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(HANSARD)

Monday, March 25, 2013

THE HONOURABLE PIERRE CLAUDE NOLIN
ACTING SPEAKER

CONTENTS

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THE SENATE

Monday, March 25, 2013

The Senate met at 6 p.m., the Honourable Pierre Claude Nolin, Acting Speaker, in the chair.

[Translation]

Prayers.

According to the principles of democratic debate — be it at the municipal or the international level — we need to listen not only to the people we agree with, but also to the people we disagree with. However, there can be no debate or discussion if no one is there to participate.

SENATORS' STATEMENTS

[English]

IDLE NO MORE MOVEMENT

JOURNEY OF THE PEOPLE

Hon. Sandra Lovelace Nicholas: Honourable senators, today, as an Aboriginal mother, I was proud of the young people who arrived in Ottawa after a 1,600-kilometre walk in support of the Idle No More movement. The initial six young people left their James Bay Cree community in January on their journey of *Nishiyuu*, which means “journey of the people” in Cree. They walked to Ottawa to tell this government that its approach to Aboriginal issues is simply not working.

These young people came through snow and storms on snowshoes. They persevered through the long trek to come and inspire us all with their message of hope and their plea that the government change its unilateral and paternalistic approach to Aboriginal people in Canada.

We must now honour their courage by working with Aboriginal peoples to close the unacceptable gaps in outcomes in terms of health, education, housing, water and their participation in the community. Please do not let them down. They are counting on us, the Senate of Canada, to bring hope to support them in their quest for equality.

To do so is not to entertain dictatorships and the like, but the opposite, to challenge them, to put them on the hot seat and to show them, if necessary, no mercy in regard to what they are doing to their peoples, to their country and, in fact, to the stability and peace of the planet and humanity.

Recall that it is through the UN that the President of Sudan was referred to the International Criminal Court, that countries such as Iran are condemned for their pursuit of nuclear arms. In a few days, the Human Rights Council is expected to pass a proposal for a commission of inquiry to investigate the extent to which North Korea has committed crimes against humanity. These are laudatory acts that deserve recognition and support.

Honourable senators, we are a leading middle power in the world. We are among the 11 most powerful nations of the 193 nation states in the world today. With power comes a responsibility, as Churchill said, beyond our borders to those who are in need of the resources and support that we could provide. True, the United Nations is not perfect and we must remain critical of its shortcomings, but it is equally true that if we are to avoid the scourge of war and the atrocities that flow from it, then we cannot turn our backs on this indispensable institution.

THE UNITED NATIONS

CANADA'S ROLE

Hon. Roméo Antonius Dallaire: Honourable senators, I rise today to speak on a trend I find deeply worrying: Canadians losing faith in the United Nations. This trend has been facilitated by pointed criticisms from a number of sources. Most worrying, a fair number of these criticisms have come from our government and political class.

[Translation]

There are a number of complaints, among them that the UN is ineffective, that it entertains dictators and that it squanders limited resources by not focusing on the worst situations.

[English]

In the face of these criticisms, some have gone so far as to suggest that we should even consider walking away from the United Nations. Honourable senators, such rhetoric is not only self-righteous, but self-defeating.

In 2005, 101 recommendations were presented to the General Assembly for approval. One was approved, the responsibility to protect, to which we even avoid using the term. Why are we not picking up the 100 others and attempting to advance them even though the United States at the time had vetoed them?

WORLD WOMEN'S CURLING CHAMPIONSHIP 2013

CONGRATULATIONS TO CANADIAN TEAM ON WINNING BRONZE MEDAL

Hon. Joseph A. Day: Honourable senators, it is with great pride and pleasure that I congratulate our Canadian women's curling team for winning bronze at this year's World Women's Curling Championship held in Riga, Latvia. Emma Miskew, one of the talented young athletes on this team, works as a project coordinator and planner for the Senate. As many honourable senators will recall, Emma, along with her teammates Rachel Homan, Alison Kreviazuk, Lisa Weagle and Stephanie LeDrew, visited our gallery a few weeks ago and were introduced after recently winning the Scotties Tournament of Hearts here in Ontario. Supporters who followed them were few but very vocal, as I understand.

• (1810)

I would also like to pay respect to the number five on the team, who was not called upon to fill in but was there and ever-ready to do so. I am also proud to say that the team was very ably coached by a former Royal Military College of Canada colleague of mine and Senator Dallaire's, Earle Morris.

While I know they would have liked to come home with the gold, it was a hard-fought battle and a nail-biter, an 8-to-7 loss to the eventual tournament champions, Scotland, which saw them in the bronze-medal game. Despite this tough loss, the fact that they were able to bounce back and defeat a very strong U.S. team, led by veteran Erika Brown, shows the maturity and competitiveness of the four women. They should most certainly be proud of their showing at this year's world championship.

The trip was not without its hardship, honourable senators. Bad weather in Germany grounded them for a night at the Frankfurt airport, where they slept on chairs, and made their arrival at the tournament much later than expected. They experienced some early losses, probably as a result of being a bit tired and upset from that trip — a rarity for them, I am sure — yet they regrouped and were able to reach the podium amongst the field of the world's best.

I am certain this is only the beginning for these talented young women, and I ask honourable senators to join me in congratulating Emma Miskew and her teammates and in wishing them the best of luck as they chase down the ultimate goal of represent Canada at the 2014 Winter Olympics in Sochi, Russia.

ROUTINE PROCEEDINGS

BUDGET 2013

DOCUMENTS TABLED

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, I have the honour to table, in both official languages, the budget, entitled: *Economic Action Plan 2013: Jobs, Growth and Long-term Prosperity*.

[Translation]

GOVERNOR GENERAL

SUPREME COURT—COMMISSION APPOINTING THE HONOURABLE RICHARD WAGNER AS DEPUTY— DOCUMENT TABLED

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, I have the honour to table, in both official languages, a copy of the Commission appointing the Honourable Richard Wagner as Deputy of the Governor General.

[Senator Day]

BUDGET 2013

NOTICE OF INQUIRY

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, I give notice that, two days hence:

I will call the attention of the Senate to the 2013 budget entitled: *Economic Action Plan 2013: Jobs, Growth, and Long-term prosperity*, tabled in the House of Commons on March 21, 2013 by the Minister of Finance, the Honourable James M. Flaherty, P.C., M.P., and in the Senate on March 25, 2013.

[English]

QUESTION PERIOD

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

BUDGET 2013—EDUCATION FOR ABORIGINAL YOUTH

Hon. Sandra Lovelace Nicholas: Honourable senators, the Prime Minister had promised to improve Canada's relationship with First Nations. The budget presented last week shows, once again, that the government is not ready to go beyond official statements and photo ops. This budget provides not one new dollar for First Nations K-to-12 education, depriving the economy of a pool of talent and depriving First Nations people of a prosperous future.

Why is the government refusing to address this issue and failing to close the education funding gap?

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, with regard to the question, in Economic Action Plan 2013, which the Minister of Finance released last Thursday, the government reaffirmed our commitment to consult with First Nations across Canada on the development of a First Nations education act. This legislation will put in place the structures and standards to support strong and accountable education systems on reserve. We look forward to further discussion with parents, educators and leaders because we want all Aboriginal students to take advantage of the many opportunities Canada has to offer.

Senator Lovelace Nicholas: Honourable senators, young Aboriginal Canadians represent the fastest-growing population in the country and they endure the worst education outcomes in Canada. We all agree that improving the quality of life for Aboriginal people relies on improving education outcomes, but the budget offers no new money to eliminate the gap in funding

for education. The government had an opportunity to show good faith with the budget; it chose instead to continue on its current path of imposing laws, programs and policies on Aboriginal people without consultation and without the funding to fix the problems.

Why is the government not working with Aboriginal communities to address the socio-economic barriers they face, as the Prime Minister promised?

Senator LeBreton: Honourable senators, the Prime Minister met with First Nations leaders on January 11 and they discussed a wide range of issues, including economic development, treaties and comprehensive claims. Following the meeting, the Prime Minister committed to a high level dialogue on treaty relationships and comprehensive claims, enhanced oversight from the Prime Minister's office and Privy Council Office, and working with First Nations who want to work with us to create jobs, growth and prosperity. That is what we are doing. Working together is the best way to achieve our shared objective of healthier, stronger communities and better-educated young people.

Of course, I was interested to see on television yesterday a couple of the young people from the Cree nation who were part of the march that arrived in Ottawa today supporting what the government is doing with regard to providing additional funding to First Nations with regard to skills training. They felt this was a good move. Of course, as we know, many of the provinces are already engaged in such a plan.

Senator Lovelace Nicholas: Honourable senators, I noticed that the Prime Minister was not there to greet these young people today. In my mind, I thought that maybe if First Nations people were pandas, we would have more respect.

Some Hon. Senators: Hear, hear.

• (1820)

Senator LeBreton: Honourable senators, we have a very capable, engaged and incredible individual in the person of the Honourable Bernard Valcourt as the Minister of Aboriginal Affairs. The minister is meeting with these Aboriginal youth today to discuss their concerns, possible solutions and where we go from here.

Economic Action Plan 2013 includes many measures to improve economic opportunities and living conditions for First Nations, such as investments to continue addressing claims and making significant investments in First Nations infrastructure. It expands the First Nations Land Management Regime and supports the Family Violence Prevention Program. It provides scholarship and bursaries to First Nations and Inuit students and expands Cape Breton University's Chair in Aboriginal Business Studies.

These are all positive measures that have been very well received, not only by Canadians in general but also by Aboriginals in particular.

Minister Valcourt has already had several meetings with Aboriginal leaders. I believe, from the reports we have received, that he is making great headway in addressing many of the concerns and coming to conclusions that are for the common good of all Canadians, but particularly Aboriginal Canadians.

HUMAN RESOURCES AND SKILLS DEVELOPMENT

YOUTH EMPLOYMENT LEVELS

Hon. Catherine S. Callbeck: Honourable senators, my question is directed to the Leader of the Government in the Senate. Unemployment among our young people is at roughly 14 per cent, as it has been quite consistently for the last two years. That is twice the national average.

On February 5, I asked the leader about the persistent problem of youth unemployment, and she said:

Obviously, there is work to be done with regard to youth employment.

Last week the government had the perfect opportunity to initiate programs for youth employment but did not take it. Instead of a youth employment strategy or a targeted initiative, the government announced \$19 million over two years for a public awareness campaign.

Why did the government fail to bring forward any solutions in the budget for unemployed youth?

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, I suggest that Senator Callbeck read the budget. In this year's budget we are investing in 5,000 more paid internships for post-secondary graduates to provide on-the-job experience; we are providing \$18 million for the Canadian Youth Business Foundation to provide mentorship, advice and start-up financing for young entrepreneurs; we are confirming our support for Pathways to Education; and we will support the use of apprentices for federal construction and maintenance contracts, investments in affordable housing and infrastructure projects receiving federal funding.

This builds on our support since 2006 to help Canada's youth find gainful employment. We helped 50,000 youth get training through the Youth Employment Strategy in 2011-12 and made a permanent increase to the Canada Summer Jobs program to 36,000 youth jobs per year. We supported Skills Link, which helps youth obtain skills. For example, in February we announced that the Construction Association of Prince Edward Island, the honourable senator's province, will receive over \$238,000 from the Skills Link program to help youth overcome barriers to employment. Our Apprenticeship Incentive Grant has helped 283,000 people. I hope we can continue to count on the support of everyone for these great initiatives.

Senator Callbeck: The leader mentioned several initiatives, but they are not serious or major initiatives. Very few new dollars are going into this, and there are serious consequences of that for our country.

The Canadian economy will lose \$11 billion in wages over the next three years. Young people are moving back in with their parents saddled with tremendous student debt and no meaningful job experience. They are all worried about their futures. The budget that was presented last week has no real plan to help young Canadians get the jobs they need to succeed. It really does not create any jobs; it just spends another \$19 million on government advertising.

When will this government take some real steps to address the high rate of unemployment among our young people?

Senator LeBreton: Honourable senators, Senator Callbeck and I have had this exchange about young people seeking work before. As honourable senators know, it is an area I have been interested in for a long time. We turn young people out of our schools with virtually no skills to fill the available jobs, and there are many jobs available.

In the budget we established the Canada Job Grant, which confirms our commitment to connecting Canadians with available jobs. The Minister of Human Resources and Skills Development has been in contact with each of her provincial and territorial colleagues. We want to work with the provinces to take training from the government to employers and to available workers.

As I have said before, there are too many jobs unfilled in Canada because employers cannot find skilled employees to do the work. There is obviously a great deal of work to be done in terms of government and industry working together to properly train young people in the required skills.

I am very encouraged by the skills training and the apprenticeship program that this government has initiated. I was very pleased to see the numbers of young women now entering the skilled trades. One young woman who had obtained a university degree and could not get a job went back to a community college and learned to be a sheet metal worker. She was on a show that I watched over the weekend, and she was very articulate. More and more young people, both women and men, are going back to school, connecting with the federal and provincial governments and industries and learning new skills. The great thing is that these young people in apprenticeship programs will also be training other young people on the job. Tying apprenticeship to infrastructure the way the government has in this budget is a great link between both levels of government and industry.

[Translation]

Hon. Maria Chaput: Honourable senators, my question is for the Leader of the Government in the Senate and is supplementary to those asked by the Honourable Senator Callbeck. How did the government choose these priorities for a budget that is supposed to be an economic action plan?

Right now, I would like to talk about young people. A study conducted by economists at TD Bank and published in January 2013 found the following:

There is general consensus among labour economists that a spell of unemployment at an early stage of a worker's career imposes a persistent wage penalty that could last for their entire working lifetime.

[Senator Callbeck]

We know that the unemployment rate among youth is higher than the Canadian average. We also know that this may have serious long-term effects.

How can the government completely ignore this pressing issue? Why, for example, did the government not include hiring credits for small businesses to employ youth? Why did the government not plan to reopen the youth employment centres that were shut down last year? Does the government understand that a real economic action plan involves practical measures, in this case for young Canadians?

[English]

Senator LeBreton: An employment centre does not provide a job for a young person. What is needed is proper training. We have industries in every region of this country that cannot find skilled workers.

Something is obviously amiss in the system, and, unfortunately, as I have said before publicly, parents often force their children into universities to get degrees in a liberal arts program, for example, although that is not where the jobs are. The jobs are in the skilled trades. It is essential that we have a system in place for training young people in the skills that are required, because the unfilled positions are highly technical. They teach great skills. They are also extremely well-paying jobs. I have pages and pages of laudatory quotes from many organizations with regard to the budget, which has been very well supported by third-party endorsements. I will read what the Canadian Youth Business Foundation said:

• (1830)

The Government of Canada plays a key role in supporting young entrepreneurs and CYBF is pleased to continue to work with it... We congratulate and thank Minister Flaherty and the federal government for this encouraging support, and look forward to expanding the impact of our partnership by helping even more young Canadian entrepreneurs succeed.

These are the kinds of things we are doing. It is very important that all of us, within our communities and within our families, encourage people to get trained where the jobs are. There is no point in going to school and coming out of school if you have no skills and there is no work available for what you took in school. I think it is a great step forward.

As you know, the importance of skilled trades is an area that I felt strongly about even before we formed the government. I have even indicated in this place that we have to change attitudes in this country. The money of people who are blue collar workers and people in the skilled trades is just as good as the money of any other person in this country no matter what their education.

[Translation]

Senator Chaput: Honourable senators, my question for the Leader of the Government in the Senate is this: how will young people learn and how will they get this information? Who will coordinate bringing together those who need training and the

industries, or those who will provide the training? Why did the government close the employment centres when they could have played this coordinating role so that, as you mentioned, young people could receive the training they need for the jobs that are available? Why did the government close centres that could have helped these young people?

[English]

Senator LeBreton: Honourable senators, in this new age of technology, with the various programs that have been put in place by HRSDC and working with business and provincial governments, in setting up the programs, tying apprenticeship work and skilled work to infrastructure money is where this will actually take place and happen. An employment centre will not arrange for a young person to go to school and learn a trade. The young person will go to school and learn a trade when it is very clear that the programs that are being set up by the federal, provincial and territorial governments and by industry steer them in directions where there are well-paying jobs.

[Translation]

Senator Chaput: Honourable senators, I do not believe that I got an answer to my question: who will coordinate this program in order to ensure that young people get the training they need for the jobs that are available? Who will make sure that this happens? Who will coordinate this effort?

[English]

Senator LeBreton: Actually, honourable senators, all kinds of information is available through Service Canada, HRSDC and other portals of the government where a young person can simply go online and find out all of the programs that are available that can suit them in terms of what their career choice may be, where they can get assistance, where they can take these courses, and where they can see what the federal government and provincial governments offer and what the private sector is offering.

This is the difference, honourable senators. We are actually out there making this happen. Having a corner store office where people sit down and fill out a form will not get them educated. It will not get them a job. It will just be this revolving door.

The system we have put in place through the Canada Job Grant, through HRSDC, has been applauded universally by industry, most governments, the territorial governments and, of course, young people's organizations, including — and I was glad to see this when I watched television — two young people who were marching with the Cree when they were interviewed. They support these programs because they know that in order to take advantage of Canada's economy and get well-paying jobs, they have to avail themselves of the training programs that are being provided.

Hon. Grant Mitchell: Honourable senators, this problem did not occur last week. It has been around for a long time. What is it about it that it took the Prime Minister seven years to come to the conclusion to act and to provide some leadership? What damage

has his delay done to the economy over the last seven years? How many jobs have gone begging because he did just not get around to providing leadership yet again on this important issue?

Senator LeBreton: First, what Senator Mitchell has said is flat-out false. If you look at every one of our budgets, the skilled labour force and apprenticeship programs, it was our government that supported blue collar workers by allowing mechanics to claim the cost of their tools when they filed their income tax. We have put all kinds of initiatives into small business. That is why every organization reporting on the economy of the various countries in the G7 says that Canada's economy is performing the best.

Hon. Pierrette Ringuette: Honourable Senator LeBreton has not answered Senator Chaput's question. Her question was the following: Who is leading in regard to the training program that was announced last Thursday in the budget? It is a four-way partnership, the federal government, the provincial government, the employer, and you need an employee. It is a four-way partnership. Which of these four entities will be leading the program?

Senator LeBreton: Honourable senators, obviously the federal government is working in partnership with the provinces and territories and working in partnership with industry. It is a federal government initiative; it was in our budget. Obviously, we are fully prepared to take the lead on it.

