quite obvious. That is it what democracy is all about.

The Prime Minister and the government take their responsibilities seriously. We are making many great strides on behalf of the environment and climate change. We, of course, never get any credit for it.

**Senator Munson:** There is too much hot air.

**Senator LeBreton:** Having said that, individual Canadians are free to express their views, and we can accept their opinions or we cannot. That is what a democracy is all about, and that will continue as long as we are around this place.

**Senator Mitchell:** It scares me when the leader says she disagrees with me. She will not get the CRA to audit me, will she?

Bob Mills says the world is moving to a low carbon economy, and whether we know it or not, we will have trade barriers put on us. We will have all kinds of things happen to us if we are an environmental laggard, so it is really important.

Can the honourable leader tell me if the Prime Minister of Canada has ever been briefed by environmental scientists on one of the most important environmental issues facing this country and the world? Has the Prime Minister ever had a briefing in any kind of detail from environmental scientists who really know what is going on?

• (1830)

**Senator LeBreton:** Honourable senators, it is obvious that many people work with the government and many people advise the government, and they are absolutely listened to. Their views are taken into account and acted upon.

I do not know what Senator Mitchell's CRA crack meant. It might be because it is Monday night, but that went right over my head. The Prime Minister and all the people in the government work very hard, listen to Canadians, act on suggestions and make decisions that we believe are in the best interests of the country and our citizens because, at the end of the day, we must ensure that the Canadian economy flourishes, that there are jobs available for people and that this country benefits in the long and short term from our great potential.

## TREASURY BOARD

### PUBLIC SERVICE SEVERANCE ALLOWANCES

**Hon. Robert W. Peterson:** Honourable senators, will the Leader of the Government in the Senate care to comment on the \$1.2 billion that has been spent buying out contracts of civil servants and paying severance allowances? Normally severance allowances are paid when someone is discharged without cause, but in this case the government is paying severance to people who are voluntarily leaving the labour force. Even more ludicrous, they are making severance payments to workers who are continuing to work. Could the leader please explain that for us?

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, these are all issues with which the government is seized at the moment. The government has already taken steps with regard to some of these policies. We have an excellent public service in this country. The changes we are making as a result of Budget 2012 are nowhere near the draconian changes that were made in the mid-1990s. The President of the Treasury Board works with the various unions to deal with public servants when they retire or leave their positions.

**Senator Peterson:** I am not questioning the capability of civil servants. However, would the leader inform us whether we are paying huge severance allowances to people who continue to work? Honourable senators would like to know whether that is happening.



**Senator LeBreton:** That is a good question, honourable senators. I will take the question as notice and refer it to my colleague, the President of the Treasury Board, the Honourable Tony Clement. I know that the government has taken some steps. I do not have the details at my fingertips, but I will be happy to provide them as a written response.

[Translation]

## ANSWER TO ORDER PAPER QUESTION TABLED

### NATURAL RESOURCES—REDUCTION OF GREENHOUSE GAS EMISSIONS

**Hon. Claude Carignan (Deputy Leader of the Government)** tabled the answer to Question No. 25 on the Order Paper—by Senator Mitchell.

[English]

## ORDERS OF THE DAY

### CRIMINAL CODE

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

**Hon. Consiglio Di Nino** moved third reading of Bill C-26, An Act to amend the Criminal Code (citizen's arrest and the defences of property and persons).

He said: Honourable senators, I am pleased to speak to Bill C-26, an Act to amend the Criminal Code (citizen's arrest and the defence of property and persons). I would like to begin by thanking the members of the Standing Senate Committee on Legal and Constitutional Affairs for their work in studying the bill and adopting it without amendment, in large measure because of the excellent testimony heard over four sessions.

The committee heard from a number of associations representing a range of diverse and relevant fields of expertise. In relation to the impact of Bill C-26 on policing, the committee heard testimony from the Canadian Police Association and the Canadian Association of Chiefs of Police. From the legal profession the committee heard from the Criminal Lawyers' Association, the Canadian Bar Association and the Canadian Association of Crown Counsel. The Canadian Criminal Justice Association testified and provided the view of its members. A defence lawyer came to share his personal experiences and thoughts, and two law professors also shared their academic viewpoints.

The impact of the changes to the law of citizen's arrest on the private security industry arose often as a topic of discussion at committee proceedings. To help inform the committee about the nature of the industry and how it is regulated, the committee heard from the Association of Professional Security Agencies and the Canadian Convenience Store Association, an industry that

employs some 180,000 people, a figure which shocked me. They provided valuable insight into the overall picture of convenience stores in Canada, their profit margin, the enormous impact of theft on the ability of many of these businesses to remain afloat and the hard work of the owners and employees of these businesses.

Perhaps most important, the committee heard from those whom Bill C-26 is intended to aid; namely, individual Canadians who, through no fault of their own, found themselves in the position of being victims of crimes and who may have had no choice but to act. In particular, the committee heard from David Chen and his lawyer. Senators will no doubt recall that Mr. Chen was charged with a number of serious criminal offences after apprehending a person who had stolen from his store only a few hours earlier and then returned to the store. Mr. Chen was ultimately acquitted, but he shared with the committee his experience of being a hard-working small business owner who only intended to protect his property from being stolen yet found himself caught up in the criminal process as an accused person.

We also heard from Joseph and Marilyn Singleton, two courageous Canadians whose encounter with an intruder in their home one night led to Mr. Singleton being charged with and prosecuted for serious offences.

[Translation]

All of the witnesses who testified before the committee made crucial observations about the many ways that crime affects us all. Their statements truly revealed how Bill C-26 could change Canadians' lives in many ways.

The committee's study was meticulous. Members worked together to understand all the ramifications of Bill C-26. They all agreed on the importance of weighing the opposing principles set out in criminal law. On one hand, criminal law must enable individuals to take responsible action in emergency situations when they are victims of crime and when no police officer is nearby to protect them and enforce the law.

• (1840)

On the other hand, criminal law must apply equally to everyone and, above all, while the law authorizes the use of force in self defence against a criminal act, that force cannot be excessive or unreasonable.

There was also much discussion about the discretion of the police to lay charges against people who seek to protect their persons and property. It is not within Parliament's jurisdiction to draft legislation that governs the exercise of this authority. However, we hope that the changes made by Bill C-26 will ensure that the police strike the right balance between the right of citizens to defend the actions taken and the situation they find themselves in, through no fault of their own, so that, ultimately, charges are only laid when appropriate.

Honourable senators, you will recall that Bill C-26 seeks to responsibly expand the citizen's power of arrest, and to simplify and clarify the right to defend persons and property, which is a measure that is long overdue.

As for the power to make a citizen's arrest, we should look at the current legal situation. At present, section 494 of the Criminal Code gives citizens several distinct powers of arrest. In all cases, the citizen who arrests a suspect must hand the suspect over to the police as soon as possible. The power of arrest does not confer the authority to detain someone longer than is necessary for the police to be called, arrive on the premises and give other instructions.

The citizen's arrest power amended by Bill C-26 is set out in subsection 494(2). It permits someone to stop the person who commits a criminal offence on or in relation to property.

At present, under the existing authority, citizens are only allowed to arrest a person they find in the process of committing a criminal offence. This is an important restriction that can make an arrest illegal if it takes place a short time after the discovery of the offence, for instance, when the suspect returns to a store that he stole from only an hour earlier.

Bill C-26 proposes a minor amendment to the Criminal Code to extend the time in which an arrest can be made. Thus, in addition to allowing the arrest of a suspect when he is committing the offence, the arrest can be made "within a reasonable time" after the offence is committed. This amendment will ensure the legality of any arrests that take place shortly after the offence is committed. This way, we can avoid those unfair situations in which the law treats the property owner as a common criminal.

Honourable senators should note that, before exercising this new expanded power, the person who makes the arrest must ask himself if the police could make the arrest instead. Citizen's arrest is only lawful when the police cannot carry out the arrest. This requirement is intended specifically to reduce the risk of vigilante behaviour and to discourage citizens from enforcing the law when the police are available to do so instead.

[English]

Several witnesses who appeared at committee expressed concerns about the potential for this expanded arrest power to be used inappropriately by private security companies and personnel to the detriment of Canadians. However, the committee was not persuaded that the legislation would open the door to abuse or that the private security industry is unaccountable for its misconduct. On the contrary, the private security industry is regulated in every province and, as the committee learned, the various regulatory bodies are working together to harmonize their requirements. Under these laws, private security personnel must be licensed and meet certain training requirements. Licences can be revoked when there is misconduct. In addition, civil lawsuits are always available as a remedy where a person has been wronged by a private security agent. Criminal prosecutions for unlawful arrests or other criminal conduct are also always possible.

In brief, individuals employed in the private security industry are no less accountable than those employed in any other industry, and provincial governments can always add to the requirements if the need arises. Indeed, a number of senators expressed the view that this may be an opportune time for federal, provincial and territorial ministers to explore national regulatory

oversight standards for private security companies. The government is confident that the proposals in Bill C-26 are reasonable and will not unduly jeopardize the safety of Canadians.

Honourable senators, in relation to the reforms to self-defence and defence of property, the witnesses who appeared before the Committee were, on the whole, very supportive of these proposals.

There is a dire need to reform these defences because of the way they are worded in the Criminal Code. It has taken dozens of appellate and Supreme Court cases to help criminal lawyers understand the essence of self-defence, but the fact that lawyers now might understand how the law is applied does not help the citizen if the text of the law remains incoherent.

Currently, these laws are set out over nine provisions, with variations for each defence based on the specific facts of the case. However, honourable senators, does it really take that many words to convey the elements of these defences? Bill C-26 demonstrates that this is not so. The proposed new defences would state the law in its most fundamental elements, which always guide their application regardless of the particularities of the situation.

As for defence of the person, the new defence would state simply that a person is protected from criminal responsibility if the following three conditions are met: first, they reasonably believe that they or another person are being threatened with force; second, they act for the purpose of defending either themselves or the other person against that force; and, third, their actions are reasonable in the circumstances.

All Canadians should be able to understand what it means to have a reasonable apprehension about a threat against them. It is not necessary that the apprehension be objectively true, but if there is not an actual threat, what matters is that the person's perception of a threat is reasonable in the circumstances. Canadians also will know what it means to act for a defensive purpose. Revenge attacks are not defensive, for instance. Finally, whatever actions are taken for a defensive purpose, those actions should fall within a range of reasonable responses. In fact, most cases will likely succeed or fail on the question of whether the actions taken were reasonable. This important determination must be made on the unique facts and circumstances of each individual case.

Bill C-26 tries to facilitate the application of the new law by identifying some of the more frequently occurring considerations. A non-exhaustive list of factors is provided to guide Canadians and to signal to the courts that will interpret the new law that the many cases that interpret the old law should continue to be applied.

- (1850)

One very important factor, although rare, is whether the incident took place within an abusive intimate relationship. In the *Lavallee* judgment of the Supreme Court of Canada in 1990, it was recognized that juries may have difficulty understanding how a battered partner might stay in an abusive relationship and might

[ Senator Di Nino ]

conclude that the failure to leave the relationship was unreasonable, thereby potentially depriving an abused person of the right to use force in self-defence against their abuser. The court held that expert evidence would provide an explanation as to why an accused did not flee when they perceived their life to be in danger. This evidence should be assessed in the broader question of whether the accused's belief about the danger they faced was reasonable. The court also held that it was not a requirement of the law that the threat be imminent. Threats of harm in the future may also trigger a right to act in self-defence if there was no realistic way of avoiding the threat.

Both of these factors were reflected in the list that is provided. In this way, the list makes clear that such rulings from the courts continue to be part of our self-defence laws. Other relevant factors include the nature of the threat and the response to it, the presence of any weapons, and the relative physical abilities of the parties, such as their age, size and gender.

The new defence of property is also reduced to its core elements, most of which are very similar to self-defence. For the defence of property to succeed, first, the person must reasonably perceive that someone else is about to or has just done one of the following: enter property without being legally entitled to or take, damage or destroy property. Second, the person must act for the purpose of preventing or stopping the interference with property. Third, the actions they take must be reasonable in the circumstances.

[Translation]

In conclusion, honourable senators, I will say that Bill C-26 clarifies and expands on a number of provisions in the Criminal Code that authorize Canadians to take action that would otherwise be prohibited, in response to an emergency involving a threat to the security of persons or property.

No one would ever want to find themselves in such a situation, but it is clear that such legislation is necessary. It will enable Canadians to defend their fundamental interests as needed, while at the same time dissuading them from becoming confrontational or having an excessive reaction. This legislation represents a measured and appropriate response to complex, difficult situations.

I urge all senators to support this bill.

(On motion of Senator Tardif, debate adjourned.)

[English]

## SAFE DRINKING WATER FOR FIRST NATIONS BILL

### THIRD READING—DEBATE ADJOURNED

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

**Hon. Dennis Glen Patterson** moved third reading of Bill S-8, An Act respecting the safety of drinking water on First Nation lands.

