



# DEBATES OF THE SENATE

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OFFICIAL REPORT  
(HANSARD)

Thursday, May 31, 2016

The Honourable GEORGE J. FUREY  
Speaker

## CONTENTS

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

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## THE SENATE

Tuesday, May 31, 2016

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

Prayers.

### SENATORS' STATEMENTS

#### PERSECUTION OF BAHÁ'Í PEOPLE IN IRAN

**Hon. Mobina S. B. Jaffer:** Honourable senators, I rise before you today to speak about the long-standing persecution of the Baha'i people in Iran. Over the past five years, the human rights of the Baha'i people have been deteriorating.

Although time does not permit me to describe the wide range of human rights violations that have been perpetrated by the Iranian government, I rise before you to shed light on new developments that are particularly troubling.

The Baha'i have traditionally relied on entrepreneurial ventures to sustain their livelihoods. However, since 2015, a new strategy has been adopted by the Iranian government to jeopardize this way of life.

Over the past three years, more than 200 businesses owned by Baha'i people have been boarded up due to the Iranian government's refusal to renew Baha'i business licences. This is all part of an explicit policy to close off the last remaining survival opportunities for Iran's 350,000 Baha'i people, and since the election to the presidency of "reformer" Hassan Rouhani in 2013, the persecution of Iranian minorities, especially the Baha'i people, has only grown worse.

Honourable senators, we as a country welcome many of the Baha'i faith, which has deep roots in this country's Aboriginal communities, and they are welcome among Canada's Iranian diaspora. It is our responsibility to protect these people who have created such close bonds with Canadians.

Honourable senators, for many years, I have spoken in the Senate about the persecution of the Baha'i, and before I came to the Senate I represented many Baha'i refugees. I do not know of another group as persecuted as the Baha'i are in Iran.

Honourable senators, I invite you to recognize the persecution of the Baha'i in Iran. This is an issue that we cannot ignore. The persecution of the Baha'i people is inexcusable, and it falls upon us to take action where we have previously been idle.

#### VISITORS IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, I wish to draw your attention to the presence in the gallery of His Excellency Milan Štech, President of the Senate of the Czech Republic. He is accompanied by a delegation from the Czech Republic.

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

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

#### SEASONAL AGRICULTURAL WORKER PROGRAM

**Hon. Don Meredith:** Honourable senators, Canada is the breadbasket of North America. We are blessed to have one of the most productive agricultural industries in the world. Our rich fields yield bountiful harvests from coast to coast, thanks to the hard work of our farmers. Traditionally, these agricultural workers have been our fathers, our uncles, our sisters and our brothers. But as our economic realities in Canada changed and our local labour was not sufficient, an equally valuable worker stepped in to support this industry.

Starting in 1973, Canadians have depended on foreign workers to supply a labour force capable of temporarily filling gaps in our labour market, especially in the agricultural industry. Originally under the Non-Immigrant Employment Authorization Program, people coming into Canada to work temporarily had short-term residency and no access to immigration, and their residency was linked directly to their employer. These original restrictions set the framework for the current Temporary Foreign Worker Program.

Many don't know that throughout most of the program's history, Canada targeted high-skilled workers. However, in 2002, the federal government radically changed the focus of the program by creating a "low-skilled workers" category which now makes up most of the foreign workforce. Since then, honourable senators, the program has doubled in size with more than 340,000 foreign workers in Canada today. It is undeniable that our agricultural success would be impossible if not for the men and women who come from so far to seed, grow and harvest our crops.

• (1410)

Unfortunately, honourable senators, I rise today because once again there's a reason for concern with the well-being of our temporary foreign workers, especially those under the Seasonal Agricultural Worker Program. These workers are facing serious challenges at work, including their stark living conditions, their harsh working environment, their limited access to health care and their soul-crushing isolation on these farms.