FINANCE

BANKS—INTEREST RATES

Hon. Wilfred P. Moore: Honourable senators, my question is also for the Leader of the Government in the Senate. Last week, the Honourable Jim Flaherty, the Minister of Finance, pressured Manulife Bank into reversing its offer of a five-year fixed mortgage at an annual interest rate of 2.89 per cent and to go back up to 3.09 per cent instead.

Why did the Minister of Finance decide that competition is not the best way of providing the lowest price for the consumer?

Some Hon. Senators: Hear, hear!

Hon. Marjory LeBreton (Leader of the Government): I actually answered that question last week, honourable senators, and my answer has not changed. The government has taken many measures; obviously, the Governor of the Bank of Canada has also made reference to this. I repeat: My answer is the same as last week.

The honourable senator may not agree with what the Minister of Finance did, but there were many financial analysts who actually supported the minister's interventions. I believe, as the minister said, we do not want to get into a race to the bottom. We do not need a situation that we saw develop in other countries in the world.

Senator Moore: I have a supplementary question. I would like to put to the leader a quotation from the *Ottawa Citizen* last Thursday, March 21st edition:

But no one can critique Flaherty's policy, because he doesn't have one. A policy implies a transparent rule that applies in a predictable fashion to every actor in the marketplace, not political pressure applied at whim. Is Flaherty calling all lenders who post rates lower than three per cent? Hard to say. And just what level might trigger a call? Is it 3.0, or 3.08, or higher? Again, hard to say, and it could change next week.

A quick search online finds posted rates as low as 2.77 available online now from lenders other than Manulife and BMO. The arbitrariness matters, because it might put lenders who listen to the finance minister at a disadvantage.

• (1840)

In what other parts of our economy will the Minister of Finance be personally deciding the going rate of goods and services?

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, this is another particular publication's writings I take with a grain of salt. There are a lot of them.

It is important to point out that, under our government, mortgage rates are lower than they have ever been in living memory. At the same time, we and the Minister of Finance want to ensure that mortgages remain affordable and stable, and that the market stays stable and affordable in the long run for the good of all of us, most particularly for Canadian families. Therefore, we constantly monitor the housing market to ensure its ongoing stability, and our actions to strengthen Canada's housing market will save a typical Canadian family with a \$350,000-mortgage about \$150,000 overall in borrowing costs. That is what motivates this government. We want a strong, stable economy.

Senator Moore: Honourable senators, all of that, of course, presumes that the amortization periods and so on are much more reasonable than those implemented by the same Minister of Finance who put in a 40-year amortization period with no money down. No wonder people chose those mortgages.

We have heard the concerns about debt levels in Canada becoming unmanageable and they are now at a record of 167 per cent of household income. I understand that the level of debt is getting too high, but what about those consumers who might have taken advantage of those lower rates to refinance and, indeed, to make savings long term on interest charges, whether on personal debt, mortgages or credit cards? Why did the Minister of Finance not allow those Canadians to take advantage of the competitive market and save money in the long term?

Senator LeBreton: Honourable senators, I will repeat what I have said. Mortgages are at the lowest rate they have ever been in our history. I think the actions of the Minister of Finance and Governor of the Bank of Canada have been very responsible. We

only have to look south of the border to see what happened there with people participating in programs that the honourable senator just illustrated.

Our economy is more stable and durable because of actions like this and, as I have mentioned, the overwhelming third-party support for the actions of the Minister of Finance and the government in the Economic Action Plan 2013 speak for themselves.

[Translation]

BUDGET 2013—IMPACT ON PROVINCES

Hon. Jean-Claude Rivest: Honourable senators, as the minister surely knows, Quebecers are very worried about the actions of the Government of Canada. Funding for job training was just mentioned, which is a problem in some regions, especially Quebec.

The government's employment insurance reform has adversely affected thousands of families in eastern Quebec. Then, there are the budget provisions concerning the FTQ's Fonds de solidarité. The minister knows as well as I do that the FTQ's Fonds de solidarité makes a major contribution to Quebec's economy and was established by someone very well known, the Right Honourable Brian Mulroney. Tax measures were also announced with respect to the Mouvement Desjardins.

Economic opinion leaders, both those who support management and those who support labour, are very worried about the current government's actions. At the political level, there is unanimity among all political parties in Quebec, including the Liberal Party and its new leader, Mr. Couillard, and Coalition Avenir Québec, the former ADQ. Some honourable senators in this chamber know that the ADQ is quite right, on some occasions. I can see Senator Carignan smiling in agreement.

Everybody is worried. With the exception of some attempts by ministers, we have not heard a coherent response from the government. There are no opportunities for the Government of Canada to work with the Government of Quebec to establish conditions for implementing the budget measures in such a way as not to hurt Quebec's economy, to reassure Quebec's economic decision-makers and perhaps to ensure that the people of the Parti Québécois are not the only ones to benefit from the federal government's economic and political measures. I do not believe that that is what the current government is looking to do.

Could the Leader of the Government tell us if the government plans to address the concerns people have at this time regarding the economic and social repercussions of the Canadian government's actions on Quebec's economy?

[English]

Hon. Marjory LeBreton (Leader of the Government): I thank the honourable senator for his question. First, the Employment Insurance fund and the availability of the Employment Insurance fund is as solid now as it has ever been. There has been a lot of misinformation and misrepresentation of the EI fund.

With regard to the comments from the Government of Quebec, as the Minister of Finance said on this particular front, obviously, there will be a lot of consultation and consideration of the positions of the various provinces. We believe that industry, working within their own provinces, will be quite helpful as part of these negotiations. However, as the minister has said, we intend to fully cooperate and consult the provinces going forward.

[Translation]

DELAYED ANSWER TO ORAL QUESTION

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, I have the honour to table the answer to the oral question asked by the Honourable Senator Day on October 2, 2012, concerning National Defence.

NATIONAL DEFENCE

SERVICE CONTRACTS

(Response to question raised by Hon. Joseph A. Day on October 2, 2012)

The Government is committed to ensuring that the Canadian Armed Forces continue to have the facilities and infrastructure they need to support their missions. However, in the current financial context, Canadians are tightening their belts from coast to coast to coast. So too must the Canadian Government, including National Defence, after years of unprecedented growth in the defence budget.

As part of this efficiency savings exercise, the Department will be transferring the support functions provided by a number of Area Support Units to other Canadian Army units / facilities. By reducing overhead in consolidating support activities, we will increase overall efficiency and optimize existing base infrastructure. In some cases, units will consolidate in newer infrastructure which will allow for divestment of a number of older buildings to reduce maintenance expenditures. Maintenance support options for remaining infrastructure are currently being investigated, but will likely include a combination of military and contracted support. Contracts from private firms have been used for many years as a viable option for support to Canadian Army units in the Western Area. The closure of the Area Support Units requires that these contracts be consolidated in order to become more efficient. The Department is in the process of determining the best approach to provide requisite support.

The Department is also developing a real property strategy as recommended by the Auditor General in his Fall 2012 report, that will align priorities with ongoing budgetary initiatives. This strategy will bring greater effectiveness and efficiencies by streamlining processes. Since 2009, we have announced over \$3 billion in construction projects across the country. This will ensure that the Canadian Armed Forces continue to benefit from adequate infrastructure.

The Department already conducts maintenance and provides infrastructure services through a combination of military and civilian personnel and contracts with private firms. The Department will be analyzing existing contracts and potentially consolidating where it can achieve administrative efficiencies or lower unit costs. The Department will be exploring procurement strategies with our contracting agencies to increase purchasing power for the Department's infrastructure investment.

The documents referenced in media reports that discuss a \$100 million contract to a private firm for management, maintenance, and other services for the Department of National Defence in Western Canada are draft documents that have not been approved and do not represent an official approach. Department of National Defence will ensure that resources are aligned in an affordable and efficient manner to allow the Canadian Armed Forces to continue delivering results for Canadians.

ORDERS OF THE DAY

BUSINESS OF THE SENATE

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, pursuant to rule 4-13(3), I would like to inform the Senate that when we proceed to Government Business, the Senate will address the items in the following order: Bill C-53, Bill C-58, Bill C-59, Bill C-27, report no. 1 and report no. 3, followed by the other items in the order in which they stand on the Order Paper.

[English]

BILL TO ASSENT TO ALTERATIONS IN THE LAW TOUCHING THE SUCCESSION TO THE THRONE

THIRD READING—DEBATE ADJOURNED

Hon. Marjory LeBreton (Leader of the Government) moved third reading of Bill C-53, An Act to assent to alterations in the law touching the Succession to the Throne.

She said: Honourable senators, I will make just a few brief remarks on third reading and attempt again to address the primary concern that was raised at committee. First, however, I would like to thank the committee for its very thoughtful consideration of this bill.

Bill C-53 asks Parliament to assent to changes to the succession to the throne that were agreed to by the 16 Commonwealth Heads of Government that share the Queen as head of state.

The rules governing succession are set out in United Kingdom law, not Canadian law. However, consistent with the convention expressed in the preamble to the Statute of Westminster, our

Canadian Parliament is being asked to give its assent to the proposed changes.

• (1850)

The proposed changes are set out in a bill currently before the House of Lords in the United Kingdom and would end the preference of younger male heirs over older female heirs in the line of succession, and end the ban on an heir to the throne marrying a Roman Catholic. As my colleague the Minister of Justice stated, it is those principles to which Parliament is being asked to consent.

I understand that some senators are concerned we are proceeding to adopt Bill C-53 before the U.K. Parliament has concluded its proceedings on the bill before the House of Lords. I would address that concern in two ways. First, the United Kingdom bill is currently awaiting third reading in the House of Lords. It has been approved by the U.K. House of Commons, and the House of Lords has agreed to the principle of the bill, reported it out of committee and adopted the committee's report without amending the bill. Barring something highly unusual, therefore, the substance of the U.K. bill cannot be amended at this point.

Second, as I pointed out in my speech at second reading, we have a built-in safeguard in Bill C-53. The United Kingdom bill will not come into force until such time as the realms have gone through their various processes to consent to the proposed changes; and our bill will not come into force except by order-in-council. Should something unusual occur at this point in the parliamentary process in the United Kingdom and should that parliament pass a bill that is significantly different from its current form, the government will not bring Bill C-53 into force, ensuring the United Kingdom bill itself cannot be brought into force.

All of the Commonwealth realms that share Her Majesty as head of state recognize that we cannot risk dividing the Crown, and we have taken measures to ensure that cannot occur.

The government has given a commitment to our fellow Commonwealth realms that we would ask our Parliament to deal with this matter by the end of this month. As honourable senators on all sides have stated their support for this matter, I would ask for cooperation in passing this bill prior to our Easter break.

Hon. Joan Fraser: Honourable senators, Senator Joyal is our critic on this bill, and I am asking to speak while reserving his full rights in that capacity. He is in agreement that I should speak this evening, and I think honourable senators may hear from him tomorrow.

I cannot overstate how strongly I support what this bill sets out to do. It is a wonderful thing to think that, at long last, the succession to the throne of Canada, as well as the other realms, will not be determined by the medieval principle that little boys come ahead of their older sisters. That was an ancient principle, dating, I suppose, from the fact that, way back when, the monarchs had to lead their armies into battle, but that has not been done in Britain for something like 300 years. Therefore, it is rather good to see the law at last facing modern realities. I support entirely the objects of this bill. What I have terrible difficulty with is the ham-fisted, gravely worrisome — in some ways — process by which we are getting to where we all want to go. As honourable senators know, the sovereign of Great Britain

is the sovereign of Canada, so British law determines who that person will be. However, by convention and by the preamble to the Statute of Westminster, it is always the case that the consent and assent of the realms that have a sovereign will be obtained regarding any proposed change to succession.

Therein hangs part of the difficulty. First, the realms and Canada have to consent to the launching of such a law. Honourable senators know that it was at a Commonwealth conference in Perth, Australia, that all the relevant realms agreed that it was time to fix the law of succession. Then they all had to formally notify the British parliament that, yes, they wanted this law to go ahead.

By convention, the parliaments must also give their consent. It is a two-stage process, with the Canadian role being the two slices of bread and the British role being the meat in the sandwich, so to speak. It ought to be simple; unfortunately, this government has made it more complicated than it had to be.

The best, most pertinent precedent is what happened way back in 1936-37 after the abdication of King Edward VIII. That was a matter of some urgency, as can be imagined. There is no urgency to the bill now before us. It will affect a future successor to the throne. However, back in 1936-37, the throne was becoming vacant.

What happened? Our Parliament was not sitting, but very rapidly an order-in-council was passed in Ottawa consenting to the presentation at Westminster of a bill giving effect to the abdication and saying, therefore, that our new King will be George VI. I think that bill was passed in a day, in December 1936.

Later, in January, the Government of Canada presented to the Parliament here a bill that would assent to the change that had already been made in British law. In other words, our Parliament knew what it was giving its assent to, and that Canadian bill got Royal Assent in March 1937, almost exactly 76 years ago this week.

Compare that with what has been done this time. As I say, there was no particular urgency. Regardless, it is a good thing we are finally moving. However, it is not by an order-in-council that we signified to the British our consent to this change. It was by a simple letter from the Prime Minister. I would have preferred it to be an order-in-council, which would at least suggest that more people than just the Prime Minister had to agree that this was the appropriate way to go.

The government then tabled in the House of Commons on February 4 a bill saying that the Parliament of Canada assents to the alteration in the law in a bill that has been laid before the Parliament of Westminster but that has still not been passed. In other words, our Parliament was asked and is being asked to assent to a bill passed by the parliament of a foreign country — a sister country, a country we all hold dear, I am sure, but a foreign country, and a foreign sovereign parliament. We are being asked to assent to a piece of their legislation, the final form of which we have not yet seen.

Furthermore, I draw the attention of honourable senators to the fact that our bill gives assent to the bill “laid before” — “déposé devant” — the Parliament at Westminster. I take that to

mean the bill in the form in which it received first reading in the British House of Commons.

Here is the problem: The bill was amended in the House of Commons in London. That is a little difficulty. It is a substantive and excellent amendment, clarifying the position of children of the people in the line of succession to the throne who marry twice. I will not take time to get into the technicalities here, but it was a fine and necessary amendment. However, it was an amendment and the bill is no longer in the form in which it received first reading in the House of Commons.

I will take it as a formal statement of government intent that, as the Leader of the Government in the Senate has just told us, we are being asked to give our assent to what will be the final form. That is not what our bill says. The intent, I take it, as a formal statement from the government is that we should give assent to the final form of the bill from Westminster. Fine.

• (1900)

When the Senate has given the bill third reading, I would take that as formal notification that we are giving our assent to the bill as it will eventually pass in Westminster. We may be turning ourselves into intellectual pretzels to achieve this, but we are all in agreement on the goal that we are trying to reach. I do not know why the Government of Canada committed itself to getting this bill passed before the end of this month; surely the first week in April would have been equally adequate. However, honourable senators, we are faced with a commitment, and it is a serious matter, so we will do it.

It would have been infinitely preferable if Canada had done what I understand Australia and New Zealand are doing. Instead of passing a bill to assent to another Parliament's legislation, they are passing their own, standalone legislation. They are saying that the Queen of Australia is the Queen of Australia and it will be Australian law that determines who she will be; and New Zealand is taking the same position. Incidentally, I hope that the approaching happy event will produce a little girl who will one day be Queen.

It strikes me that there is something not in law perhaps but in spirit — something almost servile — about saying we will assent to whatever they do at Westminster. We will even assent before they finish doing it. Honourable senators, these things do not happen very often but next time, I truly hope we do a better job.

Hon. Serge Joyal: Honourable senators, before moving the adjournment, I would like to assure the house that I will speak tomorrow to answer the request put forward by the Honourable Leader of the Government in the Senate.

(On motion of Senator Joyal, debate adjourned.)

APPROPRIATION BILL NO. 5, 2012-13

SECOND READING

Hon. Larry W. Smith moved second reading of Bill C-58, 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, on behalf of the chair and members of the Standing Senate Committee on National Finance, I am pleased to present Appropriation Bill No.5, 2012-13, which provides for the release of supply for Supplementary Estimates (C) 2012-13 and now seeks Parliament's approval to spend \$1.5 billion in voted expenditures. These expenditures were provided for within the planned spending set out by the Minister of Finance in Budget 2012.

[Translation]

Supplementary Estimates (C), 2012-13 were tabled in the Senate on February 25, 2013 and referred to the Standing Senate Committee on National Finance. These are the third and final Supplementary Estimates for the current fiscal year, which ends on March 31, 2013.

Supplementary Estimates (A) were approved in June 2012; Supplementary Estimates (B) were approved in December 2012; Supplementary Estimates (C) 2012-13 provide for an increase of \$1.4 billion in budgetary expenditures, which includes \$1.5 billion in voted expenditures.

The Supplementary Estimates also include a decrease of \$0.1 billion in statutory spending.

[English]

The \$1.5 billion in voted appropriations requires the approval of Parliament and includes major budgetary items such as \$725.7 million for implementation of the Federal Court's approved settlement of the *Manuge* class-action lawsuit concerning the Pension Act offset provision contained in the Canadian Forces Service Income Security Insurance Plan Long-Term Disability Plan, National Defence; \$438.4 million to support the continuing implementation of the investment plan in support of the Canada First Defence Strategy and the implementation of payment in lieu of severance pay for members of the Canadian Forces, National Defence; \$231.2 million for the writeoff of debts owed to the Crown for unrecoverable Canada Student Loans, Human Resources and Skills Development Canada; \$144 million in support of Canada's new training mission in Afghanistan, National Defence; \$107.5 million for the consolidation of the High Commission of Canada in the United Kingdom, at Trafalgar Square, Foreign Affairs and International Trade; \$100 million for additional grants to fund initiatives in child protection as well as maternal, new-born and child health, Canadian International Development Agency; \$95.9 million for Canada's fast-start financing commitments under the Copenhagen Accord, which supports climate change adaptation and mitigation in developing countries, Canadian International Development Agency; and \$84.9 million for increases in non-discretionary expenses, such as fit-up, utilities and maintenance, associated with Crown-owned buildings and leased space, Public Works and Government Services Canada.