He said: Honourable senators, I am pleased to lead off consideration at third reading of Bill S-8, the Safe Drinking Water for First Nations Act. As honourable senators will know,

this bill proposes a regulatory framework that would allow the federal government, in partnership with First Nations, to develop federal regulations to ensure that First Nations have access to safe, clean and reliable drinking water, effective treatment of wastewater and the protection of sources of water on First Nations lands.

Bill S-8 is the product of a comprehensive effort involving research, engagement, consultation, review and revision of its previous version, Bill S-11, which died on the Order Paper in March 2011 at the dissolution of Parliament. Many groups, including the Standing Senate Committee on Aboriginal Peoples, participated in the development of the proposed legislation. From when it was originally introduced as Bill S-11 in May 2010 until the conclusion of hearings on Bill S-8, the Standing Senate Committee on Aboriginal Peoples heard from approximately 52 witnesses representing some 34 groups and received numerous submissions.

Bill S-8 fully deserves the support of this chamber, and I encourage my fellow senators to pass it at third reading.

Between 2006 — when the Government of Canada's five-point Plan of Action for Drinking Water in First Nations Communities was initiated — and 2013-14, this government will have invested approximately \$3 billion in First Nations water and wastewater systems. In fact, Budget 2012, despite government-wide restraint measures, committed more than \$330 million over two years to on-reserve drinking water.

As these investments indicate, the government appreciates that solving the complex problems associated with on-reserve drinking water will require continued strategic investments, but until an adequate regulatory framework is in place, government and First Nations investments and efforts, as well as access to safe, clean and reliable drinking water for residents of First Nations communities, will remain at risk. An appropriate regulatory regime is thus essential. This conclusion has been reached by all of the authoritative groups gathered to study the matter, including the Standing Senate Committee on Aboriginal Peoples.

Honourable senators, nearly five years have passed since this committee tabled its report "Safe Drinking Water for First Nations." The committee's research into the issue enabled members to pinpoint not only the many threats to water quality on First Nation reserves, but also the specific actions needed to address them.

Bill S-8 would establish a process to develop federal regulations on drinking water and wastewater on First Nation lands on a region-by-region basis. The proposed process would directly involve First Nation groups and respect treaty and Aboriginal rights as laid out in our Constitution and interpreted by the courts.

The Standing Senate Committee on Aboriginal Peoples reported the bill back to the Senate for third reading without amendment and with support from all members, but with a number of observations.

The committee noted that, while closing the legislative gap regarding enforceable drinking water standards on reserve was essential, this should be done in collaboration with First Nations

and with the understanding that investments will be required to close the capacity and infrastructure gap on reserve. The report states:

The Committee strongly urges the federal government to meaningfully consult with First Nations, and provide necessary resources to ensure First Nations' participation, in the development of regulations under the legislation.

Responding directly to these issues raised before committee, the Minister of Aboriginal Affairs and Northern Development sent a letter to the chair of the Standing Senate Committee on Aboriginal Peoples, similar to one he had already sent to all the First Nations that would be involved in the development of regulations under Bill S-8.

• (1900)

The minister's letter clearly sets out this government's intentions for Bill S-8. The development of regulations would be a cooperative exercise undertaken alongside First Nations. It would be yet another step in the collaboration that has characterized the joint plan of action for drinking water in First Nations communities, a plan that continues to inspire progress.

Second, with respect to Aboriginal and treaty rights, the committee notes the inclusion of a non-derogation clause in Bill S-8 that addresses the relationship between the legislation and Aboriginal and treaty rights as defined under section 35 of the Constitution Act, 1982. However, the committee expressed concerns that this clause still allows for the abrogation or derogation of Aboriginal and treaty rights in some circumstances, specifically to the extent necessary to ensure the safety of drinking water on First Nation lands.

The committee stated that such a clause should only be invoked rarely and should not extend beyond what is legally justifiable in any given circumstance. The government agrees with this note of caution.

As a result of the democratic process, Bill S-8 contains significant improvements from its previous version, Bill S-11. Bill S-8, the bill before us today, is the product of a series of negotiations with First Nations that were pragmatic, tangible and respectful. If passed, the same level of cooperation will be the key to the development of regulations. The Standing Senate Committee on Aboriginal Peoples endorsed the proposed legislation; now it is up to us to propel the initiative forward.

While many witnesses raised concerns before the Standing Senate Committee on Aboriginal Peoples, others spoke eloquently of their support for this important legislation. I would like to bring to the attention of honourable senators the statement of one of these witnesses, Chief Charles Weaselhead, Chief of the Blood First Nation in Alberta and Grand Chief of the Treaty 7 First Nations Chiefs Association. Grand Chief Weaselhead participated in some of the so-called "without prejudice discussions" that took place to bring changes to the former Bill S-11 and make it the bill that we have before us today. Grand Chief Weaselhead said the following during his appearance before the committee:

As a matter of national priority, this enabling legislation is a result of a collaborative approach consistent with the true spirit and intent of our treaty and our inherent rights.

Further on, he continues:

Indeed, the success of the collaborative approach on this legislation, which raised many difficult issues, should be a clear message that federal and provincial governments should abandon its empty lip service about working with First Nations and actually come to the table to work with us to find solutions to safe drinking water and waste water infrastructure, among other key issues.

Honourable senators, the Grand Chief's statement suggests that Bill S-8 must be seen as a signal of this government's determination to establish a new, more respectful relationship with First Nations. I could not agree more. In fact, the Crown and First Nations gathering held earlier this year represents yet another milestone whereby First Nations and the government committed themselves to working together to support strong, healthy First Nations communities. The safe drinking water for First Nations bill is key to making this a reality.

Honourable senators, Bill S-8 would resolve a complex problem that continues to jeopardize the health of thousands of Canadians. The problem has been well studied, and appropriate solutions have been clearly identified and are on their way to being fully addressed. A necessary component of any legislation, an enforceable regulatory regime, is still missing. Today, we have an opportunity to endorse a bill that would allow us to fill this crucial gap. I encourage honourable senators to join me in adopting Bill S-8 at third reading.

(On motion of Senator Tardif, debate adjourned.)

## APPROPRIATION BILL NO. 2, 2012-13

### SECOND READING

**Hon. Larry W. Smith** moved second reading of Bill C-40, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2013.

He said: Honourable senators, the bill before you today, Appropriation Bill No. 2, 2012-13 provides for the release of the remainder of supply for the 2012-13 Main Estimates. The 2012-13 Main Estimates were tabled in the Senate on February 28, 2012.

[Translation]

The government presents estimates to Parliament in support of its request for authority to spend public funds. They include information on both budgetary and non-budgetary spending authorities.

Parliament then considers the appropriation bills to authorize the spending.

[English]

The Main Estimates also provide information to Parliament about adjustments to projected statutory spending that had been previously authorized by Parliament. The 2012-13 Main

Estimates include \$251.9 billion in budgetary expenditures and net receipts of \$1.9 billion in non-budgetary expenditures. These estimates were discussed in some detail with the Treasury Board Secretariat officials at their appearance before the Standing Senate Committee on National Finance on March 7, 2012.

This year's budgetary expenditures of \$251.9 billion include the cost of servicing the public debt; operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

These Main Estimates support the government's request for Parliament's authority for \$91.9 billion in budgetary spending under program authorities that require Parliament's annual approval for spending limits.

The remaining \$160 billion represents statutory spending previously approved by Parliament and is provided for information purposes only.

Non-budgetary expenditures refer to those expenditures that have an impact on the composition of the government's financial assets such as loans, investments and advances.

Net receipts related to loans, investments and advances are expected to be \$1.9 billion in 2012-13, an increase of \$1.3 billion from the \$0.6 billion presented in the 2011-12 Main Estimates. The voted amounts to be included in the appropriation bill remains virtually the same at \$0.1 billion. The net amount of receipts from loans, investments and advances issued under separate legislation is expected to increase by \$1.3 billion to \$2 billion.

The total of voted or appropriated items in the 2012-13 Main Estimates is \$92 billion. Of this amount, Appropriations Bill No. 1, 2012-13, sought authority to spend \$26.6 billion. The balance of \$65.4 billion is now being sought through appropriation Bill No. 2, 2012-13.

Should honourable senators require additional information, I would be pleased to try to provide any information with the assistance of our chair, Senator Day.

**Hon. Joseph A. Day:** Thank you, honourable senators.

Let me first congratulate Honourable Senator Smith (*Saurel*) for his first presentation of what will be, we hope, many bills of appropriation along the way.

• (1910)

I will resist the temptation of getting into the estimates at this stage because honourable senators will see on the Order Paper that there is a report from our committee with respect to them. At this time, I will restrict my comments to Bill C-40, which is the second appropriation bill for this fiscal year, as has been indicated.

It is important for us to keep in mind that there is an estimate document that goes along with this, and that document will be discussed later. Honourable senators have all received a copy of

the estimates, and the Finance Committee has spent considerable time studying the Main Estimates for this year.

Honourable senators, this is a somewhat different type of situation to which we are normally accustomed. When we deal with bills normally, we would have second reading, which we are having; following that, after this chamber has concluded its discussion with respect to second reading, the Speaker would ask when the bill shall be read the third time, and we would direct a typical bill for study to a particular committee. That is not what we do with respect to finance appropriation bills.

In this particular instance the members of the Finance Committee have already been requested to study the Main Estimates, which we have done. The report is on honourable senators' desks, and we will deal with that later on.

That, in effect, forms the study of this bill. It is similar to a pre-study. Therefore, once we have had an opportunity to report on the study we have done with respect to the Main Estimates, we will be in a position to understand what is in the Main Estimates and understand what is being requested by the government in its appropriation bill or supply bill, as it is sometimes referred, and we can proceed to third reading once that report has been considered.

Honourable senators, Senator Smith (*Saurel*) has already indicated that part of what is outlined in supply for this year, in main supply and main request, has already been voted on. I bring honourable senators back to the last week in March when there were a lot of things happening. We were finishing up one fiscal year and another one was coming. We had just received the budget, and then the Main Estimates were filed and put before honourable senators.

The basic and fundamental principle is that we do not have an opportunity to study all of that documentation meaningfully and do the job that is expected of us in that short period of time. Therefore, we have devised an interim supply mechanism that gives the government the opportunity to carry on government business from April 1 to June 30. That is interim supply. This chamber voted interim supply in the amount of \$27 billion.

We are now at the stage, having continued to study the Main Estimates in the Finance Committee, to proceed with the supply bill at second and third reading, and the amount that we will ultimately be called upon to vote on at this time is \$65 billion, which, with the \$27 billion we have already voted, will take us up to the \$92 billion of voted appropriations that the government is looking for in this particular fiscal year.

Honourable senators, basically those are the points that I wish to make with respect to this bill. I will be speaking later this evening with respect to our report on the Main Estimates, at which time we will refer to this particular bill.

The only other point I want to make is that we will be checking the attachments, the schedules. This bill is basically pro forma wording at the front end, other than the amount.

The attachment is what appears in the estimates. There are Schedules 1 and 2. Schedule 2 refers to those agencies of government that honourable senators are asking to authorize to have two years to spend the money that we are authorizing. All the other agencies and departments have one year to spend the money or it goes back to the Consolidated Revenue Fund.

Honourable senators may be interested to know which departments they are. They are Environment Canada, the Canada Revenue Agency, Public Safety and Emergency Preparedness and, in particular, the Canada Border Services Agency. Those are the departments that, by reason of the business cycle, are given two years in which to spend their appropriation.

These are the points, honourable senators, that I wish to make with respect to Bill C-40, but I am sure if anyone has any questions, my honourable colleague, the Deputy Chair, Senator Smith (*Saurel*), will be pleased to join with me in trying to answer those.

**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?

(Motion agreed to and bill read second time.)

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

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

**IMMIGRATION AND REFUGEE PROTECTION ACT  
BALANCED REFUGEE REFORM ACT  
MARINE TRANSPORTATION SECURITY ACT  
DEPARTMENT OF CITIZENSHIP  
AND IMMIGRATION ACT**

**BILL TO AMEND—FIRST READING**

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-31, An Act to amend the Immigration and Refugee Protection Act, the Balanced Refugee Reform Act, the Marine Transportation Security Act and the Department of Citizenship and Immigration Act.

(Bill read first time.)

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

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

[ Senator Day ]

**APPROPRIATION BILL NO. 3, 2012-13**

**SECOND READING**

**Hon. Larry W. Smith** moved second reading of Bill C-41, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2013.

He said: Honourable senators, the bill before you today, Appropriation Act No. 3, 2012-13, provides for the release of supply for Supplementary Estimates (A) 2012-13 and now seeks Parliament's approval to spend \$2.1 billion in voted expenditures. These expenditures were provided for within the planned spending set out by the Minister of Finance in his March 2012 budget.

[*Translation*]

Supplementary Estimates (A) 2012-13 were tabled in the Senate on May 17, 2012, and were referred to the Standing Senate Committee on National Finance. These are the first supplementary estimates for the current fiscal year that ends on March 31, 2013.