[Translation]

The Supplementary Estimates also include a \$0.1 billion decrease 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:

[English]

The \$282.1 million for enhanced Employment Insurance benefits is in accordance with the Budget Implementation Act, 2009, Human Resources and Skills Development Canada. There are an increase of \$143.0 million to the forecast of Guaranteed Income Supplement benefit payments based on updated population and average monthly rate forecast, Human Resources and Skills Development Canada; an increase of \$114.5 million in Canada Disability Savings Grant payments due to revised growth rate estimates, Human Resources and Skills Development Canada; an increase of \$104.6 million to the forecast of Old Age Security payments based on updated population and average monthly rate forecasts, Human Resources and Skills Development Canada; and a decrease of \$762 million in interest on unmatured debt, Finance.

Appropriation Bill No. 5, 2012-13, seeks Parliament's approval to spend a total of \$1.5 billion in voted expenditures.

[Translation]

I am pleased to answer any questions that honourable senators might have about Supplementary Estimates (C) 2012-13.

[English]

If I cannot answer honourable senators' questions, I am sure the chair will help out. If not, we will take them as notice.

Hon. Joseph A. Day: Honourable senators, life becomes a little complicated in the Finance Committee at this time of the year when we are dealing with the end of one fiscal year and the beginning of another. There is a need to account for all of the money that has been spent or for whatever reason has not been reflected in the estimates until this time, which is Supplementary Estimates (C). As well, the government needs money before the house adjourns for the Easter break for interim spending for the coming year.

• (1910)

If honourable senators will bear with me, we will take a look at the Order Paper for today. The first item that has been called and about which my honourable colleague has made preliminary remarks is item No. 7, on page 5. That is Bill C-58 and that is what we are debating at this time, honourable senators, at second reading. Second reading is debate in principle on the bill.

Before we go to third reading and before we conclude third reading, we need to be able to understand what is in the bill. If honourable senators look at Bill C-58, which is before you, you will see that there is not a tremendous amount of explanation that appears with this particular bill. There are two schedules attached to a bill that has seven clauses and that is it. It is almost a *pro forma* document, honourable senators, but it is asking us to vote on \$1,545,340,228. Surely, honourable senators have the right to know, generally at least, what we are voting on. That, honourable senators, is where another item on the Order Paper comes in. That is item No. 1 under "Reports of Committees," which will be the fifth item called today.

[Senator Smith]

What is item No. 1, on page 5, under "Reports of Committees"? It is the work that your Finance Committee has been doing since we received Supplementary Estimates (C). Supplementary Estimates (C), honourable senators, is a rather extensive compilation of explanations of the schedule that appears on the bill. The good news is that the schedule appears in Supplementary Estimates (C). Even though we have not received the bill itself, we have received Supplementary Estimates (C) and we have developed a defensive mechanism here in the Senate. Rather than being intellectual pretzels, as I have heard us described earlier today, for some of our activity, in this particular instance, the Standing Senate Committee on National Finance is authorized by the Senate to study, in a form that can be likened to a pre-study, what will be coming in the estimates bill that we have not received yet.

That is what we have done, honourable senators. There is a report that has been filed and that is the eighteenth report of our committee for this year. It gives a good analysis of what is in the schedules of these supplementary estimates. We will be dealing with that in due course later this evening, I trust.

Sometimes, in the past, we have had an opportunity to deal with it before the bill is moved, but this is second reading. This is consideration of the bill in principle only. I do not see this as a difficulty because we will have the opportunity to consider the Supplementary Estimates (C) report from the Finance Committee and the work that honourable senators instructed us to do on it.

Honourable senators, we have a little bit of a complication with respect to the next bill that is coming before you, and I want to tell you about it now. After we deal with Bill C-58 at second reading today, there will be Bill C-59. That is interim supply for the first part of the next fiscal year that begins April 1. That interim supply should also have been studied and, in fact, there has been an interim study by your Finance Committee of the various items that appear in the schedules in those particular estimates. That is Main Estimates for next year, beginning April 1.

We have the report, honourable senators. We finished our preliminary work and I am very hopeful that, with the full cooperation of our committee, I will have the opportunity to file that document tomorrow here in this chamber. I will, at that time, be asking you for permission to deal with the report later that day, in which event we follow a logical progression of having pre-studied, having reported back to the chamber, and having discussed or, at the very minimum, had the document before us and the opportunity to discuss what is in the bills that honourable senators will be asked to vote on.

That is the process, honourable senators, that we follow here and the defensive mechanism is this pre-study. Otherwise it would be just requesting us to rubber-stamp the expenditure of billions of dollars without any opportunity to know where that money is going to or what it is for.

There is one other small complication that I want to bring to the attention of honourable senators and that is item No. 3, on page 5, under "Reports of Committees." That is the final report,

the seventeenth report of the Finance Committee for this year which just cleans up all of the work that we have done for this fiscal year, ending March 31.

There is no supply bill dependent on that particular report and, when we get to that item, honourable senators, my inclination is to adjourn it and deal with it later on just to look over everything that has happened previously. Since it is critical that we deal with the two reports upon which are dependent two bills for expenditures, I would suggest that we do not need to deal with that particular bill at this time.

Honourable senators, we have Bill C-58 before us, with that background documentation. It is a bill that is asking us to spend more than 1.5 billion dollars. I hate to round off \$45 million. Somehow, it seems like it should be mentioned.

I want to thank Honourable Senator Smith, the Deputy Chair of the committee, and Senator Buth, the other member of our steering committee, for their work and cooperation, and all of the members of our committee for their cooperation in dealing with these supply bills. The bills come at a time when there is a lot of other activity going on and budgets are coming out.

In the other place, there is a lot of deeming that happens. If MPs do not say anything, they are deemed to accept this document of several hundred pages. If they do not debate the other documents that appear, they are deemed to accept those as well.

I think the process that we have set up is the best that we can do, taking into consideration what happens in the House of Commons and how we have to react to that. That is similar to the budget. We do not vote here on the budget, but we vote on bills that flow from it, often referred to as budget implementation bills. We do vote on those. We will often get involved in doing pre-studies of those bills, which are given very short shrift in the other place.

I think just so we can feel good about ourselves when we go back to the regions that we represent and where we reside, it is nice to be able to say, "Yes, I know what was in that bill. I heard the debate on that particular bill. I did not understand all of the issues, but I can certainly look up that particular issue," or, "Yes, I understood that one; that is one of the ones I focused on." At least we have the opportunity to do that.

• (1920)

Honourable senators, at this stage, which is second reading, I suggest that we go to third reading at the next sitting on this particular matter. I am not suggesting that honourable senators should vote for it. Those who wish to vote in principle for the bill and the process will do that, and those who, like me, feel that this process could be improved substantially and that we could have more time to deal properly with significant subject matter might be inclined not to vote for this bill at this stage.

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

It was moved by the Honourable Senator Smith (*Saurel*), seconded by the Honourable Senator Tkachuk, that this bill be read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

Some Hon. Senators: On division.

The Hon. the Acting Speaker: On division.

(Bill read second time, on division.)

The Hon. the Acting 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.)

APPROPRIATION BILL NO. 1, 2013-14

SECOND READING

Hon. Larry W. Smith moved second reading of Bill C-59, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2014.

He said: Honourable senators, on behalf of our chair and members of our Finance committee, it is a pleasure to be here today to speak on Appropriation Bill No. 1, 2013-14, which provides for the release of interim supply for the 2013-14 Main Estimates referred to the Senate on February 26, 2013. The government submits estimates to Parliament in support of its request for authority to spend public funds. Main Estimates include information on both budgetary and non-budgetary spending authorities, and Parliament subsequently considers appropriation bills to authorize the spending.

[*Translation*]

The 2013-14 Main Estimates include \$252.54 billion in budgetary expenditures and a \$40.95 billion decrease in non-budgetary expenditures.

[*English*]

The \$252.54 billion in budgetary expenditures includes the cost of servicing the public debt, operating 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 to spend \$87.06 billion under program authorities that require Parliament's annual approval of their spending limits. The remaining \$165.48 billion is for statutory items previously approved by Parliament, and the detailed forecasts are provided for information purposes only.

[Translation]

The \$40.95 billion decrease in non-budgetary expenditures includes a \$0.07 billion increase in voted spending authorities and a \$41.02 billion decrease in previously authorized statutory spending.

[English]

Non-budgetary expenditures, loans, investments and advances are outlays that represent changes in the composition of the financial assets of the Government of Canada. Part I of the 2013-14 Main Estimates includes a detailed comparison of the 2013-14 Main Estimates against the 2012-13 Main Estimates.

Together, the budgetary and non-budgetary voted spending authorities equal \$87.13 billion, of which \$26.39 billion is sought through Appropriation Bill No. 1, 2013-14. The balance will be sought through Appropriation Bill No. 2, 2013-14 in June 2013.

[Translation]

Honourable senators, if you need any more information about this, I am available to help, with our chair and our committee, including Senator Buth.

[English]

Hon. Joseph A. Day: Honourable senators, I thank the Honourable Senator Smith for giving us a discussion of the report that will be filed tomorrow. We will have an opportunity to discuss the report on the work that we have done once that report has been adopted by our committee.

We are dealing with the second reading of Bill C-59. Bill C-59, the same as Bill C-58, is supported by pre-study work that we have done, and that report will be before honourable senators tomorrow. At this stage, at second reading, as the rules provide, we are looking at the bill in principle, and I think we can discuss the bill in principle.

The basic point that honourable senators should be aware of is one I have already made with respect to Bill C-59, which is that this is interim funding to give us an opportunity to study the Main Estimates that run from April 1, 2013, in a couple of weeks, until March 31, 2014. In order to have a chance to do more than a quick look at that big, thick document we have all received, we have been charged by this chamber to spend the year looking at that document, and we will do so. From time to time we will look at different departments throughout the year and file reports. That is what this Item No. 3 at page 5 is, the final report for the work we have done on the fiscal year just ending for that particular estimate.

Bill C-59 is not all of the voted appropriation that appears in that particular estimate. That estimate, as Senator Smith has indicated, asks for a certain amount of voted appropriations. That is not what we are doing today. We are doing a part of that, and main supply comes in late June when we get into another hectic time trying to get all of that done before we go off for our summer break. We are not there yet. What we are dealing with now is interim supply, normally for three months: April, May and June.

[Senator Smith]

However, honourable senators, if one looks at this document, one will see that the government, in its wisdom, has asked for three-twelfths, which is three months, for certain items. For other items, the government is asking for eleven-twelfths, nine-twelfths, eight-twelfths, seven-twelfths, six-twelfths, five-twelfths and four-twelfths — all different. We could all speculate as to why the government would want interim supply until we have a chance to look at this whole document, in some instances for eleven-twelfths of the appropriations for those particular items. That amounts to over \$781 million that the government is looking for there.

What we are being asked to consider at second reading now and third reading probably later this week will be \$26,392,186,039.19. That, honourable senators, is interim supply.

• (1930)

Honourable senators, it is important you keep in mind that there are various schedules attached to this particular bill. You may want to take a look at those schedules before we discuss the report tomorrow. However, this is the upper limit on what the government departments can spend. It is not the amount that they may necessarily spend, but it necessarily is the top amount that they can spend without coming back to us.

Periodically they will come back to Parliament and that is what we call Supplementary Estimates (A), Supplementary Estimates (B) and Supplementary Estimates (C). Typically there are three of those each year. We were just dealing with Supplementary Estimates (C), the final one for this year. Honourable senators will look at the Main Estimates bill and what the departments are asking for and then at each of the supplementary estimates and, in that way, they can determine the total estimates for the year.

Honourable senators, we are at a very early stage with this particular bill, Bill C-59. There are a lot of questions that need to be considered in our report and I am hoping I can deal with some of those items for you. In the meantime, I would propose that you consider this particular bill in the form it has appeared, without any report before you, to understand what is in the particular bill and to determine whether you wish to send it to third reading.

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

Some Hon. Senators: Yes.

Some Hon. Senators: On division.

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

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

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

FIRST NATIONS FINANCIAL TRANSPARENCY BILL

THIRD READING—MOTION IN AMENDMENT NEGATIVED—VOTE DEFERRED

On the Order:

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

Wallace, for the third reading of Bill C-27, An Act to enhance the financial accountability and transparency of First Nations;

And on the motion in amendment of the Honourable Senator Dyck, seconded by the Honourable Senator Chaput, that Bill C-27 be not now read a third time but that it be read a third time this day six months hence.

Hon Elizabeth Hubley: Honourable senators, I rise today to speak to Bill C-27, the First Nations financial transparency act, and the motion moved by my colleague, the Honourable Senator Dyck. While honourable senators consider this motion, I would like to point out some serious issues with Bill C-27.

As we continue to debate this bill, we must identify, first, the problem at hand that requires legislation; second, the true scope and prevalence of the problem; and third, whether this piece of legislation would actually solve the problem or if there are other means to better achieve a solution. That is the most basic thing we can do as legislators. We must be sure a real problem exists and that the statutory measure is reasoned and effective.

What is the problem? The problem is really twofold: One, some First Nation governments are not disclosing financial information to their membership that they are legally required to disclose; and, two, Aboriginal Affairs and Northern Development Canada is not providing the financial information to band members when they ask for it.

I would like to clarify the point of what is currently legally required of First Nation governments as it relates to disclosure of financial information to band membership. Regulations, such as the Indian Bands Revenue Moneys Regulations, which require the posting and disclosure of consolidated annual financial statements to band members, are legal rules. As honourable senators know, regulations have the force of law.

In addition, the contribution funding agreements, which include detailed provisions of financial information disclosure to band members, including salaries and expenses of chief and council, are essentially contracts between parties; in this case between First Nation governments and the Crown, represented by AANDC. As such, First Nation governments are required to live up to the terms of the contract.

At the standing committee, the former Minister of Aboriginal Affairs and Northern Development stated the reason that he introduced this piece of legislation was to ensure that First Nations citizens "have the same basic access to the financial statements of their governments and information on the salaries of their elected officials..." He went on to state:

Bill C-27 would directly address the issue by requiring First Nation governments to publish annual audited financial statements and a schedule of the salaries and expenses of their chiefs and councillors. This would ensure that First Nation community members have the necessary information to make informed decisions about their elected officials.

At the standing committee we heard from band members who experienced great hardship and difficulty in trying to access financial information that they are legally entitled to under the regulations of the Indian Act, under the Indian Bands Revenue Moneys Regulations, and under the requirements under current contribution funding agreements. As Phyllis Sutherland of the Peguis Accountability Coalition stated:

Members are being denied full disclosure of all revenue and expenditures from all sources of revenue...

This was certainly iterated by other band members, who shared their very frustrating and unbearable circumstances. However, this is only half of the problem. The second half of the problem is AANDC is not complying with its own rules to provide the information to band members when asked.

If band members cannot access financial information from their band governments, they can access the information through the Department of Aboriginal Affairs and Northern Development. As Terry Goodtrack of the Aboriginal Financial Officers Association of Canada said:

... if the First Nation member cannot get it, it can be provided by the federal government under the *Sawridge* decision. Those mechanisms are already there.

Band members testified at the standing committee that their frustration was not only directed at their own governments, but also at the federal government and the AANDC. As Michael Benedict, a member of the Odnak First Nation said:

... requests for information to Aboriginal Affairs and Northern Development Canada by First Nations citizens about their respective First Nation are generally redirected to that First Nation government, which has refused information in the first place...

If AANDC were to comply with its own rules, it begs the question if this piece of legislation would even be necessary. Perhaps the focus could have been more on developing stronger financial management, as many of the First Nation witnesses have asked for.

How prevalent is this problem? Reasonable people would assume that since the government has made this piece of legislation a priority, announced it in the Throne Speech and invoked time allocation twice — once at third reading in the other place and here in the Senate — there must be a prevalent problem. At first the minister told the standing committee that there were "dozens of requests from First Nation individuals looking for this basic information each year." He was later corrected by departmental officials and stated that the Department of Aboriginal Affairs and Northern Development gets about 250 complaints a year. The minister did not give the standing committee any further information on whether complaints originated from a few First Nation bands or if, in fact, these were 250 different individual claims about different First Nation band governments.

• (1940)

Just this past week, the sponsor of the bill, in his third reading speech, recalled dozens of complaints that AANDC has received from First Nation members. Furthermore, Senator Patterson suggested that the number of complaints could be greater but not reported, and thus we do not really know the prevalence of this situation.

As Terry Goodtrack from the Aboriginal Financial Officers Association of Canada said:

For the sake of argument let us say that it is 250 individuals. There are over 700,000 First Nations people in Canada, so 250 is less than 1 per cent. It is interesting that the government is creating legislation for a policy problem perceived by less than 1 per cent.

Would this bill solve the real problem? Even if AANDC were to comply with First Nations' requests for financial information, I think all honourable senators would agree that such financial disclosure should emanate from the First Nation governments themselves. We must support better transparency and accountability models in conjunction with First Nation leaders and grassroots members.

Is there anything in Bill C-27 that would force those First Nation governments that are currently not complying with their legal financial disclosure requirements to now, all of a sudden, comply? What does Bill C-27 do to remedy First Nation governments that would be in breach of this new law?

The only remedy the bill offers that is not part of current regulation or department policy is the ability to seek a court order for production of the financial information. When asked if ordinary band members could afford legal action, Phyllis Sutherland said:

A lot of our problem is funding. It takes money to appeal. It takes money for lawyers.

There is no additional funding in this bill to help band members like Phyllis Sutherland seek a court order.

Further, the former minister of AANDC stated:

The way the legislation reads is that any individual can actually apply to the court for disclosure. Ultimately that could fall upon me as the minister.

Honourable senators, does it not seem rather unproductive for the minister to seek a court order for information that the department already has and can legally disclose to band members? Would honourable senators not agree that the legal fees associated with these types of court actions by the minister be a waste of taxpayer money if the same remedy — financial information disclosure to band members — could be achieved without court action?

The sponsor has repeatedly stated that Canadians are concerned because this is taxpayers' money. Surely he should also be concerned at such an ineffective and wasteful measure.

All other administrative measures currently exist under the departmental policy and funding agreements with First Nations. The ultimate measure is outlined in clause 13(1)(b), which

withholds funding payable to the First Nation under current funding agreements, and 13(1)(c), which would terminate a current funding agreement.

When asked about these clauses at the Senate committee, Susan MacGowan, Chief Financial Officer at AANDC, stated:

We do not as a rule cut off essential funding.

Then Minister Duncan added:

To cap that off, we have never done it nor would we.

If the minister and the department would never use such a clause, why is it in the bill? Is it an empty threat? The sponsor of the bill in the Senate, in his speech at third reading, stated that it was his expectation that this bill would stop the exceptional excesses of some First Nation governments, as they would have to clean up their books before AANDC would publish the information online. However, could the sponsor not also envision that those First Nation governments not currently living up to their legal requirements to disclose the financial information to their membership may not live up to their legal requirements to submit this information to AANDC in the first place under the bill? With the department already publicly stating that the only real stick, to withhold or terminate funding, is essentially an empty threat, what would compel these few governments to do so?

Honourable senators, there is a better way to achieve the goals of greater financial management with First Nation governments, and stemming from that greater transparency and accountability, First Nations have been asking for support in such measures. There have been numerous calls from the Assembly of First Nations and the Federation of Saskatchewan Indian Nations for an office of an independent ombudsman or a First Nation auditor general so that a complaint has a place to be dealt with. This would surely meet the government's objective to take the minister's hands out of the situation.

Chief Roland Twinn of the Sawridge First Nation stated at the committee that the government should focus its support by providing encouragement, rewarding initiatives and promoting best practices. As Terry Goodtrack told the committee:

... Bill C-27 exists, it is a policy instrument choice for a perceived policy problem. The policy problem is really undefined, but the policy instrument choice is legislation. Could it not be education? Could it not be funding organizations like ours? Community-based organizations...

These are choices the government has failed to consider. Underlining it all is that the government never sat down with First Nations leadership and band members to create solutions that had broad support and had an actual chance of solving the problem from the ground up.

For all of these reasons, I ask honourable senators to vote in favour of Senator Dyck's motion that Bill C-27 be not now read a third time but that it be read a third time six months hence.

Hon. Mobina S. B. Jaffer: Honourable senators, I rise today to speak to Bill C-27, the First Nations financial transparency act, and I would like to read into the record a letter that was received by the vice-chair of the committee, Senator Dyck.

The Squamish First Nation wrote to the chair and vice-chair of the committee and wanted to respond to comments made by a member of their First Nation at the Standing Senate Committee on Aboriginal Peoples. Honourable senators, the remarks prove that more debate on this issue is required. We did not hear all sides of this debate, not to any satisfactory level, and thus I now read the submission made by the Squamish First Nation into the record as it was received after the hearings had ended. Honourable senators, it is my honour to read this letter into the record as I live very close to the Squamish nation.

Dear Senator White:

The purpose of this letter is to respond to the allegations raised by Ms. Beverly Brown during her testimony in front of the Standing Senate Committee on Aboriginal Peoples on February 13, 2013.

Ms. Brown is a member of Squamish Nation and, during her testimony, made comments about this Nation which we strongly refute.

Before addressing Ms. Brown's specific allegations, we feel it is important to highlight testimony provided before the Committee by Mr. Terry Goodtrack, President and Chief Executive Officer of the Aboriginal Financial Officers Association of Canada, who noted: "...a truly transparent reporting regime must produce information that is meaningful to the intended audience, in this case Aboriginal citizens. This will require input and engagement from Aboriginal citizens as well as attention to issues like financial literacy..."

• (1950)

We feel that it is important to underscore this statement (a sentiment that was repeated by other witnesses), as we believe that many of the allegations raised by Ms. Brown are related to her lack of financial literacy, and her inability to understand the high quality of information provided by the Squamish Nation to our membership.

As a Nation, we view all questions from membership as important, and we take all concerns raised by membership seriously. We have responded to Ms. Brown on these issues on a number of occasions both in writing and at membership meetings, yet she continues to insist "*I have asked the leadership directly and indirectly with no answers.*" For the record, therefore, we would like to refute her statements.

Responsibility, Accountability and Transparency

In her testimony in front of the Committee, and in numerous emails and public statements, Ms. Brown has made a number of unsubstantiated claims, including the assertion that we are not a responsible, accountable or transparent government. This is simply untrue. We are a careful and responsible government. We carefully manage our financial and human resources and always make decisions in the interest of the collective. Further, we are committed to accountability and transparency, and to

having the most informed First Nations membership in the country. As a result, we provide significant financial information to our membership on a regular basis.

For example, we hold 50-100 information meetings annually for our members, including meetings specifically focused on financial management.

We distribute our audited consolidated financial statements to our members every year. The statements, along with a comprehensive report on Nation activities are mailed to all adult members, on- and off-reserve. We hold Community Information Meetings regarding the financial statements on an annual basis, where we explain the statements and take questions from Membership. Most recently, two such meetings were held on March 19 and 21, 2012.

Further, we hold annual Community Information Sessions between all Squamish Nation Departments and Membership. The Squamish approach to accountability allows departments of the nation to engage membership one on one.

We respond in writing to questions posed in emails and at the Membership meetings, and share the questions and answers with all of our Membership through the distribution of Membership updates — to ensure that all members have the benefit of hearing directly from leadership.

Squamish Nation Audit

Ms. Brown has also requested a full audit by a neutral third party... "*provided to each person on and off reserve...*". As noted earlier, we distribute financial information annually to all members on and off reserve. Further, we are pleased to note that not only are we audited on an annual basis by a neutral third party, but also, for decades, we have consistently received unqualified audit opinions on our financial statements by a neutral third party national accounting firm.

This means that the auditor feels that all accounting rules have been followed and the financial reports are accurate for all our operations and corporations. We would like to stress that the auditors are independent, and apply the highest standards of professional integrity, objectivity and technical excellence to the Squamish Nation Audit. The auditors provide recommendations to manage and mitigate risk and ensure necessary internal controls are in place to meet the highest standards of financial reporting.

Ms. Brown complains that we provide "...*gross representations of finances that do not have enough detail to be meaningful and are so vague that give the illusion of transparency while hiding secrets in plain view.*" We completely reject this assertion, as the neutral third party auditors have found that we are accurate and follow all accounting rules. We do acknowledge that some individuals

may have trouble with financial literacy, and therefore any member who wishes to come into the Squamish Nation office to review their statement in detail (and ask questions) are welcome to do so.

Careful Planning and Budgeting

The Squamish Nation Administration and businesses are being run efficiently and carefully. Our planning and budgeting process begins with priorities identified by membership, followed by policies approved by Chiefs and Council to address these priorities. On an annual basis, each department is required to develop a program plan and budget, which is reviewed by the Finance department and approved by Chiefs and Council. Each department is required to manage their budget carefully, and monthly reviews are undertaken by the Department Heads and Finance to ensure that departments are on track. As noted earlier, we then undergo a thorough independent financial audit on an annual basis, and the results are presented to membership.

Salaries, Honoraria and Travel

With respect to the issue of Salaries, honoraria and travel for Chiefs and Council, the Nation has released a range of salaries or honoraria that are paid to Squamish Nation elected officials and senior staff... which were distributed to membership in October 2012, according to regular practice....

We are prohibited by law to disclose the specific salaries of individuals, as this is personal information that can only be released with the consent of those individuals. Aboriginal Affairs and Northern Development Canada (AANDC) is also prohibited by law to make such a disclosure without consent.

Squamish Nation Corporations

With respect to Ms. Brown's numerous assertions regarding Squamish Nation Corporations, we regularly report on these, and Squamish Nation members benefit from the profits of these corporations. The corporations in which the Squamish Nation has an interest are set out in the Squamish Nation 2011 Volume 2: Annual Financial Report, distributed to all members, both on- and off-reserve.

The Squamish Nation provides membership with more than 150 programs and services in areas such as: Ayas Men Men Child and Family Services, Education, Employment and Training, Health Services, Housing and Capital Projects, Registry... Recreation, Community Operations and Band Manager Services.

Many of these service areas receive very little or no outside funding and therefore the Nation funds 100 per cent of the program costs from own source revenue. Several of our businesses may not make large profits, but they create employment for many nation members in addition to making a contribution to our own source revenue.

More than 60 per cent of every dollar we spend is generated by our own source revenue, including leasing and our businesses. This means the Nation puts approximately \$25 million per year of its own source revenue into community programs for the benefit of all members. In addition, we provide every man, woman and child with \$1000 per year as a distribution of the revenues generated through our businesses and economic development initiatives....

Ms. Brown asserts that she has asked for salaries for those who act as Squamish Nation corporate trustees without receiving a response. However, she has been informed both verbally and in writing that Squamish Nation corporate trustees do not receive remuneration of any kind, nor are they able to personally benefit from their role as trustee.

Bill C-27

Finally, we would also like to comment on Bill C-27. The Act as drafted applies standards to First Nation governments that surpass those for elected officials in many other jurisdictions. The Squamish Nation Chiefs and Council oppose the unilateral imposition of such a law by the federal government. The federal government has not consulted with the Squamish Nation and this is a serious violation of our rights and jurisdiction.

However, we must point out that the Squamish Nation has not waited for such a law to be enacted. As noted earlier, we are committed to having the most informed membership in the country and exceed requirements related to financial disclosure.

Respectfully

Squamish Nation

Council Co-chairs

Hon. Wilfred P. Moore: Honourable senators, I rise to speak to Bill C-27, the First Nations Financial Transparency Bill, and the subsequent motion in amendment moved by the Honourable Senator Dyck that Bill C-27 be not now read a third time but that it be read a third time this day six months hence.

One of the overarching reasons that I urge senators to pass this motion is that the government has utterly failed to live up to its duty to consult and accommodate First Nations. In the minds of this government, this piece of legislation is legitimate because their consultation was achieved by the Minister of Aboriginal Affairs and Northern Development in sending a letter and a copy of the bill only after the bill was tabled in Parliament. As the Honourable John Duncan, the former Minister of Aboriginal Affairs and Northern Development, told the Standing Committee on Aboriginal Peoples:

When we introduced the bill on November of 2011, I did write to all chiefs and councils enclosing a copy of this bill, and in my covering letter I invited the First Nation leadership to learn more about the bill and to contact the

Standing Committee on Aboriginal Affairs and Northern Development if they wished to participate in the parliamentary process with the bill.

Honourable senators, the parliamentary legislative process is not the appropriate avenue for consultation and accommodation for First Nations, especially when the government has been adamantly opposed to substantive amendments to this bill as raised by First Nation witnesses.

Counting both the witnesses who appeared before the appropriate standing committee in the other place and the witnesses who appeared before the standing Senate committee, this participation in the parliamentary process had only 11 First Nation witnesses. An additional five First Nations or First Nation citizens submitted written submissions. Therefore, roughly 15 First Nation witnesses out of 620 First Nations expressed their views to parliamentarians, and an overwhelming majority of their amendments were not even entertained by the government.

• (2000)

Honourable senators, this is not adequate consultation and accommodation. I would like to share what the witnesses at the standing Senate committee said on the issue of consultation.

Jody Wilson-Raybould, British Columbia Regional Chief of the Assembly of First Nations, appearing on behalf of the Assembly of First Nations and its National Grand Chief, Shawn Atleo, said:

... I want to make it clear that the Assembly of First Nations and First Nation governments had no involvement in the development of this bill.... In addition, there is the real potential for legal challenge if Canada continues to impose legislation on First Nations without meaningful consultation.

Chief Roland Twinn of the Sawridge First Nation said:

We get the same feeling that this bill will just be rammed down our throats, as always, without any consultation, which is sad; it will create a further divide between First Nations and the Government of Canada.

Charlene Desrochers, a spokesman for the Idle No More movement stated:

Bill C-27 is unconstitutional... The people were not consulted, and the legislation infringes on our right to self-government and our rights under treaty.

Honourable senators, neither First Nations leadership nor the First Nations citizens were consulted in the drafting of this legislation. During clause-by-clause consideration of the bill at the standing committee, the sponsor of the bill said

"it probably is a bill on which it would be difficult to fully engage grassroots First Nations members."

Is because it would be difficult a reason that the government should not even attempt to fulfill its constitutional obligation to consult and accommodate First Nations people? That surely is no excuse for the failure of this government.

Honourable senators, as we consider this motion and the entirety of Bill C-27, we have to be cognizant of our duty as legislators. As Chief Craig Makinaw, Chief of the Ermineskin First Nation and the Grand Chief of the Confederacy of Treaty Six First Nations, told the standing committee:

Before proceeding with this or any other legislation that might affect our rights, Parliament must assure itself that this consultation and accommodation has taken place, particularly when we are asserting this has not happened.

For this reason, I urge honourable senators to vote in favour of the motion that Bill C-27 be not now read a third time but that it be read a third time this day six months hence so that there can be sufficient consultation and accommodation with the First Nations.

[Translation]

Hon. Maria Chaput: Honourable senators, I rise today to speak to Bill C-27, the First Nations Financial Transparency Act. This bill would require First Nations governments to post their consolidated financial statements online every year, along with schedules of remuneration paid and expenses reimbursed to councils and chiefs.

As my colleague, the Honourable Senator Dyck, just said, everyone is in favour of transparency, responsibility and accountability.

However, trumpeting noble principles is not the way to go about passing bills that are less than noble.

The study in committee showed that Aboriginal Affairs and Northern Development Canada already has the authority to disclose a band's financial information to its members, in rare cases in which a band refuses to do so.

Therefore, if there is a problem, it is largely on the government's side. No one would step up to admit that the government did not make use of the existing procedures. The government has therefore introduced yet another paternalistic bill to supposedly solve a problem that it created itself through its inaction and carelessness.

I repeat that the Honourable Senator Dyck explained this very clearly last week: if a band member cannot get the band's financial information from their chief and council, the minister can give them a copy.

The measures are there. The minister is the one who refuses to use them. Instead, we now have this bill with the words "transparency" and "accountability" side by side. What this implies is that bands are not transparent or accountable. Anyone reading a bill declaring that First Nations governments must now disclose their financial statements would assume that these governments do not already do so.

Basically, the government came across a few rare, problematic situations, refused to use existing measures to correct them, and then introduced a bill that tarnishes the reputations of the other

First Nations that have done nothing wrong. In so doing, we are complicating, not improving, relations between First Nations and the federal government.

I think we are entitled to question the merits of this bill. Why was it introduced? Why was it not withdrawn and replaced by real consultations?

As you know, Bill C-27 is not the only bill affecting First Nations. The government has written a myriad of them. The only aspect they all have in common is the approach: no consultation, no negotiation, and no reconciliation.

Honourable senators, Idle No More has been gaining strength for months, and I hope it signals the start of a new era for our country. Today, Aboriginal youth arrived in Ottawa following a journey of more than 1,500 kilometres. Imagine that, if you will. Aboriginal youth left James Bay to come to the nation's capital on foot, with the sole objective of letting us know that they exist and that they deserve to be heard. We can at least give them that.

It is unfortunate that they are instead coming to a capital where consultations are not valued and where debates on bills affecting them are cut short by time allocation.

Because of this, and especially because of the obvious lack of consultation, I cannot support this bill. I believe that the principles of transparency, responsibility and accountability deserve to be part of the legislative process and the development of new laws.

I would like to conclude by quoting the words of the Whitefish River First Nation. They deserve to be heard. In a letter sent to the Minister of Aboriginal Affairs on November 28, Ogimaa Shining Turtle of the Whitefish River First Nation stated:

Dear Honourable Minister

Bill C-27, An Act to Enhance the Financial Accountability and Transparency of First Nations...was introduced and received first reading in the House of Commons on 23 November 2011.

The proposed legislation, which applies to over 600 First Nations communities defined as "Indian bands" under the *Indian Act*, provides a legislative basis for the preparation and public disclosure of First Nations' audited consolidated financial statements and of remuneration, including salaries and expenses, that a First Nation or any entity that it controls pays to its elected officials. The bill also requires the publication of this information on a website maintained by or for the First Nation, and on the website of Aboriginal Affairs and Northern Development Canada (AANDC). Additional provisions of the legislation allow for the application of court remedies and administrative measures to enforce compliance with its requirements.

We were once again not consulted by INAC to discuss the rationale for such an Act. As it stands, we have provided audited financial statements to INAC for over 30 years. In the audit is the disclosure of the salaries of the Chief and our most senior officers. We have a public meeting for band

members to go over the audit and they can request copies for their information. Our audits are also put on our website and posted in our local newspaper, the Resound.

I find this work completely uncalled for and a waste of the Crown's time.

• (2010)

Speaking of accountability, we have sent you at least 20,000 emails and we have not seen any response from you that has any substance. I have called your offices in B.C., INAC and your political office in Ottawa and you have not returned any of my calls, emails, letters or information provided by Carol Hughes, MP, in over four years. We have invited you to meet the Chiefs on Manitoulin several years ago and you have not responded to that request. So, the bigger question should be about your accountability to the First Nations in Canada. Please in your response provide my office with your salary and a breakdown of your expenses...when doing work as the Minister. I will publish your information in our local paper. Also, please explain in some detail why you refuse to meet with the Chiefs of Manitoulin.

I await your response to my 20,000 emails, requests for meetings, etc.

Accountability, Right!!!

Whitefish River First Nation

(signed)

Ogimaa Shining Turtle, Sturgeon Clan, Ojibway Nation

Thank you, honourable senators.

[English]

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, I would like to add to the debate by reading into the record excerpts of a letter sent by the Sampson Cree Nation of Hobbema, Alberta, to the Standing Senate Committee on Aboriginal Peoples.

Let me begin:

In general terms the Samson Cree Nation... does not oppose fair and effective financial transparency requirements for First Nations and Chiefs and Councils. Indeed, it is our current practice to be transparent with our citizens in our own financial affairs, including the salaries of Chiefs and Councillors. If we had been approached by the Government of Canada... for input we would have participated closely in the development of Bill C-27.

Our two broad objections to Bill C-27 flow from the lack of opportunity for meaningful First Nation input. To begin with, the frequency with which Canada disregards the need for First Nation involvement in the development of legislation for First Nations is deeply troubling and is seriously undermining Crown-First Nation relations.

Canada has a constitutional duty to meaningfully consult with First Nations, demonstrably integrate our concerns into Crown actions, and to accommodate our constitutionally enshrined Treaty and Aboriginal rights. No attempt was made to consult and accommodate with respect to Bill C-27. Canada has to stop dealing with our Treaty rights and the duty to consult as administrative inconveniences.

Further, Canada has endorsed the *United Nations Declaration on the Rights of Indigenous Peoples*, nonetheless Canada has entirely disregarded the *Declaration* with respect to a number of pieces of legislation regarding First Nations, including Bill C-27. Article 19 of the *Declaration* states:

States shall consult and cooperate in good faith with the indigenous peoples concerned through their own representative institutions in order to obtain their free, prior and informed consent before adopting and implementing legislative or administrative measures that may affect them.