• (1920)

[*English*]

Supplementary Estimates (A) 2012-13 reflect an increase of \$2.3 billion in budgetary spending consisting of \$2.1 billion in voted appropriations and \$0.2 billion in statutory spending. The \$2.1 billion in voted appropriations requires the approval of Parliament and includes major budgetary items such as \$850 million in pay list requirements for allocations to eligible departments and agencies for the payments of accumulated severance pay benefits, Treasury Board Secretariat. Second, \$242.9 million for projects to rehabilitate the parliamentary precinct buildings under Public Works and Government Services. Third, \$202.5 million for a Canada's fast start financing commitments under the Copenhagen Accord which supports climate change adaptation and mitigation in developing countries. That is under the Canadian International Development Agency, Environment Canada, Foreign Affairs and International Trade, and Parks Canada. Fourth, \$160 million to meet operational requirements and ongoing programs, such as ensuring isotope production; addressing legacy costs of the wind-down of the dedicated isotope facilities; and urgent health, safety, security and environmental priorities at Chalk River Laboratories under Atomic Energy of Canada Limited. Fifth, \$150 million for specific claims settlements, Indian Affairs and Northern Development. Sixth, \$73.2 million for the implementation of Port Hope area initiative under Natural Resources; \$68 million for incremental pension requirements, VIA Rail Canada Inc.; \$41 million for First Nations communities policing services, Royal Canadian Mounted Police.

[*Translation*]

The supplementary estimates also include an increase of \$200 million in budgetary statutory spending items that were previously authorized by Parliament. Adjustments to projected statutory spending are provided for information purposes only and are mainly attributable to the following forecast changes: \$110.8 million for the Agricultural Disaster Relief Program to

provide targeted financial assistance to help producers return their farms to operation and/or to contain the impacts after a natural disaster — Agriculture and Agri-food; \$52.5 million to accelerate repairs and maintenance at post-secondary institutions — Knowledge Infrastructure Program at Industry Canada.

[English]

Proposed Appropriation Act No. 3, 2012-13 seeks Parliament's approval to spend a total of \$2.1 billion in voted expenditures.

Honourable senators, should you require additional information, I would be pleased to try and provide it with the assistance of the honourable chair, Senator Day.

**Hon. Joseph A. Day:** Honourable senators, I would like to thank and congratulate the Honourable Senator Smith (*Saurel*) for his overview of Bill C-41. Honourable senators have the bill which deals with yet another change from the normal process that we have in this chamber.

Normally, we would not have supplementary estimates coming along. One would think that we should, like a budget, be able to estimate how much money it will take to meet the commitments in the budget, but as I will point out later, there are typically three supplementary estimates that follow the Main Estimates. A short while ago we talked about the Main Estimates which are broken down into an early amount of money, interim financing for the government, and then main supply. We are now into additional amounts that the government is saying it needs.

One of those elements is Supplementary Estimates (A). That typically comes out in this time period, and then there will be a Supplementary Estimates (B) which we should see probably in October, and a Supplementary Estimates (C) in the new year just to close out the fiscal year and ensure that everything is paid for in that particular fiscal year.

We are now at the supply bill stage that goes along with Supplementary Estimates (A). We have been studying in the Standing Senate Committee on National Finance the supplementary estimates pursuant to the order of reference by the Leader of the Government in the Senate, and we will be reporting on that soon. We finished our study on the Supplementary Estimates (A), and that report is in the process of being translated. Once it is, honourable senators, and approved by the committee, it will be reported back here and will form the basis for third reading of this supply bill, Bill C-41.

In the meantime, honourable senators, I confirm that, as Senator Smith has indicated, at third reading we will be asked to vote the government in supplementary estimates \$2.1 billion for the coming year, and hopefully, before that time honourable senators will have had an opportunity to understand what is in that \$2.1 billion through the National Finance Committee report that will be forthcoming in the next day or so.

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

**Some Hon. Senators:** Question.

**The Hon. the Speaker:** It was moved by the Honourable Senator Smith (*Saurel*), seconded by the Honourable Senator Nolin, that Bill C-41, An Act for granting to Her Majesty certain sums of money for the Federal Public Administration for the financial year ending March 31, 2013, be read a second time.

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

**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 Smith (*Saurel*) bill placed on the Orders of the Day for third reading at the next sitting of the Senate.)

## SAFE FOOD FOR CANADIANS BILL

### SECOND READING—DEBATE ADJOURNED

**Hon. Donald Neil Plett** moved second reading of Bill S-11, An Act respecting food commodities, including their inspection, their safety, their labelling and advertising, their import, export and interprovincial trade, the establishment of standards for them, the registration or licensing of persons who perform certain activities related to them, the establishment of standards governing establishments where those activities are performed and the registration of establishments where those activities are performed.

He said: Honourable senators, I rise today to speak to this Safe Food for Canadians Bill. In the words of our good friend Senator Baker, I have just a few words to say on this.

It is difficult to think of a subject more important than food, one of the basic necessities of life itself. By extension, there are no priorities more essential for our government than protecting the safety of its citizens' food.

The World Health Organization estimates that, taken together, food-borne and water-borne diseases kill approximately 2.2 million people every year; 1.9 million of whom are children. In Canada, an estimated 13 million Canadians suffer from a food-borne illness every year. The most common symptoms include stomach cramps, nausea, vomiting, diarrhea and fever. Food poisoning is not simply an inconvenience in our country; it can be fatal. Only four years ago, 23 Canadians tragically died from an outbreak of listeriosis.

In the wake of this tragedy, our government and industry have both made significant investments in food safety, over \$50 million in the latest budget, but we must never let down our guard. That is why our government's new legislation is so important. One of its key goals is to improve oversight of food safety so that we can better protect Canadians.

Before looking at the proposed legislation, it is worth stating how our food safety system is currently being managed.

• (1930)

Health Canada works with governments, industry and consumers to establish policies, regulations and standards related to the safety and nutritional quality of all food sold in Canada. Once Health Canada sets these policies and standards, it is up to the Canadian Food Inspection Agency to enforce them. The agency's activities related to enforcing food safety are in turn assessed by Health Canada. The two work together when the agency detects a food safety concern. Health Canada assesses the level of risk so that the agency can take the appropriate enforcement actions.

This relationship will remain unchanged under the proposed legislation. In other words, the Minister of Health will remain responsible for developing food safety regulations, policies and standards. The Minister of Agriculture and Agri-food, through the CFIA, will retain the authority to enforce and administer laws and regulations pertaining to food commodities.

The federal government plays a central role in promoting food safety in Canada, yet it is understood that consumers themselves must take charge of their own health. In a national study conducted by the CFIA, for example, most adults recognized that food-borne illnesses can be very serious. Moreover, they indicated it was very important to follow safe food handling procedures.

Subsequent research, however, is troubling. The Canadian Partnership for Consumer Food Safety Education found that while most adults know safe food handling practices, a sizable number do not actually use them consistently. That is why this partnership, supported by our government, is working hard with industry, suppliers and leading retailers to bring renewed attention to the core food safety practices of "Clean, Separate, Cook and Chill."

Food safety is a partnership. Consumers, industry and government must all do their part. Primary responsibility for the production of safe food resides with industry. While our government recognizes that Canada has a world-class food system, we know continuous improvement is an underpinning of our food safety system.

That is why we have introduced the safe food for Canadians bill. The provisions in the bill will allow us to protect consumers in those rare instances when industry does not live up to its food safety job obligations and to help inspectors do their job more effectively. In effect, they would shore up the foundation of partnership that is so critical to food safety in this country.

The fact that our government is introducing this important legislation illustrates our commitment to the health and safety of Canadians. I encourage the members opposite to vote for this legislation, which is for the health and safety of Canadians. Before looking at the benefits of our proposed legislation and why it is so vital to act now to enhance our food safety systems, I would like to clear up any concerns and misconceptions about the impact of the federal budget on the Canadian Food Inspection Agency.

First, allow me to provide some context. The previous four federal budgets invested significantly in our food safety system. Indeed, between 2006 and 2011, our government has enabled the agency to hire over 700 new inspectors. Budget 2011 provided

\$100 million for the agency to build science capacity and enhance training and tools to modernize the inspection system. *Canada's Economic Action Plan 2012*, which I would like to note that senators opposite voted against, builds on these investments, providing \$51 million over two years for key food safety activities.

Protecting the health and safety of Canadians remains our government's top priority, and we would never make any changes that put this commitment at risk. Following our most recent federal budget, the CFIA will adjust some programs that are not related to food safety. The changes will allow the agency to focus its resources where they are needed most. Unlike the opposition parties, we think it is possible to save taxpayers' money by finding efficiencies in the CFIA without compromising food safety. In fact, this is exactly what our government did in Budget 2012.

The agency's labelling programs, which are aimed to aid industry in achieving compliance, are a case in point. Removing the requirement to pre-approve labels on meat products and introducing a new online self-assessment tool for labels will not affect the safety of our food. It will, however, allow the agency to concentrate on its more vital roles of verification and inspection. What is more, the changes will allow industry to get their products into the marketplace faster. Our government is saving money while improving food safety.

The CFIA will continue to verify and enforce all food safety and consumer protection labelling requirements, including those related to ingredients, allergens, nutrition, compositional standards and mandatory labelling. Canadians need not worry; the agency will continue to police food labels to keep Canadians safe and to continue to conduct allergen, nutrition and related verifications in the marketplace. If consumers bring a complaint or concern to the agency, it will be investigated fully.

When Budget 2012 passes — and I may add that all opposition parties are doing their utmost, as we speak, to stall and circumvent the will of the Canadian public in the other place — the CFIA will achieve nearly half of its savings from more efficient administration. It will continue to deliver its vital services to Canadians and do so with less corporate overhead. This is good news for both the taxpayer and food safety in Canada.

The ability of the agency to work smarter is made possible in part by the emergence of new technologies, but technology is a double-edged sword since the agency has to also understand and respond to the implications of new food manufacturing processes. The application of genomics, nanotechnology and proteonomics provide new platforms for innovation but can challenge the government in its role as regulator.

This requires ongoing attention to our inspection and verification practices. Even the most diligent inspector needs the right tools for the job, and our food safety control systems need to be repositioned to deal with some of the newer emerging technologies.

Consider that Canada's food safety system is based on several statutes that have been revised at various times over the last few decades, including the Canada Agricultural Products Act, food provisions of the Consumer Packaging and Labelling Act, the Fish Inspection Act and the Meat Inspection Act. These laws



have served us well, but some parts are now outdated. We need to put into place modern best practices in food safety control for all food commodities, most importantly for the sake of consumer health and safety, but also to help reduce costs for industry. Food safety is one of our government's top priorities, and this legislation enables that.

For all its multifaceted implications, technology is just one of many factors changing Canada's food safety landscape that warrants serious reflection. Allow me to briefly highlight others.

Over the past 15 years, as a result of globalization and trade liberalization, Canadians are buying food from more countries than ever before. According to Agriculture and Agri-food Canada, we currently import about \$28 billion worth of food every year. Whether they have lived here for generations or have only recently immigrated, many Canadian consumers want more variety and convenience in their food, including more processed food. They also want food that reflects their needs and desires. At the same time, they want to be confident that these food products are of high quality and are safe to consume.

Of course, the flip side of globalization is greater access for the Canadian food industry to foreign markets. To help food exporters take full advantage of their opportunities, we need a legislative framework adapted to the realities of food production in the 21st century.

• (1940)

Apart from these socio-economic considerations, Canada, like many industrialized countries, also has an aging population. We all know that, as they get older, the baby boom generation will put additional strain on the health care system. What is less obvious, however, is the link between health care and food safety. Simply put, honourable senators, older Canadians are more susceptible to food-borne illnesses. This is something that most of us, the geriatric crowd in this chamber, should take seriously, and this is one good reason for this bill being introduced in the Senate as opposed to the other place.

**An Hon. Senator:** Speak for yourself.

**Senator Plett:** Of course, Senator Martin is not one of those, but many of the rest of us are.

Thus, in the coming years, it will be more important than ever for Canada to have strong food safety laws and regulations. Not only can food safeguards support the well-being of seniors, they can also ease the burden on our health care system.

For all these reasons, our government has long recognized the need to modernize and strengthen food legislation in Canada. In 2007, Prime Minister Stephen Harper introduced the Food and Consumer Safety Action Plan, which contained a pledge to modernize food safety legislation.

In 2009, an independent investigator in the listeriosis outbreak recommended the government "modernize and simplify federal legislation and regulations that significantly affect food safety."

Senator Mercer, it is nice to see you again, my friend.

Our government agreed with this key recommendation and reaffirmed its commitment to update legislation in the 2010 Speech from the Throne. I am proud that we are fulfilling this pledge through the tabling of Bill S-11. With the introduction of this legislation, our government has now fulfilled all 57 recommendations of the Weatherill report — all 57, Senator Mercer.