It is difficult to understand how “free, prior and informed consent” can be achieved without any genuine attempt at consultation....

Consultation is not an empty constitutional requirement — genuine consultation is supposed to ensure that contemplated Crown action, including the development of legislation, occurs in a manner that respects First Nations Treaty and Aboriginal rights, including our inherent right of self-government, and that any new legislation solves problems rather than creating new ones. Canada’s consistent failure to consult with First Nations on legislation, including Bill C-27, is becoming a very troubling trend in Canada’s approach to the development of new First Nation legislation. The lack of consultation with First Nations on Bill C-27 will undermine the effective implementation of the law and open the way for legal challenges to the validity of the legislation. In this sense, at least, it will make things worse, not better.

The duty to consult with First Nations can arise with respect to the development of new legislation by the Crown that has the potential to impact or infringe Treaty and Aboriginal Rights. Satisfaction of the duty to consult is a constitutional imperative which is a precondition to the valid enactment of legislation, in the same way that legislation must comply with the *Charter of Rights and Freedoms* or any other requirement enshrined in the Constitution. In the *Tsuu T’ina* case, the Alberta Court of Appeal commented that Crown officials charged with developing legislation can be subject to the duty to consult.

The practical importance of consultation is demonstrated by the reality that the issues identified below with Bill C-27 could have been addressed successfully through genuine effort at consultation with First Nations, had Canada made any effort to do so....

The primary purpose of financial transparency legislation should be to ensure the accountability of First Nation governments, with respect to their *functions as governments*,

especially to First Nation citizens. Some aspects of Bill C-27 are problematic because they may reach well beyond ensuring the accountability of First Nations’ governments and reach into the businesses and economic endeavours of First Nations.

To begin with, s.3 requires a broad range of entities of unspecified and varying degrees of association with a First Nation to be included in the financial disclosure requirements applicable to the First Nation itself, including “a corporation, partnership, a joint venture or any other unincorporated association or organization.” Bill C-27 seems to make no distinction between a fully owned First Nation commercial entity and one in which the First Nation has a minor interest. Nor does the legislation distinguish between arm’s length investments or corporations operated by blind trusts or boards independent from the First Nation Chiefs and Councils, and those commercial entities entirely and directly controlled by First Nations.

Moreover, s. 11 says that “any person”, whether they are a First Nation citizen or not, can make an application compelling a First Nation or its commercial entities to release financial information. These aspects of Bill C-27 raise a number of difficult questions and issues that had to be addressed in the course of developing the legislation in consultation with First Nations:

1. Many First Nations have created structures for their commercial entities that ensure those entities are governed by outside board of directors, and/or trustees, at arm’s length from Chief and Council and/or the First Nation. This ensures that business decisions will be made without political influence or interference, that those charged with running these businesses are accountable for the success or failure of the commercial ventures in question, and that revenues from commercial ventures are used for charitable purposes that benefit the First Nation community as a whole. Bill C-27 needs to be clearer at least with respect to:

- a. What degree of ownership in and/or control over a commercial entity by First Nation will engage disclosure requirements?

- b. Is the Bill intended to capture the activities and financial information of charities?

- c. If a commercial entity is privately held, the disclosure of otherwise confidential business information harm the interests of the company, partnership or joint venture. This is why access to information legislation contains exemptions for private commercial interests. Why aren’t such considerations a factor under Bill C-27? If commercial harm does result, what are the responsibilities of the Crown for such harm?

- d. Has Canada considered whether the disclosure requirements will put a chill on third parties investing or participating as partners in commercial ventures with First Nations?

e. What are the legal implications of the disclosure requirements for trustees overseeing First Nation commercial entities or for the fiduciary duties of directors and officers of First Nation commercial entities?

2. Section 11 places no apparent restrictions on the motivation or purpose of a court application brought by “any person” to force financial disclosure by a First Nation or its commercial entities. It is conceivable that this section could be used to do an end run around legitimate exceptions to access to information requests or simply to gain a competitive advantage over a First Nation commercial venture. Interest groups and political organizations might also use s. 11 for unintended purposes. This does not seem to have been thought through — why not?

• (2020)

The “any person” portion of s. 11 is troubling for other reasons. To our knowledge, a First Nation citizen in Alberta cannot bring a legislative or court application in another province to compel the disclosure of financial information from another government. First Nations governments should be accountable to our own citizens, and/or to the Government of Canada for any funds transferred to a First Nation government, for programs, education, healthcare or infrastructure. It should not be open to “any person”, for any apparent purpose or motivation, to engage a First Nation in a costly and time consuming court procedure regarding the disclosure of financial information. This section potentially declares an open season on legal proceedings of this nature against First Nations.

Samson is equally concerned that the extension of financial disclosure requirements to commercial entities in which a First Nation has an interest will also be unfair for other reasons. Samson currently owns Peace Hills Trust, a small but successful privately held banking and lending institution. Samson also owns or has an interest in a long list of other commercial ventures, including but not limited to a casino, resort, oil and gas development, and a construction and trucking company. The more successful a First Nation is, the more diverse our commercial interests are and so the more onerous the reporting requirements will become. Our accounting firm informs us that considerable additional costs will likely be incurred as a result of Bill C-27, particularly as a result of the broad definition of “entity”. Further, there may well be unique legal requirements already governing financial information for our banking, gaming and oil and gas businesses that might conflict with the disclosure requirements in Bill C-27. Canada has not studied these issues or the downloaded costs of identifying and addressing these legal issues. These costs have apparently been offloaded to any commercial entity that has some unspecified degree of First Nation ownership or control.

Samson is also concerned that the inclusion of commercial ventures in the legislation is a poorly cloaked measure that is actually intended to enable Canada to find

new justifications for reducing funding to First Nation governments. If this is indeed an intended purpose of the legislation then the Government of Canada should be forthright about this and engage in open discussion about the issue of so-called First Nations’ “own-source revenue”. The honour of the Crown requires that Canada act in good faith and without hidden agendas...

Section 13 of Bill C-27 is very problematic for both legal and practical reasons. The internal financial decisions and affairs of a First Nation go to the core of our inherent right of self-government. This does not mean that clear, fair and ameliorative disclosure requirements are not legitimate, but this is not what is imposed by Bill C-27. Instead, the unstructured discretionary powers granted to the Minister in s. 13 have no clear ameliorative purpose and could, as drafted, legitimately be used in a broad range of circumstances, in arbitrary and varying degrees and without any requirement to ensure consistency, promote a positive outcome, or respect fairness.

In the *Adams* case, the Supreme Court of Canada strongly cautioned against unstructured, discretionary regimes:

In light of the Crown’s unique fiduciary obligations toward Aboriginal peoples, Parliament may not simply adopt an unstructured discretionary, administrative regime which risks infringing aboriginal rights in a substantial number of applications in the absence of some explicit guidance. If a statute confers an administrative discretion which may carry significant consequences for the exercise of an aboriginal right, the statute or its delegate regulations must outline specific criteria for the granting or refusal of that discretion which seek to accommodate the existence of aboriginal rights.

First Nation funding is inextricably related to core aspects of our right of self-government and critically important to fulfillment of key terms of Treaty No. 6, including in particular the promises in the Treaty regarding healthcare services and education. Under the unstructured discretionary regime of Bill C-27, the Minister could suspend the flow of funding or terminate funding agreements all together which relate to the Treaty promises regarding healthcare and education. These are only two of the most obvious treaty obligations potentially impacted by the Minister’s s. 13 powers. There was no consultation about the potential impacts of the Minister’s s. 13 powers on our Treaty rights to healthcare services and education, among others.

Practical issues also arise from s. 13. Under the current system, which is administered by way of legally binding funding agreements between First Nations and Canada, there is an imperfect but at least somewhat structured system for addressing financial mismanagement. First, a general assessment is conducted with the First Nation to identify the issues that have to be addressed.

Could I ask for five minutes, please?

Hon. Senators: Agreed.

Senator Tardif: I will continue:

The First Nation is then given a window of opportunity to develop and implement a management action plan to remedy those issues, failing which a co-manager is put in place to assist the First Nation with correcting its financial issues. In the worst case scenarios, where co-management has failed, a third party manager is appointed to control the First Nation's finances until the situation is remedied. This approach, while in need of refinement and a more consistent application from region to region, is at least measured, more or less reasonable, and usually fair — and it works more often than not. Most importantly, it ensures that funding for community health services, daycares, schools and other important services, many of which are Treaty obligations, are not disrupted or stopped all together while financial management issues are being addressed. Why did Canada toss this balanced approach, with its ameliorative objectives, out the window and replace it with sweeping and unstructured ministerial power? No explanation has been provided and no assessment of the potential impacts of the Minister's new discretionary powers on Canada's fiduciary and Treaty obligations to First Nations.

Sincerely,

Chief Marvin Yellowbird,

Samson Cree Nation.

Honourable senators, as you can see, for all of the reasons stated in the letter which I have just read and for all the other reasons stated in the submissions and statements we have heard this evening, I certainly support, as do colleagues on this side, Senator Dyck's motion in amendment that Bill C-27 be not now read a third time but that it be read a third time this day six months hence.

Hon. Dennis Glen Patterson: Honourable senators, I thank you for the opportunity to speak to this question. The honourable senator has raised a number of issues which I would like to address point by point.

First, it has been suggested that Aboriginal Affairs and Northern Development Canada already has the power to release a band's financial information to its members, so this legislation is unnecessary. It is true that Aboriginal Affairs receives dozens of requests from First Nation community members every year requesting financial information about their band. However, the Department of Aboriginal Affairs can only release a band's financial information to its members when the department maintains the First Nation membership list. In cases where the membership is maintained by the First Nation, the department must verify that the person requesting information is a member of the First Nation. This requires referring back to the very First Nation that has refused to hand over the financial information to the band member in the first place.

• (2030)

I am sure the honourable senator can recognize the difficulty in which this places band members. We have heard of reprisals and intimidation from band members who were witnesses before the

committee who were in that very situation. This bill would eliminate this problem and will ensure that First Nation members no longer have to go through the minister to access information that should be coming to them directly from their local leaders. More important, this bill places the accountability for withholding financial information squarely back at the feet of First Nations governments, where it belongs.

The present provisions of the Indian Act, not those in Bill C-27, are what I would describe as a classic case of colonialism, where a band member must go to the Minister of Aboriginal Affairs and expose himself or herself to the risk of harassment and intimidation. Bill C-27 eliminates the need for that humiliating and demeaning process.

By requiring this basic financial information to be published on the Internet, people will also be able to access this information anonymously. This will help to lessen the cases of intimidation that some First Nation members have told us they have faced as a result of trying to access information from their leaders.

Second, I want to point out that the honourable senator is correct in stating that currently requiring First Nations to publish their salaries and expenses would not be compliant with the Privacy Act. This is exactly the change we want to make through the passage of this important legislation. Once this bill is passed, the disclosure of First Nations elected officials' salaries and expenses would be compliant with this financial transparency legislation.

The fact is that Bill C-27 goes beyond the status quo in a number of important ways. It will ensure that First Nation governments are held to the same standard of accountability and transparency as other levels of government in Canada. It will also empower First Nation community members by providing them with access to the information they need to make informed decisions about their communities.

The third point raised by my colleague is that by enacting this bill, the government would be eliminating the freedom of First Nations to make their own decisions with respect to public disclosure of their private financial information. As we heard from witnesses testifying before the committee, First Nations governments should be required to adhere to the same basic principles of financial transparency that are in place for other governments in Canada. This bill achieves this. I would respectfully submit that our Senate committee heard from a broad range of witnesses who expressed a wide range of views on this bill.

Honourable senators, First Nations governments are the only governments in Canada not subject to transparency legislation. How is it that honourable senators can oppose giving Aboriginal Canadians the same level of transparency as all other Canadians receive from their elected officials? Why should First Nations deserve any less? I believe, in fact, that many First Nations will actually welcome the opportunity to share their good governance practices and reasonable and responsible expenditures.

This bill puts into place the minimum requirements with respect to transparency. We believe that many First Nations may choose to go further. Some may adopt practices that will go far beyond

these basic requirements to publish audited consolidated financial statements and schedules of remuneration and expenses.

Bill C-27 also strengthens existing enforcement measures by allowing First Nation members to apply to a superior court to require publication of their band's financial information should their band council refuse to do so.

Witnesses who appeared before our committee noted that legislating enforcement requirements in the bill also creates real consequences for non-compliant bands. This brings me to another statement made by the honourable senator, and that is that:

Enacting Bill C-27 will not clamp down on the few non-compliant First Nations because the bill legislates the same policies and regulations, the exact same tools that Aboriginal Affairs already has.... Bill C-27 does not contain any new remedies to do that.

In fact, honourable senators, there are important new remedies in the bill, including those that enable First Nation members, and indeed all citizens, to take the First Nation government to court in the event it fails to comply with this act and make basic information available. This is a huge improvement over the current approach, where the only remedy an individual First Nation member has is to appeal to the minister. The current situation is outdated, paternalistic and impedes local accountability mechanisms from developing more organically.

Honourable senators, I must admit that I am quite perplexed how honourable senators could oppose greater accountability for First Nations and suggest that there are not enough band members who have had the courage to complain. Surely you would agree that if this bill helps only one person get information he or she is entitled to, that is enough.

The fifth point raised by the honourable senator compares Bill C-27 to the long-gun registry, purportedly penalizing and angering law-abiding First Nations. This bill cannot be compared with the long-gun registry for two simple reasons. First, the suggestion that publishing basic financial information of a First Nation is comparable to a punishment is disturbing. Bill C-27 simply puts into place the same basic standards with respect to financial transparency that apply to other governments in Canada. If anyone is being punished, it is those First Nation members who cannot presently access this basic financial information under the current approach.

Second, the gun registry was creating an entirely new regime. Bill C-27 simply takes documents already being prepared by First Nation governments and makes them available to the public. If First Nations are already doing what Bill C-27 requires of them, then they will have no concerns. In fact, they should be pleased that, as a result of Bill C-27, everyone will know that they are not among the few First Nations who choose not to be transparent. Indeed, this bill will show to all Canadians that many bands are well managed and have nothing to fear from this bill. Why do honourable senators on the other side want to support First Nations leaders who oppose greater transparency and accountability?

Another concern raised has to do with using First Nation members as an excuse to put forth this bill. As we heard from

witnesses testifying before committee, First Nation governments should adhere to the basic principles of financial transparency. These principles reflect the belief that the basic financial information relating to a government should be public and not kept private when it is convenient to do so. This bill will ensure that this principle also applies to First Nation governments.

The second-to-last point made by the honourable senator suggests that the government is providing false hope to band members from the few non-compliant First Nations and that this bill will not make these leaders comply. The government believes that the greater public awareness created by this bill of the specific First Nations that are not transparent — and we have emphasized that there is a minority of them — will serve as a much more powerful incentive for them to comply with the bill's objectives. Certainly, currently, no one knows if a First Nation is being transparent or not. This only breeds suspicion and creates a situation where those relatively few First Nations with something to hide sully the reputation of those First Nations that work hard to be transparent and accountable. As I have already stated, there are important new remedies in the bill, including those that empower First Nation members and all citizens to seek a court order forcing First Nations to make this basic information available if they fail to do so.

Finally, the last concern raised by the honourable senator is that the government is trying to fool Canadians, or that they have a hidden agenda, and that the minister should withdraw Bill C-27. Nothing could be further from the truth. The suggestion to withdraw the bill was debated by the Senate committee during clause-by-clause consideration and was defeated. Bill C-27 does in fact reflect what many witnesses, leaders and individuals told both the Senate and house committees. Instead of withdrawing the bill, ignoring the calls from First Nations and denying them access to this basic information that all other Canadians expect and receive from their own elected officials, we should ensure that it receives swift passage.

• (2040)

One final point I wish to raise has to do with funding agreements. Concerns have been raised in this chamber with respect to when Bill C-27 would take effect and how it would relate to any funding agreements that are currently being signed by First Nations for the coming fiscal year. I want to be very clear on this point. Bill C-27 would apply only to the fiscal year of a First Nation that begins after the bill receives Royal Assent. Given that First Nations operate on a fiscal year that begins on April 1, this means that if the bill were to receive Royal Assent by March 31, 2013, it would apply, for the first and only time, to the 2013-14 fiscal year. The bill does not look back to salaries and expenses from previous years.

Aside from its provisions that deal with the publication of certain financial documents, the bill does not alter the reporting practice that has already been in place for some time. This means that the only real change will occur 120 days after the end of the coming fiscal year, or July 2014, when, if the bill is passed, First Nations will need to disclose financial information according to the new act.

With respect to the question of certain clauses found in the 2013-14 funding agreements, I want to explain that all funding agreements are reviewed on an annual basis and, if required,

adjustments are made in keeping with changes made to legislation, program terms and conditions or policies and directives, et cetera. With respect to Bill C-27, a minor adjustment was made to the sections of the funding agreements having to do with disclosure requirements. This minor adjustment was simply to add a reference to the agreement that would ensure that, in the event Bill C-27 passes, it is very clear that First Nations are subject to the disclosure requirements in the act. Now, in only five places in the model funding agreement that applies to the 2013-14 fiscal year, there are references to "an Act of Parliament," which had not been necessary in previous funding agreements. This is because, until Bill C-27, disclosure requirements like these were found in funding agreements and not in legislation.

Given that Bill C-27 is modelled closely on existing practices, these new clauses simply seek to eliminate any confusion about how the funding agreements will operate alongside Bill C-27, should it be passed.

Honourable senators, Senator Dyck and other honourable senators have invoked the Idle No More movement in calling for the bill to be withdrawn, saying that, especially in the current climate of dissent, this is the time for consultation. Opposition members in this debate cited a litany of other bills where consultation was deemed to be inadequate. These bills were not concocted capriciously. One, the First Nations elections act, was the subject of a study by the Standing Senate Committee on Aboriginal Peoples. That bill responded to many complaints by First Nations that communities should have the option of electing chiefs for longer terms for greater certainty, continuity —

The Hon. the Acting Speaker: Is the honourable senator asking for more time?

Senator Patterson: May I?

The Hon. the Acting Speaker: Five minutes?

Hon. Senators: Agreed.

Senator Patterson: Thank you. This same bill also outlawed corrupt elections practices, which were not punishable in the previous provisions of the Indian Act.

Bill C-45 amendments to the Indian Act resulted from many complaints that the procedures for obtaining community consent to a band council's decision to lease, not sell, band lands to third parties was taking too long, years instead of months. The bill sped up and simplified the process.

There were no laws whatsoever allowing for the establishment of safe drinking water standards for water sources on reserves, so we introduced the safe drinking water act.

The safe drinking water act, the First Nations elections act, amendments to the Indian Act in Bill C-45, and now Bill C-27 — all of these bills have been criticized by witnesses and by members in opposition in the Senate. Yes, there is a climate of confrontation and suspicion on the part of some Aboriginal leaders. I frankly do not believe that hoisting the bill for six months will make any bit of difference. Even the government's

best efforts to engage First Nations in developing a new First Nations education act, recommended by the Standing Senate Committee on Aboriginal Peoples, has resulted in an outright boycott of the consultation process by some First Nations and the AFN.

I believe that Aboriginal leaders could and should engage in meaningful consultation with our government, but many are choosing not to do so. They are instead appealing to the Governor General, to the Queen or to the UN rather than engaging with our government. It sometimes seems that no amount of consultation is adequate in the current climate of suspicion and confrontation.

Honourable senators, this bill is the right thing to do. I am confident that it will improve transparency, accountability and overall good governance on the part of First Nations by shedding the light of day, in public and for the first time, on First Nation governments — many of which are doing an excellent job of governing — and they will all be better for it. I urge you to oppose this motion and support this legislation, which will simply provide First Nations with the same level of transparency and accountability from their leadership as Canadians expect from their federal, provincial and municipal leaders.

Some Hon. Senators: Hear, hear!

Hon. Lillian Eva Dyck: Will the honourable senator take a question?

Senator Patterson: Good idea.

Senator Dyck: Thank you for that speech. We disagree on many points, but I will ask the honourable senator probably just one question. He says that the bill is putting in legislation for greater transparency and accountability like other levels of government. You know that First Nations do not consider themselves other levels of government. They are nation-to-nation agreements. The question is the following: If the Premier of Saskatchewan did not post his salary and his expenses on the Internet, would you terminate all funding to the provincial government simply because he did not do that? In this bill, you can withdraw all of the funding and terminate all of the agreements, which seem like pretty draconian measures. Would you do that to the Province of Saskatchewan because the premier did not post those numbers on the Web?

Senator Patterson: The honourable senator gives me an authority and a power that I greatly lack in this chamber, honourable senators. However, I wish to point out that the provisions allowing for the drastic situation of withholding funds from band members are in the present contribution agreements, and they are extremely rarely, if ever, utilized. There are measures, such as consultation with the band and such as third-party management, in an extreme situation. This is a hypothetical situation. Most bands in Canada are complying with the contribution agreements, and there are probably \$10 billion to \$12 billion per year — \$7 billion to \$8 billion from Aboriginal Affairs alone — that are granted to First Nation bands that are providing an array of services. The funds are also from other departments, such as Health Canada. These measures that are in the contribution agreement and in the legislation are likely to be

rarely exercised, in my respectful opinion. As I have said, the enforcement mechanism is the shedding of the light of day on what is being paid. That will impose compliance.

Hon. Sandra Lovelace Nicholas: Honourable senators, I would like to read into the record a letter that outlines why Sakimay First Nation is opposed to Bill C-27.

• (2050)

It states:

I am here at the request of Chief Lynn Acoose who respectfully sends her regards and thanks the Committee for the invitation to appear before you.

Sakimay First Nations encompasses the communities of Sakimay, Shesheep, Minoachak and Little Bone and all are located within Treaty Number 4 territory in what is now the province of Saskatchewan.

We offer this position in the hope that you will accept it as knowledge of our aspirations and understandings concerning the matter of accountability as it relates to the proposed legislation presently before this committee.

We do not offer this position as consultation regarding the enactment of Bill C-27.

This is because we fundamentally oppose the continued lack of consultation processes and imposed rules and laws that presume to override our traditional governance systems. Our traditional systems of governance originate from original instructions given to us by the Creator; and our traditional laws are informed by living upon this land throughout the millennia prior to the establishment of the Canadian state.

To clarify our objections to this legislation, we offer a short description of the impacts that imposed colonial legislation has had on our community and we wish to share our understanding of traditional principles of governance.

In 1876, the Community of Sakimay had originally been surveyed on the north shore of the Crooked Lake following the conclusion of Treaty Number 4 in 1874. After the death of Chief Sakimay in 1881, the young people of Sakimay's band, led by one of the headmen, determined that they would accept the offers of the government to commence a livelihood in farming. But this was on the condition that they be given land on the south side of the Crooked Lake where better farmland was located. To reward this interest, the government surveyed a new reserve and the community was moved to the new area.

However, the old people, led by another of the community's headmen whose name was Shesheep, warned the young people not to accept the things that the government was offering. As Chief Shesheep had put it, "bad things will happen" if they accepted the assistance.

For a time the old people were able to prevent the younger people from accepting what was being offered by the government. But the pressures and concerns about the

changing world around them grew. The young people eventually accepted the government's offer to commence their farming livelihoods, as had been promised under Treaty Number 4.

As a result, the community became territorially split, with the old people returning to the reserve area on the north shore of the Crooked Lake that had been originally surveyed for Sakimay in 1876. However, the Treaty promises were never fully honored, and for many years the young people protested to the government about its broken promises and Treaty responsibilities.

In the more than hundred and thirty years since these events took place, the Government of Canada has failed time and again to fulfill its Treaty obligations, choosing instead to enact oppressive legislation and policies that have devastated our nations and cultures. This included legislation that banned our cultural practices, overrode how we governed ourselves by deposing our leadership, took away control of how we looked after ourselves and our lands, and even stole our children.

In Canada's eyes, we Indigenous people have always been seen as a problem that needs to be resolved. This position has been followed by a course of action of what is termed assimilation — but we call it cultural genocide. A process that has been systematically implemented through successive government legislation and policy since the Treaty relationship was established.

Now this government talks about accountability.

But the accountability the government talks about will continue to be based on the western models of government and governance, which has imposed upon us its competitive modes of making decisions.

The decision making processes of these non-Indigenous systems are not designed to connect the people of our community with their governance responsibilities. This system is further reinforced by the policies of Aboriginal Affairs, and through the many administrative mechanisms and agreements we are compelled to sign.

These continue to define and redefine the manner in which our affairs are conducted. As a result, they continue to shape the nature of our relationships with community members — to our great detriment. This includes our electoral and decision making institutions, which are based upon destructive competitive processes.

The ongoing environment of underfunding has fueled a continuous cycle of oppression which has and continues to be an impediment to progress and the dignity of individuals. The proposed legislation will only serve to reinforce our accountability to the government and citizens of Canada. While Chiefs and Councils and administrators maintain their accountability for finances to the government, the membership of our community suffers through the austerity

measures that we are in turn compelled to implement by virtue of these underfunding agreements. Through contribution agreements, we are simply administering poverty to our people.

It's a fallacy to believe that federal legislation, such as that being considered by this committee, can truly create accountability between Indigenous citizens and their elected leaders. Because of the restrictive nature of funding agreements, not only are we financially accountable, but so too are our aspirations and needs. What we wish we could do remains subject to the pleasure of alien legislation and oppressive policies. Thus, the proposed legislation will not only serve to strengthen the accountability of Indigenous communities towards the Canadian government and its citizens, but also reinforces this ineffective model of accountability as a norm and a part of local community governance.

This is the legacy that has been created. Throughout the years, generations of our people have been taught that our traditional governance practices were archaic and inferior. As this attitude gained acceptance among us, we began to forget about our traditional practices, adopting western models of competitive decision making and problem solving. As a result, we had put aside and forgot about the knowledge and wisdom collected through the millennia by our ancestors and what they invested into developing and preserving for us as our inheritance.

• (2100)

To Anishinabek, accountability, in a traditional sense, is a personal responsibility. Honesty and truthfulness are very much a part of that accountability. It's also a sacred commitment that each of us must undertake in our day to day relationships, both within the community and with the rest of our environment. Accountability is with you, whether you're a parent or grandparent, a school bus driver, or a Chief or Council member. Each of us carries our accountabilities with us no matter what profession, career or duties we have as Anishnabek.

Our traditional systems of governance were designed to be transparent, accountable, inclusive and participatory. They involved the distribution of responsibility, and the participation of people. Unlike the current governance systems that have been imposed upon us, our systems did not exclude the community from the exercise of government. Our traditional governance systems did not disconnect us from our personal obligations. Everyone in the community played their role in our systems of governance.

Throughout the millennia, accountability was an institution at the core of our relationships. There is nothing that we can learn from the proposed legislation which, in many respects, is foreign to what had already been practiced and perfected in the historic governance systems of our ancestors.

From the time of Sakimay's many historical objections to the application of alien and oppressive laws; to the appointment of our last traditional Chief in 1979; to the

movements and activities of protests in many Indigenous communities today; Indian Policy and subsequent federal legislation has been allowed to supplant our ancestors' dynamic and inclusive systems of governance.

The competitive nature of the institutions that have been imposed upon us foster the divisiveness of federal policy, legislation and funding agreements. Instead, our community needs to heed the lessons of our ancestors, like Chief Shesheep, and not accept the solutions that the government imposes or else bad things will continue to happen to us. Our community must say, no more.

Like many other communities, the community of Sakimay is recovering what we had lost — what we had forgotten —

The Hon. the Acting Speaker: Is the honourable senator asking for more time?

Senator Lovelace Nicholas: Yes, please.

The Hon. the Acting Speaker: Five more minutes are granted.

Senator Lovelace Nicholas: Thank you.

— what we had forgotten — as a result of being oppressed and colonized. We are continuing our journey of spiritual recovery, healing and growth. As a result, we are finding strength in ourselves, strength in our history and our culture, which includes a governance system that comes from the people, and not from without. To us, that is accountability.

Therefore, I cannot support this bill with good conscience.

The Hon. the Acting Speaker: Continuing debate?

Senator Carignan: Question.

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

Some Hon. Senators: Question.

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

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

Some Hon. Senators: Yea.

The Hon. the Acting Speaker: All those opposed to the motion will please say "nay."

Some Hon. Senators: Nay.

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

And two honourable senators having risen:

The Hon. the Acting Speaker: Is there an agreement on the time of the bell?

Hon. Elizabeth (Beth) Marshall: Thirty minutes.

Senator Tardif: Could I ask for clarification? I believe this is the debate on a bill following a time allocation motion. Is it correct that if it is past 5:30, the vote is automatically deferred to the next day at 5:30?

The Hon. the Acting Speaker: The vote is on the amendment, so the debate allocation of six hours is not over yet. After we have settled the question on the amendment, then we will proceed to the main motion and then those rules will apply.

For now, honourable senators are asking for a vote on the amendment. That is why I am asking the whips if there is an agreement, and I heard 30 minutes.

Senator Tardif: Thank you.

Senator Marshall: Thirty minutes.

The Hon. the Acting Speaker: The house agrees on a 30-minute bell?

Some Hon. Senators: Yes.

The Hon. the Acting Speaker: May I have permission to leave the chair?

Some Hon. Senators: Agreed.

The Hon. the Acting Speaker: Thank you.

Call in the senators.

• (2140)

Motion in amendment negatived on the following division:

YEAS THE HONOURABLE SENATORS

Callbeck
Chaput
Cordy
Cowan
Dallaire
Day
Dyck
Eggleton
Fraser
Hervieux-Payette

Hubley
Joyal
Lovelace Nicholas
Mitchell
Moore
Ringuette
Rivest
Smith (Cobourg)
Tardif — 19

NAYS THE HONOURABLE SENATORS

Andreychuk
Batters
Bellemare
Beyak
Black
Boisvenu
Braley
Buth
Carignan
Champagne
Comeau
Dagenais
Demers
Doyle
Duffy
Enverga
Fortin-Duplessis
Greene
Housakos
Lang
LeBreton
MacDonald
Manning
Marshall
Martin

McInnis
McIntyre
Meredith
Nancy Ruth
Neufeld
Ngo
Ogilvie
Oh
Patterson
Poirier
Raine
Rivard
Runciman
Seidman
Seth
Smith (Saurel)
Stewart Olsen
Tkachuk
Unger
Verner
Wallace
Wallin
Wells
White — 49

ABSTENTIONS THE HONOURABLE SENATORS

Nil

The Hon. the Acting Speaker: Honourable senators, on debate on the main motion. Are honourable senators ready for the question?

Some Hon. Senators: Question.

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

Some Hon. Senators: Agreed.

Some Hon. Senators: No.

The Hon. the Acting Speaker: On division?

Some Hon. Senators: No.

The Hon. the Acting Speaker: I remind honourable senators that if there is a recorded vote, it will take place tomorrow at 5:30 p.m.

Those in favour of the motion will please say “yea.”

Some Hon. Senators: Yea.

The Hon. the Acting Speaker: Those opposed to the motion will please say “nay.”

Some Hon. Senators: Nay.

The Hon. the Acting Speaker: In my opinion, the “yeas” have it.

And two honourable senators having risen:

The Hon. the Acting Speaker: Honourable senators, the vote will take place tomorrow at 5:30 p.m.

THE ESTIMATES, 2012-13

SUPPLEMENTARY ESTIMATES (C)—EIGHTEENTH REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

The Senate proceeded to consideration of the eighteenth report of the Standing Senate Committee on National Finance (*Supplementary Estimates (C) 2012-2013*), tabled in the Senate on March 21, 2013.

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

He said: Honourable senators, this is the eighteenth report of the Standing Senate Committee on National Finance for this fiscal year and it is on Supplementary Estimates (C). We talked earlier about Bill C-58, which is the supply bill based on the schedules that appear in the Supplementary Estimates (C) found in the big blue binder that honourable senators will be familiar with.

After second reading of a bill, honourable senators expect it to be referred to committee for study, clause-by-clause consideration and report back to the chamber. However, the committee has developed a different process with respect to supply bills, so it was not referred to committee, as honourable senators will recall from earlier this evening. Rather, we indicated that we would do third reading tomorrow.

Are honourable senators then expected to take a look at the bill, which is very circumspect and contains pro forma wording, and then be expected to vote \$1.5 billion without knowing what it is all about? The answer is, obviously, no. That is why, when we do not send the bill to committee, we developed a process to have an opportunity to have studied it and then the committee that pre-studies it reports it back. Before honourable senators are asked to vote on \$1.5 billion tomorrow, they will have an opportunity to inform themselves by reading this report.

That is the quid pro quo for not referring the bill to committee. It is the tradeoff.

• (2150)

What is this Supplementary Estimates (C), this \$1.5 billion? It relates to items that were not fully developed or things that have happened during the year that require funding, like a court case or something like that that was not in place at the beginning of the year. We pick up those items along the way through Treasury

Board. It is the government department that does that. It collects all of those and prepares this supplementary estimate. There are three of them, Supplementary Estimates (A), (B) and (C). This is the last one. We have a week and a half to go in this fiscal year, and we are still trying to catch up with money that the government has spent. Goodness knows what might happen if we did not vote in favour of this. Then there would have been some expenditures made that should not have been made without parliamentary approval. That, honourable senators, is what a supplementary estimate is. It is not, and the estimates for next year at the beginning of year, are not, a reflection of the budget. The budget that came out last week is not reflected in the particular estimates for the coming year because these supplementary estimates were prepared before the budget came along. The supplementary estimates developed through the bureaucracy do not reflect government policy, which was known only a week ago. In addition to the Main Estimates for next year, we will get a new Supplementary Estimates (A) and budget implementation legislation to pick up all those new items. That is the relationship of the budget to the supplementary estimates. I thought it was important to mention it to honourable senators.

Honourable senators, we had before us a number of government departments — in fact, officials from three different government departments and one agency — to help us understand the supplementary estimates. I will say, on behalf of our entire committee, that we very much appreciate the help of Treasury Board Secretariat. They are the group that prepares the supplementary estimates, and they are very helpful in helping us to understand what the requests are. They do not try to influence us one way or another with respect to the requests, but they certainly make it clear to us what is there.

In addition to Treasury Board Secretariat, in this particular instance we had Foreign Affairs, Human Resources and Skills Development Canada and the Canadian International Development Agency all appear before us.

I will not go through the various items that are listed as vote items and statutory items. The honourable deputy chair of the committee, in his comments in relation to the bill that accompanies this report, has indicated a number of those items. They are highlighted in our report as well. Permit me just to mention that the expenditures are broken down into two aspects, one being voted and the other being statutory. Statutory expenditures are listed here for information purposes only. We do not vote on statutory matters. We vote on statutory matters when we vote the statute or when we have before us the bill that specifically provides for funding. When there are activities going on within the government that are not supported specifically by a bill that provides for funding, then we go to estimates, and that is the estimate process. The breakdown, honourable senators, between statutory items, where the money is already approved by Parliament at another time, and voted items is that voted items would be approximately one third of annual expenditures. Statutory items would be two thirds. That is the breakdown.

This particular supplementary estimate is \$1.5 billion, made up of budgetary and non-budgetary items. That is another division that honourable senators should be aware of. The budgetary ones are the ones that go toward all of the normal activities of

government — the transfers, the payments, the interest payments on debt. That is all money that is needed for the government to run. Non-budgetary items would be donations where the government is hopeful that the money will come back. Student loans is a good example. For student loans, they lend the money out and hope the money will come back, so that would be non-budgetary expenditures. Combined, they are \$1.5 billion in the supplementary estimates.

Honourable senators should also know that the overall total budgetary expenditures for the last two years have been approximately the same: \$259 billion total, Main Estimates. This is Main Estimates and the three supplementary estimates. What does that mean? It means that the government is asking Parliament to authorize the same expenditures this year as it did last year in effect, year over year. If you are asking for the same authorization for expenditures but want to reduce the deficit of \$25 billion, you reduce it by authorizing fewer expenditures. Alternatively, you hope to get more revenues somehow, through more taxes or in some other manner, or you hope the economy picks up. According to this particular estimate, it will not be through reduction in expenditures. It is one of those other ways.

During the year, we see a reduction of expenditures when the government goes to a department, and we see that in various releases by the ministers that say, “Even though Parliament has authorized you to spend \$20 billion, we want you to spend only \$15 billion.” Those items we do not see in here, but they are activities that take place during the year.