The safe food for Canadians bill will consolidate the inspection, enforcement, labelling and other authorities of the multiple food statutes into one single piece of legislation. In so doing, it will improve food safety oversight to better protect Canadian families, enhance international market opportunities for the Canadian food industry, and help food inspectors do their jobs more effectively and efficiently. It will also clarify what is expected from food producers, which should help with rates of compliance.

Let me highlight some key provisions in greater detail and demonstrate how they would affect consumers, industry and government food inspectors.

I turn now to protection from food tampering, deceptive practices and hoaxes. Honourable senators, when customers reach for a food product on their grocery shelves, they expect it to meet high standards of health and safety. That is why, when someone tampers with a product, it creates serious risks for consumers.

Such despicable acts can put the safety of all food products into question. Indeed, even the mere suggestion that a product has been tampered with is enough to sow fear in the hearts of consumers.

Despite these rather obvious facts, Canada has no current laws against tampering with food, threatening to tamper with food or falsely claiming to have tampered with food. It is no surprise, then, that industry has been calling for government to address this glaring gap in our laws.

I am pleased to say that the new food safety legislation will allow the CFIA to pursue people who knowingly put hazardous foreign objects into food. Likewise, it will give us tools to prosecute those who perpetrate hoaxes to generate fear among the public. All of this will build additional safety into the food chain that moves from producer or importer to consumer.

Apart from protecting consumers, these provisions will also benefit industry by reducing risk to their operations from malicious acts.

A threat, or a perceived threat, to a food product can inflict enormous costs on food producers. There is the initial cost of an investigation into the source and extent of the problem, which may include a recall. There is the opportunity cost of diverting company resources to deal with the problem — that is money that could have been used for investment instead of responding to the issue, not to mention reduction of sales during the crisis. There is also the cost to a firm's reputation, including the need to recover lost market share and rebuild consumer trust in a brand.

This new act will help protect producers from all the risks associated with food tampering, deceptive practices and hoaxes, and it will impose stiff new penalties and fines to deter both wilful and reckless threats to public health and safety.

It is fair to say the majority of food producers and processors in Canada take pride in their work. They follow the rules and regulations because it makes good business sense to do so. When they fall short, it is usually due to a mistake.

Often they are the first ones to notify authorities. In so doing, they not only obey the law of the land, they also obey the law of the marketplace. They know that trust in a food product can easily be lost and hard to win back. They also know that a company that takes responsibility for its actions usually earns the respect of consumers, and a company that does not digs itself deeper into a hole.

All that said, we have to acknowledge that there may be some rotten apples. It is not beyond the realm of possibility that the odd person can be less than scrupulous. There may be a willingness to cut corners for extra profit, even if it puts their customers at potential risk. Some may go further still, engaging in deliberate attempts to break the law. I suspect these cases arise partly because some people believe they can break the law undetected or with few negative consequences.

Consequently, the bill will introduce a series of tough new measures. It will become an offence to use inspection marks and grade names unless in accordance with regulations. Additionally, providing an inspector or the minister with false information will also be an offence; likewise, so will obstructing an inspector or falsifying documents.

I do not expect that the CFIA would have cause to draw on these enforcement tools very often, but when such isolated incidents occur, the agency needs the tools to be able to act quickly. The very presence of the new law may act as a deterrent. Our Conservative government will give the agency the tools it needs.

It is one thing to become aware of risky food products and quite another to get them off our shelves in the most efficient way possible. Even after a food product has been recalled, there is currently no legislative authority to prevent anyone from trying to resell the product to consumers. This simply does not make sense. For this reason, the safe food for Canadians bill will prohibit selling products that have been recalled or that might otherwise put the health of Canadians at risk.

Even with tough laws, the complexities of the global supply chain mean that government needs better tools to trace food. The technology to trace food products can effectively be bought quite literally off the shelf. With the approval of the proposed legislation, the CFIA will not only have strengthened its authority to create regulations to trace food, it will also have power to take appropriate action in the interests of consumers through strengthened recall powers.

These measures will go a long way in keeping risky food products out the marketplace.

As I noted earlier, thanks to our globalized marketplace, Canadian consumers have access to a veritable smorgasbord of food choices. In specialized stores, and increasingly in neighbourhood grocery chains, all manner of food products are

available from around the world. Variety may be the spice of life, but with such a vast potential of international food products at our fingertips, it is increasingly important for consumers to know that imported foods are safe.

Protecting Canadian consumers from the risks of imported food products is no simple task. While all imported foods must meet Canadian food standards, we have little information about foreign manufacturers in some countries and how they go about their business.

• (1950)

As it stands now, honourable senators, we can only prohibit the sale of imported products that pose a risk once they are in Canada; there are no existing provisions to prevent these unsafe products from entering our country in the first place. What is more, when an importer is breaking the law, our enforcement measures are not as stringent as they could be.

This new act will strengthen import safety. On the one hand, it will allow us to prohibit imports of certain foods when risk is detected and stop unsafe imports at the border before they enter Canada. On the other, it will allow the CFIA to license importers. That means that if an importer breaks the law, our response time in locating the importer and removing unsafe food from the market will be that much faster. We may then revoke licences rather than merely prosecute for non-compliance. This will allow us to hold importers to greater account for the safety of their products. Not only will this protect the health of Canadians; it will also instill confidence in the food they eat, wherever it comes from.

I know that honourable senators on both sides of the chamber want to protect consumers from the risks associated with imported food. We also need to continue proving to other countries that Canadian food is safe.

In recent years, as part of a global trend towards greater food safety, many countries, including Canada, have been demanding that food imports be certified. It is a policy that more and more of our trading partners will likely embrace in the future. Rather than being a burden on business, certification may well open doors to foreign markets.

Currently, the CFIA only has authority to certify some federally registered foods for export. We need to expand that authority to the non-registered food sector so that Canadian exporters can leverage export certification and go after foreign markets where they currently do not conduct business.

This new act will address these concerns by providing authority to certify all food exports to domestic standards. In practice, this will allow the CFIA to treat exported foods consistently across all food commodities and verify their safety. This will increase confidence in our trading partners in the safety and quality of Canadian food and, in turn, help Canadian food producers expand their presence in international markets. This is good news for our food exporters.

Honourable senators, I have spoken about how our current food safety system draws on different statutes. It is not surprising that this combination of authorities has also led to some

inconsistencies in regulation. When faced with a food product that has been illegally imported, for example, a meat inspector can order the removal of the product, but a fish inspector currently lacks such powers.

While the overall system works, these inconsistencies are inefficient, costly to the Canadian taxpayer, and difficult to administer. After all, some inspectors cover multiple commodities and some companies produce food in more than one commodity as well, so it would serve both government and industry well if we would streamline the statutes into a single law. That is exactly what this proposed legislation will achieve by creating a single standard of powers and authorities that will subject all foods to the same stringent requirements.

Not only will a streamlined system help the current generation of inspectors do their jobs more efficiently, it will also help to simply training for future inspectors down the road. It will allow the agency to benefit from economies of scale, enhancing overall efficiency and effectiveness. Most importantly, it will allow inspectors to deal with all commodities that have similar risks in the same fashion. It only makes sense that all food inspectors should be able to inspect all types of food.

Canada must not stop at aligning inspection and enforcement powers within our own statutes. We must also look to align our laws with those of our closest neighbours and major trading partners, not simply to protect consumers against food-borne illness, but also to promote greater opportunities for industry and grow our export markets.

As we all know, Canada and the U.S. enjoy a long-standing trading relationship that is worth hundreds of billions of dollars a year. In 2010, agricultural products alone generated \$33 billion in total bilateral trade.

However, we cannot take future success for granted. We must take steps to assure long-term prosperity for our exporters.

Given the highly integrated nature of the North American market, many industries rely on complex cross-border supply chains. Unreasonable delays at the border can throw a wrench into supply chains and drag down both our economies. That is why our Conservative government is always looking for ways to keep goods and services flowing across the Canada-U.S. border efficiently, while at the same time protecting health, safety and the environment.

Prime Minister Harper and President Obama recently launched a new initiative to strengthen our bilateral trading relationship. The goal is to enhance security and resiliency, facilitate the flow of goods and people across the border, and ultimately to create jobs and generate economic growth in both countries.

With this in mind, our governments are looking for ways to reduce costs for companies engaged in legitimate business. Through the newly created Canada-U.S. Regulatory Cooperation Council, we want to introduce common approaches and procedures that will cut red tape at the border whenever possible. By working together, our governments can achieve the best of both worlds: we can keep trade flowing across the border and still protect health, safety and the environment.

Trade in food products is obviously a very important component of our bilateral trade with the U.S., so we must keep a close eye on the developments in the United States and keep pace.

In 2011, President Obama signed the new Food Safety Modernization Act that gives the U.S. Food and Drug Administration increased authority to prevent food-borne illnesses. The U.S. included provisions to recognize the food systems of other countries. That means if we act now to enhance our own food safety system, we can seek such recognition and strengthen the already close relationship between the CFIA and the U.S. FDA.

The proposed safe food for Canadians act will be an important step in aligning our food safety system with our most important trading partner. It will also give us the flexibility to respond quickly to any international trade requirements from our bilateral partners or at the multilateral level. In so doing, we will position Canadian food exporters to take advantage of new opportunities and expand their market share.

I have addressed how key elements of this legislation will assist us in improving oversight in our food safety system, streamline and strengthen legislative authorities, and enhance international market opportunities for Canadian industry. I would like to address one more important component of this bill: how the proposed legislation would simplify the process for reviewing inspectors' decisions.

In an ideal world, food safety laws and regulations would be followed to the letter. If inspectors turned up the odd problem, then those responsible would accept the verdict. Problems would be fixed and everyone would be satisfied. The real world, unfortunately, is not so neat and tidy. Our inspectors do find problems and are sometimes compelled to order the seizure, detention or disposal of a product. Needless to say, their decisions may not always sit well with the parties involved.

Regulated parties do have the right to redress. Currently, the only formal way to resolve complaints against inspectors is through a judicial process. This is a sore point with industry, since the process can be both costly and lengthy.

This legislation will create a simpler alternative — a review mechanism akin to those already available at the Canada Revenue Agency and the Canadian Border Services Agency, as well as through the Canada Consumer Product Safety Act. This mechanism will apply to all products under the legislative authority of the CFIA.

Essentially, regulated parties could appeal an inspector's decision related to a product seizure, detention or disposal. This process will be faster than judicial proceedings, especially since the reviewing officer will be required to reach a decision in a timely manner that takes into account the nature and shelf life of the product in question. The reviewing officer could uphold, amend, terminate or reverse the original decision.

• (2000)

It is important to note that the process will be impartial. The inspector who made the first decision will not be involved in the review. Moreover, if the regulated parties are unhappy with the outcome of the review, they could still pursue a formal hearing with the Federal Court.

The proposed new mechanism is a sensible approach that could save business time and money and also ease congestion in our judicial system.

Our government has long signalled its intention to modernize our food safety system and has consulted with provincial and territorial governments, as well as other stakeholders, to prepare this legislation. I would reiterate that the proposed act fulfills our government's promise to act on all the recommendations in the 2009 Weatherill report, as well as commitments made in the 2010 Speech from the Throne.

With specific reference to stakeholders outside of government, several mechanisms are already in place to engage with industry, including the Agri-Subcommittee on Food Safety and various Value Chain Roundtables.

The CFIA is also supported by a Consumer Association Roundtable, an expert advisory committee, the Federal/Provincial/Territorial Food Safety Committee and the Ministerial Advisory Board. The agency has used and will continue to use these forums to discuss safety issues.

There will also be an opportunity for consumers, industry groups and other stakeholders to express their values while this legislation is at committee.

In conclusion, honourable senators, we are fortunate to live in a country with a strong food safety system. However, we must recognize that even the best system needs to keep up with the times. The time has come in Canada for a modernized system.

This proposed legislation will strengthen and modernize our food safety system, streamlining four statutes into a single safe food for Canadians act. It will improve food safety oversight, allowing us to better protect Canadians. It will introduce measures such as the alignment of inspection and enforcement powers that will simplify the work of food inspectors and enhance the international market opportunities for Canadian industries.

These changes will give Canadians the kind of food safety system they need and deserve — one that can meet the challenges of the 21st century.

I would urge all honourable senators to join me in supporting the safe food for Canadians act.

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

**Hon. Jane Cordy:** Does the honourable senator mind taking a question?

**Senator Plett:** No, no problem.

**Senator Cordy:** I thank the honourable senator very much because we are all very concerned about the health and safety of Canadians, and food safety is something that all Canadians deserve.

[ Senator Plett ]

Certainly this bill will give food and drug inspectors greater powers, but I am wondering how many food inspectors will be losing their jobs as a result of the budget.

**Senator Tardif:** Good question.

**Senator Plett:** Well, honourable senators, I am speaking to the safe food for Canadians act and not the budget. This particular act has no impact on the budget as this is not a money bill.