Honourable senators, there are a couple of areas that you should be aware of, and one of them is National Defence. National Defence is asking, first of all, for \$726 million in Supplementary Estimates (C). Why are they asking for that? Because of a court case that said that they should not be deducting payments going to injured military personnel from what they were entitled to. There are two pension plans, one from Veterans Affairs and one from National Defence, and National Defence was deducting the Veterans Affairs payment, saying that it was, in effect, double dipping. The court said, “Absolutely not.” The injured armed forces personnel are entitled to payments under both of those programs.

That has resulted in a catchup of almost \$1 billion. There will obviously be an ongoing expense for National Defence that we will be seeing as a result of that court case, which will not be appealed. That is one of the matters, honourable senators.

There is another \$438 million that National Defence has asked for in Supplementary Estimates (C) because they did not have enough to continue the normal activity required of them. There is \$144 million more that they asked for, at the beginning of the year, for Afghanistan and the training mission going on there. I thought we should highlight that one for honourable senators.

We had a long discussion with the Department of Foreign Affairs and International Trade with respect to the closing of the high commission residence, Macdonald House, in Grosvenor Square. If any of you have been there, it is a lovely building in a very nice part of town. That is being closed down and will be sold. The other fantastically located building for the High Commission of Canada in the United Kingdom is the business office on

Trafalgar Square. Foreign Affairs has bought the building next door, in behind it, as a residence. That is where the residence will be, tied to that wonderful location on Trafalgar Square. All of that has been going on during the year, and they are asking for \$107 million in order to consolidate these two buildings. The offer will probably be conditional subject to approval, I am sure, from Parliament. It is \$107 million, so honourable senators can see the costs involved in this activity.

• (2200)

The main item under Human Resources and Skills Development Canada is the writeoff of student loans in the amount of \$231 million. We do this each year because they deem that these student loans will not be repaid and they do not want to carry them on the books as a receivable. This year is \$231 million, and we asked some questions about that, and they indicated there are a set of rules. Treasury Board has to decide that the loans to the students are not likely collectible. They might not be collectible because they have not heard from the person. They have gone off to Australia or Tahiti, or maybe there has been a death or a bankruptcy. They have a number of tests like that. For various reasons they believe the loans are uncollectible, and in this instance, \$231 million is being written off for this year.

CIDA is another area. We have just heard in the budget that CIDA will become part of Foreign Affairs. In these estimates, they are separate and funds are transferring back and forth between them, which is interesting. However, there is reference to a horizontal item of \$60 million, which caught our attention. CIDA was asking for \$60 million to provide for quick or immediate assistance in time of an emergency. This in effect is a fund that would not be subject to normal checks. The normal checks are parliamentary approval when they wish to expend the money. If an emergency arises, they would like to be able to have an account to dip into, to use the money. We will want to follow that very closely. Those are the kinds of accounts that historically tend to cause problems.

The interesting thing about this particular one is that CIDA indicated to us that in the coming year that starts on April 1, 2013, they will be asking that the \$60 million be increased to \$100 million. We will be looking for that particular item.

I thought I would bring those the points to the attention of honourable senators. If there are any other questions, I am sure the honourable deputy chair of the committee will be able to answer them since I have run out of time.

[Translation]

Hon. Grant Mitchell: Honourable senators, I must say that I very much appreciate having His Honour the Acting Speaker in the chair this evening, as I am sure all honourable senators do. The Honourable Senator Nolin is a very elegant Acting Speaker.

[English]

Honourable senators, I have a few things that I feel I must get off my chest. I know it is late, but I just cannot let this opportunity pass.

Some Hon. Senators: Oh, oh!

Senator Mitchell: It is like a smorgasbord. There have already been two bills on finance. I sat here and did not say anything, and now we have this report. It is just too much.

As Senator Day was talking and giving us a clinic on how this budget process works, any honourable senator who has been here less than 25 years I hope was listening, because few people understand this process like he does. I was reminded of a time when I heard the former Prime Minister Paul Martin say there are only two people in Canada and elsewhere who have ever really understood the equalization process, and unfortunately they are both dead.

I was thinking there are very few people who have ever actually understood this process. I would ask Senator Day to please take care of himself. We need him.

Senator Day: I am okay so far.

Senator Mitchell: I thought it was a real irony here as Senator Day was speaking about how little information we have about Supplementary Estimates (C). These have been dumped on us, and there is no backup, no detail, no explanation of all this expenditure. Is it not irony upon irony that tonight we were just debating Bill C-27, which is expecting First Nations to do exactly what the government will not for the people of Canada? There is a poetic imbalance, if I can put it that way, in that juxtaposition in the debates tonight.

If we do not have proper information, then de facto the government is actually asking us to pass these bills on faith. The government may be saying "trust me." It probably comes as no surprise to anyone in this chamber that I have absolutely no faith in this government. I am haunted by the question of why anyone believes that this government can run an economy or balance a budget. Why would we ever put trust in this government, in a Conservative government, to run an economy or balance a budget? All the evidence is to the contrary.

Since they took government, unemployment is up 25 per cent, youth unemployment is at 25 per cent, and a good portion of the 75 per cent who actually have jobs do not have well-paying jobs and certainly do not have career-oriented jobs. We have had record deficits after being told over and over again that we would have a government that would balance the budget. We have had record deficits. The total debt is up by about \$150 billion, and now we have the tremendous, profound irony of the Minister of Finance being unable to do his own job and so is trying to do the bank's jobs, telling them what to do. When he is not doing that, he is busy imploring companies that have now stockpiled money because of tax cuts to invest that money to create jobs. That is a good core part of the government's job creation program: "Please, business, use the money we have given you because we were going to give you lower taxes and you were going to be stimulated to invest that money; could you please invest it and create some jobs?"

The government will say it has been really hard because of the worldwide recession, and I hearken back to the experience in the 1990s. Talk about hard. Prime Minister Chrétien and Finance Minister Martin were faced with a \$42 billion deficit. They were

faced with a 1998 European banking meltdown. They were faced with 9/11, the crisis that precipitated in markets, where markets in the world were literally cut over 50 per cent. They had oil prices that averaged from \$25 to \$40 a barrel throughout that period of time. This government has enjoyed \$100 a barrel for much of it. Now it has the bubble problem.

Nevertheless, for this government to give us excuses, they fundamentally do not understand that leadership is not about excuses but about results. We had results in the 1990s and 2000s. We had nine consecutive surplus budgets in spite of those problems, and today we have no balanced budget, and I believe we will never, ever, ever, ever — like ever — have a balanced budget under this Conservative government. They just cannot do it. I could go into why, but there are fundamental structural problems with the ideology that does not allow Conservative governments to balance the budget. It will not happen. All kinds of reasons within this budget have not been adequately considered and in some sense end up inflating what the government is saying, and I believe that will come home to roost and we will not see it.

In addition to not being able to manage the economy, in some sense they have not been able to put a piece of meat on my children's plate that I can be sure will not make them sick. Why can the government not manage that? They have had three or four chances now, and they continually break down and make mistakes and endanger the health of Canadians because their ideology says give it to the companies to do, and they cannot do it properly. I know honourable senators on the other side are sensitive about it.

Where it is really a problem and where the glaring lack of faith needs to be focused is on the lack of fundamental leadership. This government does not give us a national energy strategy, a national climate change strategy, a national health care strategy or a national suicide prevention strategy. Finally, after seven years, they are talking about giving us a national labour strategy. Do honourable senators know why? Because the Prime Minister is peeved. He is really angry now because those provinces —

• (2210)

Some Hon. Senators: Oh, oh.

Senator Mitchell: Yes, I have their attention now. The provinces just did not do what he thought they should be doing, even though he did not provide them any leadership whatsoever to do it.

Some Hon. Senators: Oh, oh.

An Hon. Senator: You've got them going.

Senator Mitchell: I know. Throw them some red meat and they start to rattle that cage.

Where the glaring lack of leadership is so pronounced is, after seven-plus years, this government in energy-rich Canada, wanting desperately to have pipelines, cannot build one. The Prime Minister cannot build one. He has not been able to bring in a pipeline that will diversify our economy and our markets. He thinks that the gateway will happen. I hope it does, in many respects.

An Hon. Senator: Oh, oh.

Senator Mitchell: If it is done properly — you know, Danny, you should get up and talk. You are welcome to do so. I will stay here all night to hear what you have to say because I love what you have to say.

The fact of the matter is that I think that it is very unlikely once the New Democrats get elected that the gateway will be built, and there are serious questions about the Keystone. Honourable senators may ask themselves, why the Keystone would be in jeopardy when the Prime Minister himself said it was a no-brainer. You know why? Because that is all he ever argued, that it was a no-brainer. They need our secure and ethical oil to replace their insecure and unethical oil, and that is a no-brainer.

Just as an aside, what kind of oil does the Prime Minister think the Atlantic provinces are buying? The same kind of unethical, insecure oil. Where is the leadership to do something about secure and ethical oil, certainly secure oil, for the Atlantic provinces? No leadership. It will all happen because the private sector will do so.

The Prime Minister does not understand a number of things; — his ideology does not understand. The private sector did not build this country by itself, and the President of Esso or whatever company cannot stand up and inspire a nation to get their focus above the horizon and do something great as a nation, some great national venture. Companies cannot do that. They need to be led, and that is what prime ministers are supposed to do.

Where was this Prime Minister when the Premier of Alberta was in Washington fighting tooth and nail for this country? He sent some of his minions. He sent a minister down there who does not believe in climate change to give us credibility on the environment, which we need if we are going to get the social licence to build. That is what he does. There is no leadership, and we are at a crunch in this economy for a future in which we desperately need leadership. He has deferred it, set it off and delegated it, largely because of an ideology that I think is incompetent. I am willing to say that he has been very competent at implementing an incompetent ideology, but that ideology does not work, period. Show me anywhere in the world that that right-wing ideology creates a better society. It does not.

Yes, there needs to be more efficient government, but if less government is one of the only major objectives, it is the wrong objective. It is getting us to the wrong place, and any CEO will tell us that.

The second problem the Prime Minister has, apart from setting that objective incorrectly, is that it is almost always about politics. If you are focused on that and on your own skin, because you are not going to go to Keystone and stick your neck out just in case Keystone does not go through and how will that look on the Prime Minister who could not deliver it, how is it going to look if the Prime Minister never went down and even tried to deliver it? I would rather have him down there making the case and getting some press.

Some Hon. Senators: Oh, oh.

Senator Mitchell: I know how you feel, but I would be sensitive, too.

When it comes to politics, among many other tax cuts — some of them might be helpful, although the corporate ones are all being hoarded by corporations who should be investing in jobs, as the minister says.

There is the thing about the GST: \$14 billion a year. That would just about balance the budget next year. It would have taken half of the deficit of this year. It is \$98 billion in the last seven years. Every economist would say it was the worst tax to cut. Some \$98 billion and it has increased the debt by \$150 billion. Two thirds of that debt would have been gone if they had not cut that tax for nothing but a political reason.

My point is — well, I am going to come back to one point, this idea that we could not do it, we just cannot do it, it is so tough out there. The new slogan of the Conservative Party should be: “We are the Conservative Party of Canada. If you have a problem that is easy to fix, bring it to us and we will fix it.”

We did not hire them to do the hard stuff. I did not hire them at all. Canadian people did not hire them to do the easy stuff; Canadian people hired them to do the hard stuff. Hard stuff means leadership and going down to Washington, where there is some political and other risks, and having their Prime Minister make the case for Canada, yet he is nowhere to be seen. He is missing in action and that is why, among other things, I am not voting for this report. Got that off my chest. Thanks.

Senator Tkachuk: You are not going to ask him a question, are you?

Hon. Jane Cordy: I am going to ask him a question.

Some Hon. Senators: No.

Senator Cordy: I feel like I am back teaching elementary school, but those kids actually listened.

Would the honourable senator take a question?

Senator Mitchell: Yes.

Senator Cordy: Like the honourable senator, I have been trying to find information in the estimates, and it is certainly a challenge. The same thing holds true with the budget, which is big on spin and short on details.

Getting back to the estimates, I have been trying to find out the cost for the advertising of the Economic Action Plan. It is really a challenge to find out that information. I was particularly looking for the cost —

An Hon. Senator: Look under “advertising.”

Senator D. Smith: No, it is not there. Look under “propaganda.”

Senator Cordy: I was particularly looking for the cost of the advertising during the Super Bowl game. When people were trying to find out that information, they were told, “Oh, no, we cannot give you the cost of the ads during the Super Bowl because we signed contracts, so we cannot give you that information.”

Does the honourable senator find it ironic that this was the answer for the ads during the Super Bowl game for Canada’s Economic Action Plan, which shocked me because the cost of ads would be so expensive? Yet, ironically enough, honourable senators, on the same day we are discussing this, we have Bill C-27, the Aboriginal financial transparency bill, where they are expecting openness and accountability. We also have the private member’s bill, which is being dealt with like a government bill, in terms of unions, on openness and accountability where many of their expenses would be contracts, the same as the ads for the Economic Action Plan during the Super Bowl weekend. Perhaps the honourable senator could comment on that.

Senator Mitchell: To quote the leader of the Conservative Party in here, “Thank you for that question.” That is a great question, which largely speaks for itself.

What I would like to say is that the honourable senator is right. There has been a tremendous amount of spending of public money and public interest in this expenditure on this advertising. For anyone to think that is anything other than political advertising, that person would have to be related to Pollyanna because, of course, we all know that it is purely political.

In that context, I was quite struck — although it is legitimate — at the outcry about this suggestion of using government money to court ethnic groups in B.C. What does Minister Kenney do every day of his working life? What are these ads, if it is not using public money to court votes for the Liberal Party in B.C. and for the Conservative Party nationally?

What I am also reminded of is that part of that whole advertising campaign was these signs that they put up. I remember several years ago —

The Hon. the Acting Speaker: Is the honourable senator asking for more time? Five more minutes?

Senator Mitchell: Yes.

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Acting Speaker: Senator Mitchell has asked for five minutes. I have heard “yes.”

Senator Mitchell.

Senator Mitchell: Thanks very much. I appreciate that a lot. I will remember it. I will never yell “nay” in that situation again on behalf of anyone else.

• (2220)

I remember when, a number of years ago, the Prime Minister was getting special reports on his desk on the number of signs being put up. I wondered then, who was worrying about the wars

in Libya and Afghanistan and who was worrying about the economy of Canada while he was worried about signs? Can he not delegate anything he should delegate? No, instead he delegates leadership; he delegates the selling of the Keystone pipeline to someone, but he keeps watching the signs. That tells me a great deal about the nature of that leadership. It tells me a great deal about the amount of public money that is being spent on advertising to promote Conservative interests rather than the interests of the Canadian people, the economy, et cetera.

I appreciate the question and I hope I clarified the matter.

Hon. Larry W. Smith: Honourable senators, I will take only a short amount of time to compliment our chair and the committee on the work done on the mandate we were given.

Bill C-58 is related to \$1.5 billion of expenditures as part of a total budget of in excess of \$250 billion. Senator Day led our group through fairly intense questions of the various groups of witnesses. As he mentioned, the Treasury Board did an outstanding job. We saw the credibility of that group in their presentations.

I compliment the members of our committee on the thorough questions they asked.

The major issues were outlined by our chair and in the report. If senators would like to be properly informed, they should read the report, because it effectively handles this \$1.5 billion issue.

Challenging questions were asked about the depths of decision making, which is challenging to understand because of the complexity of the government. The responses that we received were honest, straightforward and informed.

I wish to congratulate Senator Day, our chair, for his work on this very complex matter. I think the committee did a very good job, and we stayed on subject.

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

Hon. Senators: Question.

The Hon. the Acting Speaker: To ensure that everyone understands, we are now considering the adoption of the eighteenth report of the Standing Senate Committee on National Finance, Supplementary Estimates (C), 2012-13.

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

(Motion agreed to and report adopted.)

[Translation]

**STUDY ON SERVICES AND BENEFITS FOR
MEMBERS AND VETERANS OF ARMED FORCES
AND CURRENT AND FORMER MEMBERS OF THE
RCMP, COMMEMORATIVE ACTIVITIES AND
CHARTER**

**NINTH REPORT OF NATIONAL SECURITY AND
DEFENCE COMMITTEE AND REQUEST FOR
GOVERNMENT RESPONSE—DEBATE ADJOURNED**

The Senate proceeded to consideration of the ninth report (interim) of the Standing Senate Committee on National Security and Defence, entitled: *A Study of the New Veterans Charter*, tabled in the Senate on March 21, 2013.

Hon. Roméo Antonius Dallaire moved:

That the report be adopted and that, pursuant to rule 12-24(1), the Senate request a complete and detailed response from the Government, with the Minister of Veterans Affairs being identified as minister responsible for responding to the report.

He said: Honourable senators, before I begin, I want to take the time to remind you that it was exactly eight years ago today that some of us were sworn in to the Senate. It was a memorable day. I think that after eight years, the learning period is over and we can be considered full-fledged senators who can serve another eight years, I hope.

Honourable senators, I am here to present the report on the New Veterans Charter following passage of a bill in 2005. This is the first report since the Veterans Charter was adopted and implemented.

[English]

Honourable senators, I rise to speak about the report of the Senate's Veterans Affairs Subcommittee on its study of the New Veterans Charter. This study has been a long time in the making. As indicated in our report, the committee began its study of the New Veterans Charter in 2006 when the charter was implemented. Since then we have heard from witnesses and examined the evidence. Now we have provided a list of recommendations for improving the New Veterans Charter and the care and benefits it provides to Canada's veterans.

I have curtailed my speech because of the time and will only touch on the high points.

• (2230)

The New Veterans Charter represents a new beginning in the relationship between the Canadian public and the men and women who have served them as members of the armed forces. It can, and should, represent the strengthening of the social contract between Canadians and veterans and their families.

As stated in our committee's report, Canadian Forces personnel and veterans accept unlimited liability to serve the people of

Canada. They deserve not only our gratitude and admiration, but also the best care, benefits and service our country can offer.

The New Veterans Charter is part of a renewed commitment to provide care and services to veterans. Over the coming years, this legislation will be tested time and again. As Canada's military commitment in Afghanistan has ended, many Canadian soldiers, sailors and air personnel are experiencing the transition from the battlefield back to civilian life or the civilian environment in which they are living. Many have suffered injuries, both physical and psychological. They will need the support of Canada's government to ensure that they receive the treatment and benefits they deserve as they take hold of themselves in this new society that they are re-entering, particularly for those who are being released because of injuries.

While this new wave of veterans will create new challenges for Veterans Affairs Canada and for the New Veterans Charter itself, there are older challenges that persist. The most important by far is the challenge of better incorporating families as part of the network of support offered to veterans.

As stated in our report, the word "family" is not currently present in the New Veterans Charter legislation. However, it is present in the regulations, where it is found in two paragraphs, both of which encourage the minister — and I use the term "encourage" — to involve the family in the design and provision of rehabilitation and vocational assistance plans.

It is not enough, I believe, to simply encourage the minister in only two parts of the New Veterans Charter regulations. To consult with the military families is at least a minimum. We must not underestimate the extent to which veterans' families are affected by the scars of combat. The veterans' families are living the missions with them, and because of the revolution in communications they are literally watching their members in the field and in so doing are living the stresses and strains, by extension, of watching them at risk. As such, they have been significantly affected by this type of link between them and loved ones in the field.

We must recognize that they, too, can be injured by war. We are, in fact, recognizing more and more that the families of those, particularly psychologically affected, are being affected significantly. In so doing, we are now seeing teenage children of members who been injured, and although they are under care, the children not receiving any care. Since they are rather isolated within communities, — which is exceptional because the country is not at war. Only certain individuals are committed to war. They find themselves isolated and unable to communicate the problems they are living and the stresses at home. We are now seeing teenagers of members of the forces or new veterans who are committing suicide because they cannot handle the level of stress and strain being imposed on them.

In October 2009, the New Veterans Charter Advisory Group recommended that the government strengthen support systems for veterans' families. Veterans Affairs Canada has said they are currently working to meet this recommendation. I must say that Veterans Affairs Canada does now have peer support for families and is introducing more and more care for the families. However, this is not the case in National Defence, which still has veterans serving. National Defence does not touch on any of the medical

support or support of that nature to members, except through the family support centres, which is through the civilian structures.

Our committee has offered a total of 9 recommendations, which is significantly different from the other place when they reviewed the New Veterans Charter and came up with over 200. However, we felt that we wanted to be a little more disciplined and focused in this first review of the new charter.

Each recommendation is designed to strengthen the network of support for veterans and their families. These recommendations include the codification of a social contract between Canadians and their veterans; reinforcement of the rights of veterans; and the increased engagement of stakeholders and veterans groups. Furthermore, our committee has recommended that Veterans Affairs Canada re-examine certain programs and policies including the earnings loss benefit, the Veterans Bill of Rights, and the relationship between Veterans Affairs and the Royal Canadian Legion to get them back into the flow of the care and support of veterans and their families.

Viewed together, these recommendations embody a vision of a more respectful, supportive relationship between Veterans Affairs Canada, the New Veterans Charter and Canadian veterans. It is also noticed that the link between National Defence — which still has a number of veterans serving — and Veterans Affairs also requires readjustment of the links to ensure that as veterans move from one department — that is in service in DND and the Canadian Forces — to Veterans Affairs Canada, they do not fall into a crevasse or any cracks and that their support is continued. Significant efforts have been made in both departments to build that bridge, but there are still some significant efforts required; some are still falling through the cracks.

It is the committee's hope that Veterans Affairs Canada will implement all of our recommendations and will continue to monitor and report the impacts of the New Veterans Charter. We have asked that the government respond to our report and look forward to hearing from the Minister of Veterans Affairs in the future.

While the recommendations are certainly significant, the committee's report is not perfect. As every senator knows, the process of collaboration will inevitably involve compromise. A simple example of how we are looking at some of the impacts of the support to our veterans is the difference between taking care of the veteran or the person becoming a veteran in operations and then how we take care of them when they actually become a veteran back home after operations. A simple calculation of cost of Canada's mission in Afghanistan showed that Canada paid about \$525,000 per year per soldier in Afghanistan. We used the year 2009. Just one year later in 2010, the government, through Veterans Affairs, spent less than \$5,000 for every veteran. We spent 100 times more to equip, train and pay our armed forces than we did to care for the soldiers, sailors and air personnel who have already made their sacrifices for Canada.

We must provide them with support in order to minimize casualties and of course achieve the mission the government gives them. However, the cost of committing to these operations includes the cost of the impact not only on repairing equipment — for which we are spending billions — and replenishing the bins of ammunition and spare parts, but also taking care of those who

have been injured and are either still serving or have been released because of their injuries and are now veterans looking for support after they have committed their bodies, their minds and their families to the mission.

What is most important is that the work begun by this report on a New Veterans Charter must be continued in future years. As I said at the beginning of my remarks, the New Veterans Charter is a living document and was articulated by the Prime Minister in April 2006, when he announced with Minister Thompson at the time, that the New Veterans Charter was coming into effect after it had been approved in May 2005. When it was coming into effect, he articulated that this is a living document that must adjust with the requirements as we enter new zones of conflict with new types of casualties and the impacts they have on families in our social structures.

We are looking for significant action in order to keep the Veterans Charter alive and responsive to these changing requirements. It is designed to evolve, and it can only do so if senators and members of Parliament are actively engaged in its evolution. In the future, we should continue to do these reviews in our committees, both here and in the other place.

• (2240)

Honourable senators, before I conclude, I would be remiss if I did not thank those involved in putting together this long-awaited report. I would like to extend my thanks to Honourable Senator Plett, the deputy chair. Senator Plett and I worked closely together as members of the steering committee to re-draft, revise and refine this report, and I do not want to mention how many times we did that. It came close to the record of an experience I had with a memorandum to cabinet when I was ADM Personnel at National Defence, a document that required 26 revisions. We were close to that number.

I thank Senator Plett for his input in creating the report honourable senators have before them today and in supporting the evolution of this document. I particularly thank his staff and my staff, who were the architects behind the scenes, putting those words together.

I thank the other members of the Veterans Affairs Committee, who offered their own input and changes to the report. Their support and cooperation allowed us to craft a report that was agreeable to all sides and gave the steering committee significant lateral movement in order to meet some of the contentious discussions we had on what the content of the report should be.

Finally, I commend the Senate central staff for working through this drafting process with us. Their work was not only essential to the completion of our study but also to bringing it to its conclusion. I thank the translation staff for trying to keep up with the various drafts.

Our committee's work on this issue is far from complete, but with the cooperation of Veterans Affairs Canada, National Defence and the Canadian Forces, and with the continued constructive work of our committee's members, I believe we will achieve our aim of ensuring that this living document responds more proactively to the needs of our veterans and their families and, in so doing, inspire confidence in those who are still serving,

that once they have served and are injured and have paid the price one way or another, and their families, that we will take care of them and assist them in adjusting in this country.

I end by saying that these individuals ask only two things of their fellow citizens. First, once you commit them to operations, give them the tools to succeed; and when they are ready to come back because the mission is accomplished, it is when they are recommended to do so in the field and not when it is politically fortuitous. Second, when they do come back in body bags or injured, that we treat them and their families with dignity and respect so they do not have to fight again to live decently as injured veterans in this country.

(On motion of Senator Carignan, for Senator Plett, debate adjourned.)

[Translation]

RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT

FOURTH REPORT OF COMMITTEE— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Smith, P.C. (*Cobourg*), seconded by the Honourable Senator Fraser, for the adoption of the fourth report of the Standing Committee on Rules, Procedures and the Rights of Parliament (*Amendment to the Rules of the Senate*), presented in the Senate on December 12, 2012.

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, this item has reached its fifteenth day; it is adjourned in the name of Senator Cools. She told me that she was finishing her notes and would be addressing the Senate in the next few weeks. Therefore, I request the adjournment in her name for the remainder of her time.

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

STUDY ON PROVISIONS AND OPERATION OF THE ACT TO AMEND THE CRIMINAL CODE (PRODUCTION OF RECORDS IN SEXUAL OFFENCE PROCEEDINGS)

TWENTIETH REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE— ORDER RESET

On Reports of Committees, Other, Item No. 7:

Consideration of the twentieth report of the Standing Senate Committee on Legal and Constitutional Affairs, entitled: *Statutory Review on the Provisions and Operation of the Act to amend the Criminal Code (production of records in sexual offence proceedings)*, tabled in the Senate on December 13, 2012.

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, as was the case with the previous item, I

believe that Senator Runciman will be speaking to this matter. I would ask, therefore, that the clock be rewound.

(Order reset.)

THE SENATE

MOTION TO EXPRESS SUPPORT FOR MALALA YUSUFZAI AND HER FAMILY— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Ataullahjan, seconded by the Honourable Senator Martin:

That the Senate of Canada express its support for Malala Yusufzai in light of her remarkable courage, tenacity and determined support for the right of girls everywhere to an education; offer its best wishes for her full recovery; express its gratitude for the courage of her family and the work of the staff at the Birmingham hospital in the United Kingdom; and offer its solidarity with girls and young women everywhere whose absolute right to equality of opportunity and quality education in every country of the world is and must always be universal and real.

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, this item is also at day 15. Senator Cools has indicated that she would like to speak to this topic. She has asked that the debate be adjourned for the balance of her time.

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

DIVERSITY IN THE SENATE

INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Oliver, calling the attention of the Senate to the state of diversity in the Senate of Canada and its administration and, in particular, to how we can address the barriers facing the advancement of visible minorities in the Senate workforce and increase their representation by focusing on hiring, retention and promotion.

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, I had a discussion with Senator Meredith who also wanted to speak to this issue. Since this item has stood for 15 days on the Order Paper, I move the adjournment of the debate in his name.

(On motion of Senator Carignan, for Senator Meredith, debate adjourned.)

ROYAL CANADIAN MOUNTED POLICE**INQUIRY—DEBATE CONTINUED**

On the Order:

Resuming debate on the inquiry of the Honourable Senator Mitchell, calling the attention of the Senate to how the allegations of sexual harassment and harassment generally can be better handled in the RCMP.

Hon. Roméo Antonius Dallaire: Honourable senators, I know that we are in the middle of a discussion on this topic. I would like to speak to this issue, but not tonight because some information is not available. I therefore take the adjournment for the remainder of my time.

(On motion of Senator Dallaire, debate adjourned.)

• (2250)

[*English*]

CHARTER OF RIGHTS AND FREEDOMS**INQUIRY—DEBATE CONTINUED**

On the Order:

Resuming debate on the inquiry of the Honourable Senator Cowan calling the attention of the Senate to the 30th Anniversary of the *Canadian Charter of Rights and Freedoms*, which has done so much to build pride in our country and our national identity.

Hon. A. Raynell Andreychuk: Honourable senators, I do wish to speak to this matter. I certainly assure Senator Cowan that I will speak on this measure in a timely manner. I ask for the adjournment.

(On motion of Senator Andreychuk, debate adjourned.)

FOREIGN AFFAIRS AND INTERNATIONAL TRADE**COMMITTEE AUTHORIZED TO STUDY SECURITY CONDITIONS AND ECONOMIC DEVELOPMENTS IN THE ASIA-PACIFIC REGION**

Hon. A. Raynell Andreychuk, pursuant to notice of March 7, 2013, moved:

That the Standing Senate Committee on Foreign Affairs and International Trade be authorized to examine and report on security conditions and economic developments in the Asia-Pacific region, the implications for Canadian policy and interests in the region, and other related matters; and

That the committee submit its final report to the Senate no later than March 31, 2014 and that the committee retain all powers necessary to publicize its findings until April 30, 2014.

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

Hon. Senators: Agreed.

(Motion agreed to.)

[*Translation*]

OFFICIAL LANGUAGES**COMMITTEE AUTHORIZED TO STUDY BEST PRACTICES FOR LANGUAGE POLICIES AND SECOND-LANGUAGE LEARNING IN CONTEXT OF LINGUISTIC DUALITY OR PLURALITY**

Hon. Maria Chaput, pursuant to notice of March 19, 2013, moved:

That the Standing Senate Committee on Official Languages be authorized to examine and report on best practices for language policies and second-language learning in a context of linguistic duality or plurality; and

That the committee report from time to time to the Senate but no later than December 31, 2014, and that the committee retain all powers necessary to publicize its findings until March 31, 2015.

(Motion agreed to.)

COMMITTEE AUTHORIZED TO STUDY THE IMPACTS OF RECENT CHANGES TO THE IMMIGRATION SYSTEM ON OFFICIAL LANGUAGE MINORITY COMMUNITIES

Hon. Maria Chaput, pursuant to notice of March 19, 2013, moved:

That the Standing Senate Committee on Official Languages be authorized to study and to report on the impacts of recent changes to the immigration system on official language minority communities; and

That the committee report from time to time to the Senate but no later than March 31, 2014, and that the committee retain all powers necessary to publicize its findings until June 30, 2014.

(Motion agreed to.)

[English]

FISHERIES AND OCEANS

COMMITTEE AUTHORIZED TO EXTEND DATE
OF FINAL REPORT ON STUDY OF LOBSTER FISHERY
IN ATLANTIC CANADA AND QUEBEC

Hon. Fabian Manning, pursuant to notice of March 21, 2013,
moved:

That, notwithstanding the order of the Senate adopted on
March 8, 2012, the date for the final report of the Standing

Senate Committee on Fisheries and Oceans in relation to its
study on the lobster fishery in Atlantic Canada and Quebec
be extended from March 31, 2013 to May 31, 2013.

The Hon. the Acting 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, March 25, 2013

	PAGE		PAGE
SENATORS' STATEMENTS		National Defence	
Idle No More Movement		Service Contracts.	
Journey of the People.		Question by Senator Day.	
Hon. Sandra Lovelace Nicholas.	3551	Hon. Claude Carignan (Delayed Answer).	3557
The United Nations		<hr/>	
Canada's Role.		ORDERS OF THE DAY	
Hon. Roméo Antonius Dallaire.	3551	Business of the Senate	
World Women's Curling Championship 2013		Hon. Claude Carignan	3557
Congratulations to Canadian Team on Winning Bronze Medal.		Bill to Assent to Alterations in the Law Touching the Succession to the Throne (Bill C-53)	
Hon. Joseph A. Day.	3551	Third Reading—Debate Adjourned.	
<hr/>		Hon. Marjory LeBreton	3557
ROUTINE PROCEEDINGS		Hon. Joan Fraser	3558
Budget 2013		Hon. Serge Joyal	3559
Documents Tabled.		Appropriation Bill No. 5, 2012-13 (Bill C-58)	
Hon. Claude Carignan	3552	Second Reading.	
Governor General		Hon. Larry W. Smith	3559
Supreme Court—Commission Appointing the Honourable Richard Wagner as Deputy—Document Tabled.		Hon. Joseph A. Day.	3560
Hon. Claude Carignan	3552	Appropriation Bill No. 1, 2013-14 (Bill C-59)	
Budget 2013		Second Reading.	
Notice of Inquiry.		Hon. Larry W. Smith	3561
Hon. Claude Carignan	3552	Hon. Joseph A. Day.	3562
<hr/>		First Nations Financial Transparency Bill (Bill C-27)	
QUESTION PERIOD		Third Reading—Motion in Amendment Negatived—Vote Deferred.	
Aboriginal Affairs and Northern Development		Hon Elizabeth Hubley	3563
Budget 2013—Education for Aboriginal Youth.		Hon. Mobina S. B. Jaffer	3564
Hon. Sandra Lovelace Nicholas.	3552	Hon. Wilfred P. Moore.	3566
Hon. Marjory LeBreton	3552	Hon. Maria Chaput	3567
Human Resources and Skills Development		Hon. Claudette Tardif	3568
Youth Employment Levels.		Hon. Dennis Glen Patterson	3571
Hon. Catherine S. Callbeck.	3553	Hon. Lillian Eva Dyck	3573
Hon. Marjory LeBreton	3553	Hon. Sandra Lovelace Nicholas.	3574
Hon. Maria Chaput	3554	Hon. Elizabeth (Beth) Marshall.	3576
Hon. Grant Mitchell.	3555	The Estimates, 2012-13	
Hon. Pierrette Ringuette.	3555	Supplementary Estimates (C)—Eighteenth Report of National Finance Committee Adopted.	
Finance		Hon. Joseph A. Day.	3577
Banks—Interest Rates.		Hon. Grant Mitchell.	3578
Hon. Wilfred P. Moore.	3555	Hon. Jane Cordy	3580
Hon. Marjory LeBreton	3555	Hon. Larry W. Smith	3581
Budget 2013—Impact on Provinces.		Study on Services and Benefits for Members and Veterans of Armed Forces and Current and Former Members of the RCMP, Commemorative Activities and Charter	
Hon. Jean-Claude Rivest.	3556	Ninth Report of National Security and Defence Committee and Request for Government Response—Debate Adjourned.	
Hon. Marjory LeBreton	3556	Hon. Roméo Antonius Dallaire.	3582
Delayed Answer to Oral Question		Rules, Procedures and the Rights of Parliament	
Hon. Claude Carignan	3557	Fourth Report of Committee—Debate Continued.	
		Hon. Claude Carignan	3584
		Study on Provisions and Operation of the Act to Amend the Criminal Code (production of records in sexual offence proceedings)	
		Twentieth Report of Legal and Constitutional Affairs Committee—Order Reset.	
		Hon. Claude Carignan	3584

	PAGE
The Senate	
Motion to Express Support for Malala Yusufzai and her Family—Debate Continued.	
Hon. Claude Carignan	3584
Diversity in the Senate	
Inquiry—Debate Continued.	
Hon. Claude Carignan	3584
Royal Canadian Mounted Police	
Inquiry—Debate Continued.	
Hon. Roméo Antonius Dallaire	3585
Charter of Rights and Freedoms	
Inquiry—Debate Continued.	
Hon. A. Raynell Andreychuk	3585

	PAGE
Foreign Affairs and International Trade	
Committee Authorized to Study Security Conditions and Economic Developments in the Asia-Pacific Region.	
Hon. A. Raynell Andreychuk	3585
Official Languages	
Committee Authorized to Study Best Practices for Language Policies and Second-language Learning in Context of Linguistic Duality or Plurality.	
Hon. Maria Chaput	3585
Committee Authorized to Study the Impacts of Recent Changes to the Immigration System on Official Language Minority Communities.	
Hon. Maria Chaput	3585
Fisheries and Oceans	
Committee Authorized to Extend Date of Final Report on Study of Lobster Fishery in Atlantic Canada and Quebec.	
Hon. Fabian Manning	3586

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