**Senator Moore:** You spoke to the budget.

**Senator Cordy:** If we are to have fewer inspectors as a result of the budget — and it will impact the inspectors who will be losing their jobs — how can we be guaranteed that we will have safer food?

**Senator Plett:** As I have stated, honourable senators, this streamlines the entire process whereby, for example, an inspector who is now inspecting fish only will be able to inspect meat as well. We will not need to add any inspectors. This bill is not reducing the number of inspectors. Again, I am not speaking to the budget here tonight.

**Senator Cordy:** Inspectors from the Department of Fisheries will be inspecting meat. Is that what the honourable senator is suggesting?

**Senator Plett:** All inspectors will be trained to inspect all types of meat.

**The Hon. the Speaker:** Is there further debate, questions or comments?

**Hon. Pierrette Ringuette:** Honourable senators, how will this impact the importation of foods to Canada? How will this bill impact the inspection and labelling of food imports?

**Senator Plett:** Well, in all fairness, honourable senators, if Senator Ringuette would like, I could reread my speech, but I think I was clear in the speech as to how it will impact it.

**Senator D. Smith:** No, no.

(On motion of Senator Tardif, debate adjourned.)

## THE ESTIMATES, 2012-13

### MAIN ESTIMATES—TENTH REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

The Senate proceeded to consideration of the tenth report (second interim) of the Standing Senate Committee on National Finance, (2012-2013 Main Estimates), tabled in the Senate on June 6, 2012.

**Hon. Joseph A. Day** moved the adoption of the report.

He said: Honourable senators, I would like to say a few words to explain the tenth report of the Standing Senate Committee on National Finance.

Honourable senators will recall that earlier, when we were talking about Bill C-40, one of the supply bills, I indicated that we did a study of the Main Estimates in the Finance Committee and the result of that study is the report that is now before us. That avoids the necessity of referring Bill C-40 to committee, because we have already pre-studied the background to the bill.

It is important for honourable senators to have a bit of an understanding of what is in the report, so I will give some highlights. I would encourage honourable senators to look at the report before being called upon to vote at third reading of Bill C-40. The same procedure will be followed with respect to Supplementary Estimates (A), and that report will be forthcoming fairly soon.

Honourable senators, with respect to Supplementary Estimates (A), to refresh memories in case some honourable senators have forgotten the figures in the discussion about Bill C-40, \$65 billion in main supply is being asked for at this time. That goes along with the interim supply of \$27 billion that you have already voted, making a total of voted appropriations of \$92 billion.

If honourable senators have looked at the schedule that appears in the Main Estimates, or in our report, they will see that in addition to voted appropriations, there are statutory appropriations. Statutory appropriations result from a bill that we have already passed in this chamber authorizing certain amounts to be released by Treasury Board for the functioning of that particular bill. That is in the form of a statute. The bills that do not have that provision must come from this process that we are involved in.

• (2010)

At the stage of Main Estimates, the difference on an annual basis between statutory and voted appropriations through the appropriation process is \$160 billion versus \$92 billion. My honourable friends can see the relationship.

We are at the voted appropriation stage with these Main Estimates. I encourage honourable senators to take a look at the report. The steering committee randomly selected a number of departments, including the Public Service Commission, the Treasury Board Secretariat, the Department of Fisheries and Oceans, Agriculture and Agri-Food Canada, the Department of Justice Canada, Environment Canada, the Parks Canada Agency, the Canadian Environmental Assessment Agency, and the Department of Foreign Affairs and International Trade Canada. These were some of the departments we looked at that we thought were important for us on honourable senators' behalf to review. Over a period of years, we will look at most of the departments, but we cannot look at them all each year.

However, I do point out that we are, according to the order of this chamber, seized with the Main Estimates throughout the year, and we will continue to study different aspects of them because there will be other opportunities to investigate points that may come up either in this chamber or in our committee.

Honourable senators, I believe the most important aspect of this particular report is when we brought in the Public Service Commission and the Treasury Board Secretariat to talk to us about the approximately 19,200 positions that will be eliminated within the public service. As the overseers of the executive branch, we wanted an assurance from the government departments that

execute the orders and directions — of the Prime Minister and his cabinet that the public is being properly protected. We found, first, that there has been a negotiated agreement with respect to terminations and positions being declared surplus and that the Treasury Board and the Public Service Commission worked together to ensure the implementation of that agreement.

Some 12,000 positions per year become vacant by virtue of resignations. Over three years, that is 36,000 positions. The first question is, why give notices at all? It was clearly pointed out to us that those who are retiring, that particular position, if it was not filled, might be a position that is important from the point of view of public service. The match is not always perfect between a position that one wants to declare surplus and someone who is retiring. That is why rules have been developed to ensure that the merit principle that is so fundamental to our public service continues to be followed.

Witnesses went on to say that the Public Service Commission is the primary body for managing the priority administration system. There is an established priority administration system that honourable senators may be interested in. It is outlined here. There are three of them. It deals with, first, statutory priorities or employees who have been declared surplus in their own department. If something else comes up in their department, they are right there. Second is employees returning from leave without pay and, third, employees who are currently laid off. They are the three that statutorily have priority over any other hiring.

We also learned that there are regulatory priorities that take the second level of priorities. That includes employees who are declared surplus in another department. They are still within the public service. There are also employees whose spouse has been relocated. That is a priority. If one's spouse is relocated, they go with their spouse, and the person can have priority for hiring if there is any position available, as well as members of the Canadian Forces and the RCMP who have become disabled and discharged. Those priorities were of interest to us, and the Public Service Commission is the overseer of the hiring process.

Before any new hiring on a full-time basis can take place, the Public Service Commission will check and ensure that all of these priorities have been checked off and there is not someone standing who has priority, which made us feel somewhat better.

With respect to the 19,200 positions, three basic rules are to be followed. The individual who receives the letter saying "your position has been declared surplus" can remain in the priority system with the hope that something will come up. They can continue to work for one year drawing a salary, and they can continue to work for another year without drawing a salary if they wish to take the chance that something will come up during that time frame.

Alternatively, they can take advantage of the transition support with accompanying financial assistance of up to 12 months of salary, which would be paid immediately as they leave.

Finally, they could receive financial assistance plus an education allowance as well as career advice for planning for the future. Surplus employees can take up to \$11,000 in educational

allowances. That is available, and that is what has been negotiated between the public service unions and the various departments, the Treasury Board and Public Service Commission.

Honourable senators, a number of other points appear here. In each of these departments, it does not do us a lot of good to look at how much that department is spending less than last year at this time, for two reasons. The first is that the government told the departments that any budgetary matters should not be even in supplementary estimates and definitely not in the Main Estimates because they are already prepared prior to the budget coming out. Therefore, the Main Estimates do not reflect any budget initiatives.

Sometimes a budget initiative might be to reduce spending; other times it is to renew a program that has sunsetted. We will see that a department has spent \$20 million less on a program that many people might think was a good program, only to find out when you bring the department in that the announcement to reintroduce that program was made just recently.

The numbers that we see and the suggestion that certain departments are claiming less in appropriations this year because of certain programs not continuing is a bit misleading.

In almost every department a significant amount of money has been transferred to another department called Shared Services. Certain information technology is being managed by one department for all government agencies, so that government agency would not have that appropriation in its department any longer. Therefore, it looks like there is a savings. However, if honourable senators look at the overall budget of the government, you will see that Shared Services will be spending that money. Therefore, the overall figure is roughly the same as it was in previous years; it is just in a different place.

• (2020)

Honourable senators, it is important for us to keep Shared Services in mind because it is a new department with a tremendous amount of money and number of employees who are all over the public service. The ability to administer this will be somewhat of a challenge that we will want to keep an eye on because the employees will no longer be watched by the department they are working for. They will be working for Shared Services that may be located somewhere else, so there are some concerns that we will want to follow.

Some honourable senators asked about Bill C-18, which put an end to the Canadian Wheat Board monopoly. One of the comments made seemed surprising to some of us; that is, that the department indicated that the government has promised farmers that it will give the Canadian Wheat Board the resources it needs to continue offering options for producers in Western Canada. Those resources were paid for by the farmers in the past. There was an allocation for each bushel of wheat or barley that the farmer prepared to help run the Canadian Wheat Board. The monopoly is done away with, but there is an assurance from the government that the public purse will be dipped into and the public's money will be used to ensure that those same resources for marketing purposes that were there before will be there for the farmers.

[ Senator Day ]

There has to be something wrong with that announcement by the minister. It does not make any sense to do away with a program that was paying for itself and establish another program that will be a heavy burden on the public purse. That one will have to be reviewed further, but Canadian Wheat Board issues have not gone away as a result of those kinds of public pronouncements.

The Department of Justice charges \$290 million per year in legal services to other government departments. That was introduced a few years ago.

[Translation]

**Hon. Suzanne Fortin-Duplessis (The Hon. the Acting Speaker):** Honourable senators, Senator Day's time is up.

**Senator Day:** May I have five more minutes?

**The Hon. the Acting Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

[English]

**Senator Day:** I will not need five minutes. I want to finish up the report. I am trying to hit on some highlights that will excite honourable senators so that when they go home, they can take a look at this report after the hockey game is over and think of this evening.

**An Hon. Senator:** That is what we want to watch!

**Senator Day:** We talked to Environment Canada, and they told us they are reducing staff by over 200. That was a significant figure. In fact, most of the reductions that departments have talked about are reductions in employees. Most of the financial savings are reductions in employees at this stage. We will see over the next two years reductions in capital and reductions in other operating expenses, but the first tranche of reductions seems to be coming out in reducing the number of employees. That was repeated over and over again from what we saw in bringing these various departments before us.

There is \$9.4 million set aside to help commemorate the events of the War of 1812.

**Senator Mitchell:** Unbelievable.

**Senator Day:** We will want to keep an eye on that one so it does not get carried away. Sometimes these special commemorative events tend to do so.

I also point out, honourable senators, that there is an increase in annual financial support for a United Nations Convention on Biological Diversity. There will be a number of nations meeting in Montreal in that regard. We would not want that one to go the way of the G8 and the G20, so we will try to watch that more closely than the earlier one.

Finally, honourable senators, we discovered, which was bit of a surprise, that the passport office has no operating budget. Passport Canada must be self-sufficient and must run its agency

by virtue of the fees that it charges, which was an interesting revelation that may be a sign of future budget revenue gathering by various departments.

**Senator Munson:** That is not as high as getting a pardon done.

**Senator Day:** Honourable senators, those are some of the points found in this report, and I commend it for your reading.

**The Hon. the Speaker:** It was moved by the Honourable Senator Day, seconded by the Honourable Senator Moore — on debate, Senator Ringuette.

[Translation]

**Hon. Pierrette Ringuette:** Honourable senators, I would be remiss if I did not mention some important information that came out at the hearings of the Standing Senate Committee on National Finance.

As you know, I take a special interest in human resources. Senator Day mentioned that 19,000 public servants had received letters notifying them that they could be laid off, even though the public service loses 12,000 employees annually through attrition.

I would like to draw your attention to one point. You will recall that, in recent years, there have been salary freezes in the public service, at the same time as a bonus system for senior managers. This system actually has two parts: a system of bonuses per se and a system known as at-risk pay. These two systems pay out millions of dollars each year. This year they paid out close to \$100 million.

It is important to note that in the past three years, salaries have been frozen in the public service in general, and Parliament as a whole, while the bonus and pay at risk systems have grown by millions of dollars.

When Ms. Meredith of the Treasury Board Secretariat, the department responsible for administering these bonuses for the public service, appeared before our committee, I asked her to give us a brief overview of the bonus and at-risk pay systems. This is what she said:

[English]

Certainly. A certain proportion of executive pay is called pay-at-risk, which means it is pay that is held back until the end of the year when they prove their performance and are assessed on the basis of performance.

[Translation]

Imagine my reaction when the responsible official in the Treasury Board Secretariat came before the committee and told us that, saying that executives have a portion of their salary held back, which they receive at the end of the year if they have performed well. Come on. The industrial relations system does not work like that.

So I told her:

[English]

Pay that has been held back. There is a schedule of pay and the performance pay, which is a combination of either the bonus or the pay-at-risk, and that is assessed at the end of year and it is in addition to their pay scale.

• (2030)

[Translation]

It is a bonus. It is not a salary; it is a “bonus”. Every bureaucrat has a pay scale, and I will not give you the pay scale for senior federal public servants. Then Ms. Meredith had no choice but to say:

[English]

Yes, you are right that they get their paycheque. In terms of the established pay, sort of entitlement. . . .

Therefore, the millions of dollars of taxpayers’ money is an entitlement.

[Translation]

It is part of their benefits — millions of dollars — while a pay freeze was imposed on the rest of the public service. That is the first aspect I wanted to emphasize.

Honourable senators, there is also the matter of a parallel public service operating in the Ottawa region in particular.

[English]

I am talking about staffers. They are not employees via the Public Service Employment Act. They are not employees hired based on merit, qualifications, et cetera; they are people who are being hired on contract through placement agencies.

In October 2010, the Public Service Commission of Canada tabled a report in relation to these staffers. This is the bulk of their study. They studied 11 public service organizations that collectively, in Ottawa, represented 50 per cent of all temporary staffing. The study found temporary help services that were improperly used to address long-term resourcing needs. Long-term resourcing needs must be addressed by all departments through the Public Service Commission of Canada when it comes to hiring.

When Ms. Meredith was in front of our committee, I asked her if they were going to take any actions in regard to all these staffers not hired through the Public Service Commission of Canada. There are three directives from Treasury Board, particularly, to all the departments in relation to staffing. That means hiring outside the Public Service Commission of Canada, through agencies. I asked her, “Because you are laying off over 19,000 people, what is the directive that you have given all the departments in regard to staffers that are not being hired through the Public Service Commission of Canada?” She replied to the committee that she would not give any directive to departments; that the departments would do whatever they wanted to do.

I asked her to please tell us which department these staffers were in and what tasks they are accomplishing. She did not know. They are the department responsible; they are the department that has the three directives. She did not know, at a time when over 19,000 public service employees that have been hired through the front door, based on merit, have been notified that their job may not be there.

I have here the Treasury Board directive in relation to staffers hired through agencies. It is the Treasury Board of Canada Secretariat Contracting Policy. It says:

The services provided by temporary help firms are traditionally used against vacancies during staffing action.

That means that the Public Service Commission of Canada has opened the job and the process is ongoing to hire a person to fill that job. One of the directives is that it is temporary until a permanent staffing has been completed.

The second condition states “when a public servant is absent for a short period.” Can it not be as clear as that? The third directive states “or when there is a temporary workload increase for which insufficient staff is available.”

I am sure that all honourable senators and all parliamentarians will agree that in these three cases, under these three directives, yes, a staffer can be hired. However, the Public Service Commission of Canada indicated that 50 per cent of the staffers were not hired under those conditions. This happens mostly and particularly in the Ottawa region. It does not seem to be a problem elsewhere in the country.

Honourable senators, I wanted to highlight this tonight because, come the fall, I will undertake certain actions in regard to this issue of staffers at a time where we are laying off I would think maybe 8,000 to 9,000 administrative assistant positions. That is 90 per cent of the staffers that are being hired through agencies in the National Capital Region.

That is not right. It is not right, just like my fight against hiring within 50 kilometres — the geographic barriers to hiring. That was not right. Fortunately, Ms. Barrados at the Public Service Commission of Canada took action and removed those geographic barriers so that Canadians from coast to coast to coast, if qualified, could apply for a public service job anywhere in Canada.

This issue of contract staffers is not right and, come the fall, I will bring forth measures to correct this.

**Hon. Catherine S. Callbeck:** Honourable senators, I am pleased to rise tonight to speak on the second interim report of the 2012-13 Main Estimates. During our discussions, a lot of subjects came up and tonight I want to briefly talk about three of them.

• (2040)

First, we heard a lot about the current and future job cuts in the public service. In Atlantic Canada, it is estimated we have about 11 per cent of federal public servants. Certainly, recent evidence suggests that figure will shrink as a result of ongoing strategic reviews by federal departments.

In addition, the plan outlined in Budget 2012 to reduce the total number of federal public servants by 19,200 over three years brings little comfort to a region that has yet to recover from the most recent economic slowdown.

Honourable senators, the public service grew by 3 per cent from 2009 to 2011. That is according to Treasury Board figures. However, in Atlantic Canada, it did not grow. The public service shrank by 430 jobs and 119 of those were in my province. Given the fragile state of Canada's economic recovery, I do not think that the disproportionate reductions in both the number of public servants and the accompanying levels of service are the appropriate prescription for Atlantic Canada's economy.

This sentiment was echoed in a statement by Atlantic Canada premiers released last week. They expressed concern that the level of services available to Atlantic Canadians may be disproportionately impacted as a result of federal spending cuts and program restructuring. The premiers recommended that the federal government provide more information on the proposed reductions to services to Atlantic Canadians and their impact on the region. The premiers also noted in that release that the federal government should work to ensure that federal responsibilities are maintained through this process and not merely downloaded to the provinces.

One of those government services where both the federal and provincial governments play a role is legal aid services to Canadians. Funding for legal aid is divided into two separate streams. For criminal legal aid, the Department of Justice negotiates a formula in order to provide money to the provinces for this specific purpose. Meanwhile, civil legal aid funding is provided as part of the Canada Social Transfer. Therefore, it is up to the province to administer the level of funding provided for this service.

Honourable senators, I have spoken on numerous occasions regarding the strategic importance of providing civil legal aid services which assist those involved in the application of family law, such as child support and custody issues, as well as Canadians who need to pursue disability or income security benefits.

In June 2010, the Canadian Bar Association released a report on the state of legal aid in Canada and basically made three recommendations.

First, they recommended that legal aid should be recognized as an essential public service. Second, the report called for national standards for criminal and civil legal aid coverage and eligibility criteria. Finally, they urged the federal government to revitalize its commitment to legal aid through increased public funding. This will help to ensure access to justice for Canada's low-income population, which often includes women and children, people with disabilities, immigrants and Aboriginal people.

Given this study, as well as the impact the provision of legal aid has on Canada's most vulnerable, it was with a degree of disappointment that I found a projected decrease in the funding to criminal legal aid of \$14.4 million in these Main Estimates. In an era when a law-and-order agenda is the order of day and when the cost of correction services in Canada has risen 76 per cent



since 2006 to over \$3 billion annually, the notion that access to legal aid may be restricted due to budget cuts is frustrating to say the least.

To his credit, the Minister of Justice announced on April 30 that funding to the Legal Aid Program and the Aboriginal Justice Strategy will continue at the current level in 2012-13 and in 2013-14. However, this funding was not listed in the supplementary estimates released on May 17. With this in mind, I would encourage all honourable senators to hold the justice minister to the commitment, of maintaining funding to legal aid at the current level, at the very least.

I would also encourage honourable senators to promote a more concerted national effort for the provision of funding for civil legal aid, as well. For too long, Canadians have had to rely on a patchwork of local initiatives, such as custody dispute workshops by groups such as the Community Legal Information Association of Prince Edward Island in their efforts to access justice. In recent years there have been calls for separate, specially earmarked funding for civil legal aid. I urge the federal government to work with the provinces to create a national funding stream for this much needed service.

Finally, I want to mention a concern that I and many Prince Edward Islanders consider to be the lack of an essential service that should be provided by the federal government. That is the lack of a passport office in my province.

Honourable senators, when the officials from the Department of Foreign Affairs and International Trade appeared before us, they noted the department provides commercial, consular and passport services to Canadians at more than 300 points of service, including 160 missions and 105 countries abroad. However, in light of this, as well as repeated calls from various sources, Prince Edward Island remains the only province that does not have a passport office. As a result, it is quite possible that some Canadians may receive more efficient passport services in other countries than in my province.

There have been many anecdotal stories about Islanders having to travel to Fredericton, New Brunswick, or Halifax, Nova Scotia, in an attempt to get an emergency passport. I was involved in one of these situations and I can tell honourable senators from first-hand experience that the problem this causes is enormous.

The urgent service can be received within 24 hours, but only if the applicant requesting the service applies in person, after which it is determined whether an emergency passport may be issued. In other words, one has to go to Halifax or Fredericton and then apply. One does not even know if one is going to get one before that.

When I made an inquiry to the Minister of Foreign Affairs about passport services available to Canadians in the event of emergencies, he noted that, as a general rule, Passport Canada does not keep its offices open after regular working hours. However, Passport Canada can provide a callback service for an additional fee to clients who may have to travel in an emergency situation. This is offered on a case-by-case basis and at the discretion of the manager who can make the decision on the urgent circumstances presented by the applicant.

In order to be provided with this service, the applicant must complete their application for consideration and they have to present it. That means they have to leave their own province to present that application and then they find out whether or not they are going to be eligible.

Honourable senators, most Canadians travelling out of the country need a passport. In April 2008, the Prince Edward Island legislature unanimously passed a motion urging the Government of Canada to establish a devoted, publicly run passport office in Prince Edward Island. However, it is not only the residents of Prince Edward Island who are calling for a passport office. In June 2007, New England governors and Eastern Canadian premiers passed a resolution calling upon the federal government to take appropriate measures to improve and accelerate the passport-issuing process, to review the established terms and conditions of renewal, and to establish a passport office in each state and province.

• (2050)

It is unfair that Islanders have to travel outside their province and spend many hours at their own expense in an emergency situation. I continue to believe that the federal government has to do whatever is possible to facilitate emergency passport applications for the residents of Prince Edward Island. I encourage the federal government to implement solutions to alleviate this uneven access to emergency passport services as soon as possible.

In conclusion, the three points I have mentioned here this evening that I am concerned about are, first, that the public service cuts this government has and intends to make will disproportionately affect Atlantic Canadians and the level of service they receive from the Government of Canada.

Second, I am concerned about the uncertainty surrounding the funding levels for the provision of criminal legal aid in the Main Estimates, as well as legal aid in general. I believe it is time for the government to consider an increased investment in the government's legal aid system, as well as a separate, identifiable stream for the public funding of civil legal aid services to the provinces.

I am sure that the demand for legal aid services will continue to rise as more and more elements of this government's law-and-order agenda become the law of the land in Canada.

Third, as I mentioned a few moments ago, the need for emergency passport services for residents of Prince Edward Island is substantial and remains a question of access. It is unacceptable that Islanders have to go outside their province to get an emergency passport.

These are just three of the items that were brought up during our discussions on the second interim report on these estimates. I am hopeful that the government will consider these and that we will move forward on all three.

Thank you.

**Hon. Robert W. Peterson:** Honourable senators, I am a relatively new member of the Standing Senate Committee on National Finance, but as I see it one of the problems facing the committee's discussion of the Main Estimates is the apparent disconnect between when the departments have to prepare their estimates and when the budget is actually tabled later. This results in the situation where departmental witnesses had difficulty explaining exactly what was and was not included in the Main Estimates and indicated it would have to be covered later in the supplementary estimates.

I am not sure what can be done to correct this, but I would certainly recommend that it be looked into. As it stands at present, we will not really know what takes place until the books are closed next year, which will be a little too late for action and any remedial suggestions.

Thank you.

**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?

**Hon. Senators:** Agreed.

(Motion agreed to and report adopted.)

## CANADA-JORDAN ECONOMIC GROWTH AND PROSPERITY BILL

### FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-23, An Act to implement the Free Trade Agreement between Canada and the Hashemite Kingdom of Jordan, the Agreement on the Environment between Canada and the Hashemite Kingdom of Jordan and the Agreement on Labour Cooperation between Canada and the Hashemite Kingdom of Jordan.

(Bill read first time.)

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

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

## IMPORTATION OF INTOXICATING LIQUORS ACT

### BILL TO AMEND—SECOND READING

**Hon. Bob Runciman** moved second reading of Bill C-311, An Act to amend the Importation of Intoxicating Liquors Act (interprovincial importation of wine for personal use).

He said: Honourable senators, I rise today to speak at second reading of Bill C-311, An Act to amend the Importation of Intoxicating Liquors Act. I am pleased to support this bill, which ends the prohibition on interprovincial transport of wine for personal consumption, a prohibition dating back to 1928.

At the outset I would like to give credit to Dan Albas, the Member of Parliament for Okanagan-Coquihalla, and Scott Brison, the Member of Parliament for Kings—Hants, who are both sitting at the back of the chamber. I want to thank Mr. Albas for his sponsorship of the bill and Mr. Brison for seconding the bill in the other place. In fact, I would like to congratulate all members of the other place who gave it unanimous consent. Mr. Albas may be a rookie MP, but he has promoted this bill with diligence and skill. To make his feat even more commendable, he is a teetotaler.

More than a decade ago, as Ontario's Minister of Consumer and Commercial Relations with responsibility for the alcohol industry, I led a delegation to Europe to fight for access to the European Union for Ontario icewines. We fought hard, we won access and it led to tremendous growth in the industry. There is a certain irony, after working at the provincial level to expand international trade, that I am now working at the federal level to expand interprovincial trade in wine.

Bill C-311 is a short bill, with only one clause, and amends subsection 3(2) of the Importation of Intoxicating Liquors Act by adding one paragraph. This paragraph provides an exemption to the ban on interprovincial transport of intoxicating liquors to allow:

(h) the importation of wine from a province by an individual, if the individual brings the wine or causes it to be brought into another province, in quantities and as permitted by the laws of the latter province, for his or her personal consumption, and not for resale or other commercial use.

There may be honourable senators who are surprised that such a prohibition exists. I am sure many Canadians are not aware that bringing a bottle of wine across provincial boundaries puts them at risk of a jail term of up to three months on a first offence and up to a year for a third offence.

My understanding is that this prohibition is not often enforced — and there have been a few comments to that effect today — at least in situations where a tourist picks up a bottle or two in a winery and drives home with them in his or her suitcase. However, it does prevent wineries from shipping product to customers in other provinces. It is a law that is out of date and should be changed.

When I say this law is out of date, I refer to the change in attitudes since the prohibition era regarding the consumption of wine. Moderate consumption is part of a healthy lifestyle in many respects, but this law is also out of date because of the dramatic change in the Canadian wine industry. This is a business that, for all intents and purposes, did not exist at the time this law was written.

Today there are somewhere around 500 wineries in Canada, with more on the way.

• (2100)

In my own province of Ontario, the wine industry has exploded. Those who predicted its demise with the signing of the Free Trade Agreement could not have been more wrong. Between 1999 and

2009, the number of grape wineries in Ontario increased from 50 to 146. Several more have opened since then, including one just a few kilometres from my home in the Thousand Islands. That is the Eagle Point Winery, just north of Rockport and the Thousand Islands Bridge; it is well worth a visit.

The Ontario industry is centred in the Niagara Peninsula, but there are extraordinary wines made on the Lake Erie North Shore, on Pelee Island, and in Prince Edward County, where I had the good fortune to issue a licence to the first wine producer, Waupoos Estates. Domestic wine sales in Ontario top \$500 million dollars annually.

British Columbia, the home of Mr. Albas, is a major producer of wine. Although Ontario has more acreage devoted to grapes for wine production and produces more wine, British Columbia has more wineries — more than 200, I understand. Other provinces, including Nova Scotia and Quebec, have growing wine industries.

Some honourable senators may ask why the need for this bill, when wine drinkers need only visit their local liquor store to buy a bottle from another province. That is the argument one will hear from the big liquor monopolies such as the Liquor Control Board of Ontario. The issue is not quite that simple.

Smaller wineries say it is challenging, frustrating and costly to get their products on the shelves at the liquor boards. Many of them operate on such a small margin, and produce such small quantities, that it is simply not realistic. However, this bill will allow them to ship their product to customers in other provinces, opening up online sales in particular. In my view, the greatest beneficiary of this bill will be small, often new operations that have trouble reaching customers.

There is another way this bill will help wineries, both big and small. Wine tourism has exploded in the last 20 years. One million tourists visit Ontario wineries each year. The ability to take a few bottles home, or arrange for some to be shipped, enhances the experience. Making it legal to do so will benefit the entire hospitality industry in these wine regions.

Although the Canadian wine industry has grown substantially in the last couple of decades, it remains a tough business, a low-margin labour of love. Like all agricultural-related enterprises, it is dependent on weather. A bad year or two can be devastating.

This bill is a simple way to help. It will cost the federal government nothing, but wineries tell us it will have the potential to boost sales by 5 to 10 per cent. This is the reason the Canadian Vintners Association strongly supports the passage of Bill C-311.

There is another stakeholder worth mentioning: the consumer. Honourable senators may have heard of “Free My Grapes,” the campaign launched by the Alliance of Canadian Wine Consumers. This movement is devoted to pushing for the legalization of shipping wine across provincial borders for personal consumption. Shirley-Ann George, president of the

alliance, makes the case compellingly. As she told the House of Commons Finance Committee: Consumers want this; it is affordable; most Canadians have access to only a fraction of Canadian wines; and the greatest benefit of this bill will go to small- and medium-sized businesses.

There was one quibble raised by some of the supporters of Bill C-311, and it is important that I mention it now. Some were concerned that the bill will leave it up to the provinces to determine how much wine can be imported across provincial boundaries, that there should be some mechanism to force them to allow a reasonable quantity.

Members of the other place decided — correctly, I believe — not to intrude on this area of provincial jurisdiction. This bill will remove an impediment to interprovincial trade, but we must recognize that liquor distribution is a provincial responsibility. I hope and trust that provincial governments will decide that they, too, stand on the side of consumers, and establish limits that are reasonable for personal consumption.

In conclusion, honourable senators, by ending this outdated prohibition, we will offer a helping hand to the agricultural community, the tourism sector, and to hundreds of small- and medium-sized businesses across Canada. The industry wants this prohibition removed, and so does the public.

I encourage honourable senators to support Bill C-311.

**Hon. Percy E. Downe:** Would the honourable senator take a question?

**Senator Runciman:** Yes.

**Senator Downe:** I was surprised by the interest in this bill. I was reading in the local paper on Prince Edward Island — and the honourable senator’s speech captured this exactly — that the small wineries are very much looking forward to the passage of this bill. However, I have a couple of questions.

If wine is imported from another province, would one pay the provincial tax on the wine in the province one resides in or would one pay the tax in the province the wine comes from?

**Senator Runciman:** My view on this — and it would have to be confirmed — is that one would pay the province that is selling the product. In my experience with respect to the smaller wineries, certainly in Ontario, there are problems gaining access for shelf space; and even the shelf space they do get, the quantities that the monopolies get — and certainly the Liquor Control Board of Ontario — are very modest. It is a difficult nut to crack, and trying to sell out of the operation itself is essentially what they are limited to. It is difficult to survive.

**Senator Downe:** I think the honourable senator captured that exactly right. The wineries in Prince Edward Island say they simply do not have the market. They have a short tourism season, but they have a lot of visitors who want the product shipped.

I see Senator Smith is getting his order in now, and we will make note of that.

**Senator D. Smith:** We just do not drink enough.

**Senator Downe:** That is right. We do not consume enough; that is the problem.

I have another question. This prohibition, which I was not aware of until this bill was introduced — and I congratulate the members who were involved in the other place — is there a similar prohibition on other liquor products? This may be beyond the honourable senator's scope, but if I wanted to order Newfoundland Screech, for example, and it was not available in Prince Edward Island, does the honourable senator happen to know whether there are other areas like this that have to be cleaned up?

**Senator Runciman:** I do not have the answer to that; I am sorry.

**Hon. Claudette Tardif (Deputy Leader of the Opposition):** Honourable senators, I know that the time is late but I did want to say a few words on behalf of all wine lovers in support of Bill C-311, An Act to amend the Importation of Intoxicating Liquors Act. This legislation is long overdue, and I hope to see its swift passage by the Senate.

As a proud home owner and taxpayer in British Columbia's Okanagan Valley, one of the epicentres of the Canadian wine industry, I am pleased to support this bill. I have had the opportunity to see the growth and rapid development of the viticulture industry first-hand and I have been proud to see many of the Okanagan's wines attain world-class standards. Much as I love to enjoy British Columbia wines, honourable senators, I have never been able to ship those wines back to Alberta to enjoy at home.

As Senator Runciman has indicated, under federal law it is illegal to move wine across provincial borders unless that wine is exported by the liquor control boards under the Importation of Intoxicating Liquors Act. As mentioned, this act was passed in 1928 to suppress the bootlegging that was rampant at that time.

I am sure all honourable senators will agree that a prohibition-era law has limited use in 21st century Canada. In fact, it stifles the flourishing economic activity generated by the Canadian wine industry. Wine tourism drives economic activity across many spinoff industries in Canada's wine-growing regions when Canadians travel outside their home province to visit wineries, and it enhances the quality of life of people living in those regions.

A large proportion of Canadian wineries are family owned and run, and the profits of these enterprises are, by and large, reinvested in local communities.

**Senator D. Smith:** Some by former Liberal senators.

**Senator Tardif:** That is right.

Bill C-311 would allow Canadians to bring back wine from their visits to other provinces and to make online purchases.

This bill has been met with enthusiastic support from vintners, small and large, across Canada. Vintners from the well-established British Columbia industry see it as an opportunity to further

expand their businesses, while vintners from the blossoming wine industry in Nova Scotia say they need this legislation to kick-start their businesses.

• (2110)

The existing law limits sales and growth for small vineyards and restricts access for consumers. Canadians from across the country should have equal access to the very best in Canadian wines from one coast to the other.

One Nova Scotia vintner, Hans Jost of Jost Vineyards, told media recently that, "Customers ask several times a week if they can ship their wine. We always have to say, 'No, sorry, there is nothing we can do.' There is minimal exposure outside of Nova Scotia for our wine. In Nova Scotia, there is a population of about 960,000, but the same winery in Ontario has a market of 10 million people."

Mr. Jost raises an important point. With a population of less than one million people, it is impossible for the market within Nova Scotia alone to sustain the kind of growth that is possible in the wine industry.

Removing interprovincial trade barriers will allow these vintners to take their businesses to a whole new level.

I would be remiss if I did not share with you, honourable senators, that even my own home province of Alberta boasts three wineries: the En Santé winery in Brosseau, the Roaming River Ranches in Lethbridge; and Field Stone Fruit Wines in Strathmore.

[Translation]

I recently had the great pleasure of discovering another of Canada's wine regions. Last week, Senator Nolin hosted a reception that featured consumer goods from Quebec. A few grape growers from southern Quebec were there, including some from the region of my dear colleague, Senator Carignan, Saint-Eustache.

The vineyards are concentrated in the regions of the Basses-Laurentides and the Eastern Townships. Although the wine industry is relatively small and unknown in Canada, it is growing exponentially, to the surprise of many. The number of producers increased from five in 1985 to 50 in 2008. Logically, it makes sense that Quebec's wine industry would be more successful if these wines could more easily cross provincial borders.

Honourable senators, it is interesting to note that wine production in Canada is nothing new. In 1535, Jacques Cartier identified *vitis riparia* wine grapes in abundance on the island he called Île Bacchus, now known as Île d'Orléans. In 1608, Samuel de Champlain started planting French grape varieties, including *vitis vinifera* in that same area.

[English]

Today there are more than 500 wineries in Canada within six provinces: British Columbia, Alberta, Ontario, Quebec, Nova Scotia and Prince Edward Island.

It is almost hard to believe that such a nonsensical law exists today. It is easier for Canadians to import wine from another country than it is to import wine from another province. As an

example, if one were to make the short trip from Prince Edward Island to a winery in Nova Scotia, one could not bring wine back home with them. However, were one to take a trip to France, one would be free to bring home a bottle of Bordeaux to enjoy later.

How did we get to a point where there is a greater trade barrier between Prince Edward Island and Nova Scotia than there is between Canada and France or Italy? If we have the best interests of Canadian businesses at heart, we should address this bizarre situation without delay.

The implementation of Bill C-311 will remove one of the key barriers to the growth and prosperity of the Canadian wine industry. This exemption would be for personal use only and not for commercial purposes, and provinces and territories would each decide what the individual import limit would be.

Honourable senators, I hope you will join me in supporting sending Bill C-311 to committee for further study.

**The Hon. the Speaker:** Do honourable senators have a question or comments?

**Hon. Jim Munson:** Thank you, honourable senators. I have a question. I noticed it is called the "Importation of Intoxicating Liquors Act." I am wondering if the honourable senator would support an amendment, because "import" sounds like a foreign substance and "intoxication" does not sound right. Would she support a new amendment calling it the "Let's all just enjoy a Canadian drink act"?

**Senator Tardif:** I have no comment.

**Hon. Joseph A. Day:** On debate, honourable senators, I could not let the moment pass without letting you all know that there are wineries in New Brunswick as well.

**Some Hon. Senators:** Yes.

**Senator Day:** In fact, there are two in my district, on the beautiful Belleisle Bay. I invite you to come down and visit.

**Hon. David P. Smith:** I have a question. Will honourable senators raise their glass of water and drink to Canadian wine?

**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?

Hon. Senators: Agreed.

(Motion agreed to and bill read second time.)

REFERRED TO COMMITTEE

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

(On motion of Senator Carignan, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.)

## STUDY ON EMERGING ISSUES RELATED TO CANADIAN AIRLINE INDUSTRY

### FIFTH REPORT OF TRANSPORT AND COMMUNICATIONS COMMITTEE AND REQUEST FOR GOVERNMENT RESPONSE ADOPTED

On the Order:

Resuming debate on the motion of the Honourable Senator Dawson, seconded by the Honourable Senator Mahovlich, that the fifth report (interim) of the Standing Senate Committee on Transport and Communications, entitled: *The Future of Canadian Air Travel: Toll Booth or Spark Plug*, tabled in the Senate on June 5, 2012, be adopted and that, pursuant to rule 131(2), the Senate request a complete and detailed response from the government, with the Minister of Transport, Infrastructure and Communities being identified as the minister responsible for responding to the report in consultation with the Minister of State (Small Business and Tourism).

**Hon. Dennis Dawson:** Honourable senators, wine is a tough act to follow when you are talking about *The Future of Canadian Air Travel: Toll Booth or Spark Plug*.

I was going to read long extracts of the report to honourable senators, but I know that I have competition for their attention. I know it is 3-0 now for Los Angeles and people on one side of me are listening to that hockey game. There are also two by-elections going on in Quebec and the Liberals are leading 2-0, so I know senators have other issues they want to deal with.

As far as this report is concerned, I invite honourable senators to go to the committee's website.

I see my deputy chair is here. I want to thank him for the work he did on the committee and the steering committee.

I am promoting a lot of people through the Transport Committee. Senator Frum, who is the one who raised the subject of air transport with Senator Housakos so that we would debate it, has now been promoted to other committees. Senator Eaton, who is speaking with her leader, has also been promoted. She was on the steering committee dealing with this issue. I want to thank all of them for the work they did, including Senator Verner, who is now on the steering committee, and the members of the committee.

I want to thank them all because this is a unanimous report. When one gets a unanimous report that can be perceived as criticizing government, one also wonders what charm did the chair of the committee have. He did not have that much. The reality is that this is a non-partisan subject in the sense that it started under Mr. Mulroney in the early 1990s and went on with Mr. Chrétien and Mr. Martin in the 1990s. It is time we look at it again and I want to thank the members who brought this subject up at committee.

With the support that we got from the people who came before the committee, there was no report we could make other than saying to the government, "You have to stop looking at airports and air travel as a source of revenue, and you have to look at it as a source of investment."

[Translation]

In 1992-93, when the government in Ottawa transferred the 26 national airports to the individual communities, we saw a change. Although airports required spending, the finance minister at the time, Mr. Martin — I like to think that I can speak favourably of him — realized that airports could be a source of revenue. That is when the government started charging rent.

• (2120)

Take Winnipeg airport for example, which was transferred in 1993 for \$1 million. Today there is a new airport in Winnipeg and the Canadian government has not invested one cent. The airport authority must lease a building for \$100 million. The building was paid for by the people and users from Winnipeg, and the financing provided by the market.

It is not right that airport authorities pay rent to the federal government. Over the past 10 years, the rent has totalled almost \$4 billion. The money could have been invested in the airport instead of being a source of revenue, which has resulted in an extremely complicated situation.

[English]

About 75 per cent of Canadians are one hour away from the American border. Over the last year, 4.5 million Canadians crossed the border to take their flights. That is the equivalent of Canada's fifth biggest airport, which is Ottawa. Some people think it is Halifax, but it is Ottawa. It was 4.5 million people last year and it will probably be 5 million people this year because it is going up 15 per cent per year. That was not a problem in 1993, 1994 and 1995 when the Canadian dollar was at 65 cents. People did not cross the border to take flights in those days. Since then, the Americans have been subsidizing the building of airports. Both Plattsburg and Burlington airports advertise as American airports for Montreal. They even have bilingual service; some of them are probably more bilingual than some of our Canadian airports. They give service to Canadians. A city with 45,000 people has 300,000 passengers, and about 95 per cent of them come in from Montreal. Why is that? It is because they subsidize the building of airports; they do not charge rent; and they do not charge security fees or any of those taxes that are charged in Canada. People can travel for a much lower cost from the U.S. than they can travel from Canada.

[Translation]

There is also the example of Buffalo airport, near Toronto. One million passengers at Buffalo airport are from the Ontario region. The Toronto airport authority has lost those passengers and therefore Canadian taxpayers and users, in short the consumers, must pay more airport taxes because people board flights in Buffalo. Why? Because airports have always been seen as a source of revenue rather than a means of economic promotion.

[ Senator Dawson ]

[English]

We need a national air policy. We have to get the people to sit down and talk about the billions in tourism dollars that we are losing to American airlines. The 4.5 million Canadians that go to American airports has to stop because it is 15 per cent to 20 per cent a year and growing. If we do not act on this soon, it will only get worse; it will not go away.

We are asking the government to sit people down at the table and develop a national airline policy. Stop seeing it as revenue. Stop paying rents for buildings that you did not invest in. The Winnipeg airport is the caricature but every single airport in Canada is living on investments that they made by themselves and they send a cheque to Ottawa for rent. It is not rent. You pay rent to the owner of a building, but if you pay for the building and pay rent for it, then there is an injustice; and we have to correct that. The report was unanimous.

As an example, I arrived in Ottawa about 35 years ago this week. I was sworn in at the House of Commons on June 8, 1977. The first file I had in my riding was on the Quebec City airport. Every day during the by-election campaign people said something had to be done about the airport. I arrived in Ottawa and went to the Department of Transport on Kent Street and asked to see the minister. The issue was that you had to go back to Ottawa to get money for airport renovations. The decision to turn the 26 national airports back to the local authorities was a good one.

However, one has to understand that now that is done, we have to go to the next step. We have to give them their airports so that they can develop them without having to report to Ottawa and send cheques to Ottawa. Airport authorities have to be able to plan for the next 50 years.

Some airports have 40 years left on their agreements with the Government of Canada; and they have 35-year borrowing contracts. Everyone knows that these airports will never be sent back to the federal government and that they will always be operated locally. Why not do it officially and do it right now?

I thank the members of the committee once again for the unanimous report. Honourable senators, I hope that this report is adopted.

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

**The Hon. the Speaker:** Is there further debate? Are honourable senators ready for the question?

**Some Hon. Senators:** Question.

**The Hon. the Speaker:** It was moved by the Honourable Senator Dawson, seconded by the Honourable Senator Mahovlich, that the fifth report of the Standing Senate Committee on Transport and Communications entitled *The Future of Canadian Air Travel: Toll Booth or Spark Plug*, be adopted.

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

(Motion agreed to and report adopted.)

**SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY****COMMITTEE AUTHORIZED  
TO MEET DURING SITTING OF THE SENATE**

**Hon. Kelvin Kenneth Ogilvie**, pursuant to notice of June 7, 2012, moved:

That the Standing Senate Committee on Social Affairs, Science and Technology have the power to sit on Tuesday, June 19, 2012, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

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

**Hon. Senators:** Agreed.

(Motion agreed to.)

**LEGAL AND CONSTITUTIONAL AFFAIRS****COMMITTEE AUTHORIZED TO EXTEND DATE  
OF FINAL REPORT ON STUDY OF PROVISIONS AND  
OPERATION OF THE ACT TO AMEND THE CRIMINAL  
CODE (PRODUCTION OF RECORDS  
IN SEXUAL OFFENCE PROCEEDINGS)**

**Hon. Bob Runciman**, pursuant to notice of June 7, 2012, moved:

That, notwithstanding the order of the Senate adopted on October 4, 2011, the date for the presentation of the final report by the Standing Senate Committee on Legal and Constitutional Affairs to examine and report on the provisions and operation of the *Act to amend the Criminal Code (production of records in sexual offence proceedings)*, S.C. 1997, c. 30 be extended from June 30, 2012 to December 31, 2012; and

That the committee retain all powers necessary to publicize its findings until 90 days after the tabling of the final report.

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

**Hon. Senators:** Agreed.

(Motion agreed to.)

**NATIONAL FINANCE****COMMITTEE AUTHORIZED TO EXTEND DATE  
OF FINAL REPORT ON STUDY OF POTENTIAL  
REASONS FOR PRICE DISCREPANCIES OF CERTAIN  
GOODS BETWEEN CANADA AND UNITED STATES**

**Hon. Joseph A. Day**, pursuant to notice of earlier this day, moved:

That, notwithstanding the order of the Senate adopted on Thursday, October 6, 2011, the date for the presentation of the final report of the Standing Senate Committee on National Finance on its study of the potential reasons for price discrepancies in respect of certain goods between Canada and the United States, given the value of the Canadian dollar and the effect of cross border shopping on the Canadian economy, be extended from June 30, 2012 to December 31, 2012; and

That the committee retain all powers necessary to publicize its findings until 90 days after the tabling of the final report.

He said: Honourable senators, this motion asks permission to move the date of the report of the committee from June 30, 2012, to the end of the year because the committee will not have time to get to it.

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

**Hon. Senators:** Agreed.

(Motion agreed to.)

(The Senate adjourned until tomorrow at 2 p.m.)

## CONTENTS

Monday, June 11, 2012

PAGE	PAGE
<b>SENATORS' STATEMENTS</b>	<b>ORDERS OF THE DAY</b>
<b>Dr. Gordon Gore</b> Congratulations on Natural Sciences and Engineering Research Council Award for Science Promotion. Hon. Nancy Green Raine . . . . .	<b>Criminal Code (Bill C-26)</b> Bill to Amend—Third Reading—Debate Adjourned. Hon. Consiglio Di Nino . . . . .
2030	2035
<b>Diamond Jubilee Medal Recipients</b> Hon. Larry W. Smith . . . . .	<b>Safe Drinking Water for First Nations Bill (Bill S-8)</b> Third Reading—Debate Adjourned. Hon. Dennis Glen Patterson . . . . .
2030	2037
<b>The Senate</b> Tribute to Departing Pages. The Hon. the Speaker. . . . .	<b>Appropriation Bill No. 2, 2012-13 (Bill C-40)</b> Second Reading. Hon. Larry W. Smith . . . . . Hon. Joseph A. Day. . . . .
2031	2038 2039
<hr/>	<b>Immigration and Refugee Protection Act</b> <b>Balanced Refugee Reform Act</b> <b>Marine Transportation Security Act</b> <b>Department of Citizenship and Immigration Act (Bill C-31)</b> Bill to Amend—First Reading. . . . .
<b>ROUTINE PROCEEDINGS</b>	2040
<b>National Defence</b> Second Independent Review of Bill C-25—Document Tabled. Hon. Claude Carignan . . . . .	<b>Appropriation Bill No. 3, 2012-13 (Bill C-41)</b> Second Reading. Hon. Larry W. Smith . . . . . Hon. Joseph A. Day. . . . .
2031	2040 2041
Comments of the Minister on the Second Independent Review of Bill C-25 and Bill C-60—Document Tabled. Hon. Claude Carignan . . . . .	<b>Safe Food for Canadians Bill (Bill S-11)</b> Second Reading—Debate Adjourned. Hon. Donald Neil Plett. . . . . Hon. Jane Cordy . . . . . Hon. Pierrette Ringuette. . . . .
2031	2041 2046 2046
<b>Canada-France Interparliamentary Association</b> Involvement in Second Round of French Presidential Election, May 3-6, 2012—Report Tabled. Hon. Claudette Tardif . . . . .	<b>The Estimates, 2012-13</b> Main Estimates—Tenth Report of National Finance Committee Adopted. Hon. Joseph A. Day. . . . . Hon. Pierrette Ringuette. . . . . Hon. Catherine S. Callbeck. . . . . Hon. Robert W. Peterson . . . . .
2031	2046 2049 2050 2052
<b>National Finance</b> Notice of Motion to Authorize Committee to Extend Date of Final Report on Study of Potential Reasons for Price Discrepancies of Certain Goods between Canada and United States. Hon. Joseph A. Day. . . . .	<b>Canada-Jordan Economic Growth and Prosperity Bill (Bill C-23)</b> First Reading. . . . .
2031	2052
<b>The Senate</b> Notice of Motion to Urge the Government of the Islamic Republic of Iran to Grant Clemency to Hamid Ghassemi-Shall and to Adhere to its International Human Rights Obligations. Hon. Linda Frum. . . . .	<b>Importation of Intoxicating Liquors Act (Bill C-311)</b> Bill to Amend—Second Reading. Hon. Bob Runciman . . . . . Hon. Percy E. Downe. . . . . Hon. Claudette Tardif . . . . . Hon. Jim Munson . . . . . Hon. Joseph A. Day. . . . . Hon. David P. Smith . . . . . Referred to Committee. . . . .
2032	2052 2053 2054 2055 2055 2055 2055
<b>Trinidad and Tobago</b> Notice of Inquiry. Hon. Don Meredith . . . . .	<b>Study on Emerging Issues related to Canadian Airline Industry</b> Fifth Report of Transport and Communications Committee and Request for Government Response Adopted. Hon. Dennis Dawson . . . . .
2032	2055
<b>Promotion of Alberta's Interests</b> Notice of Inquiry. Hon. Grant Mitchell. . . . .	<b>Social Affairs, Science and Technology</b> Committee Authorized to Meet during Sitting of the Senate. Hon. Kelvin Kenneth Ogilvie . . . . .
2032	2057
<hr/>	<b>Legal and Constitutional Affairs</b> Committee Authorized to Extend Date of Final Report on Study of Provisions and Operation of the Act to amend the Criminal Code (production of records in sexual offence proceedings). Hon. Bob Runciman . . . . .
<b>QUESTION PERIOD</b>	2057
<b>Human Resources and Skills Development</b> Youth Employment Levels. Hon. Claudette Tardif . . . . . Hon. Marjory LeBreton . . . . .	<b>National Finance</b> Committee Authorized to Extend Date of Final Report on Study of Potential Reasons for Price Discrepancies of Certain Goods between Canada and United States. Hon. Joseph A. Day. . . . .
2032 2032	2057
<b>Environment</b> National Round Table on the Environment and the Economy. Hon. Grant Mitchell. . . . . Hon. Marjory LeBreton . . . . .	
2033 2033	
<b>Treasury Board</b> Public Service Severance Allowances. Hon. Robert W. Peterson . . . . . Hon. Marjory LeBreton . . . . .	
2034 2034	
<b>Answer to Order Paper Question Tabled</b> Natural Resources—Reduction of Greenhouse Gas Emissions. Hon. Claude Carignan . . . . .	
2035	
<hr/>	











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