There have been many accidents over the years, including several horrific car crashes in Ontario and Alberta. More recently, you may have heard of the fate of a temporary foreign worker who for the past 10 years had come to Canada to support our economy and to provide for his family. His name was Sheldon McKenzie, and he died on September 17, 2015, from a serious head injury endured while working on a farm in Leamington, Ontario. Sheldon was the father of two teenage girls and a loving

husband to his wife. Like many seasonal workers, Sheldon was from Jamaica. In fact, most seasonal agricultural workers come from Mexico and 10 other commonwealth Caribbean countries.

In late 2014 Sheldon started working on a tomato farm: manual, back-breaking labour. Shortly after, in January 2015, Sheldon unexpectedly suffered a devastating injury. The injury caused severe swelling in his cranium, which forced doctors to remove part of his brain.

But how was this law-abiding, hard-working man treated when seriously injured on the job? Sheldon became a victim to a system that sprang immediately into action to remove him from this great country.

Honourable senators, when temporary workers are not able to work, they immediately lose their status and the process for their removal begins. Even the foreign officials responsible for his protection allegedly moved quickly to have him shipped home, despite the need for highly specialized treatment not available in his country.

Members of Sheldon's family in Canada had to fight to keep him here to be treated, but even then Sheldon would not survive his injuries, leaving behind his two children and wife.

Honourable senators, it is outrageous that men and women who sacrifice everything, leave their families behind and make a long journey to work the hardest jobs in our land should be treated like disposable machines.

Seasonal agricultural workers inherently face some of the toughest working conditions in the country. On top of that, they live under the constant threat of punishment or removal of their status because they get injured or they stand up for their rights with their employers. They are shipped back like defective products.

Honourable senators, today I stand and mourn the loss of Sheldon McKenzie, and I ask for us to work together to improve the conditions of these temporary foreign workers, especially our agricultural workers.

#### VISITORS IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, I wish to draw your attention to the presence in the gallery of Pastor Ron Penner, Pastor Winston Penner and Ms. Viola Penner. They are the guests of the Honourable Senator Plett.

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

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

#### CONSERVATIVE PARTY OF CANADA CONVENTION

**Hon. Donald Neil Plett:** Honourable senators, this past weekend, the Conservative Party of Canada held their convention in the great city of Vancouver.

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

**Senator Plett:** While the West Coast experienced its seasonally typical wet weather, sunny ways filled the Vancouver Convention Centre. We had a record number of youth delegates attend the convention. They were energetic, invigorating and active both in the policy and constitutional workshops and in the plenary votes. In total, 3,000 people took part in our convention.

The commitment to openness and transparency was prevalent, as we held debates and discussions on policy and strategy which were completely open to the media. As well, the spirit of cooperation and unity was evident. The convention was filled with thoughtful, intelligent and respectful debate about issues that are traditionally divisive.

Even on the issues where members were divided, after the votes had taken place, members did not storm out in protest but rather immediately sat down at the table and got back to work with a focus on the issues that unite us. All votes were completely free for all delegates, without any intervention from our party's leadership. We had a fantastic address from our interim leader, Rona Ambrose, with a positive outlook for the future of our party.

The media picked up on this, using words like "openness," "transparency," "united," "free" and "democratic" to describe our weekend in Vancouver. This was in stark contrast, of course, to another convention that was held at the same time in Winnipeg.

I want to congratulate my colleagues on a successful, energetic and forward-looking convention.

Colleagues, I would be remiss if I did not mention another meeting some of my colleagues had while we were in Vancouver, a meeting with Chester and Helen. Chester and Helen are two beautiful dolphins that were found with little chance of survival, who were rescued and rehabilitated by the world-class marine biologists at the Vancouver Aquarium.

We also had the opportunity to chat with scientists and researchers who have worked with cetaceans, both in the wild and in the facility, and who were able to highlight all the critical research being done at the aquarium, an aquarium that is visited annually by 1.1 million people, including hundreds of thousands of schoolchildren.

Colleagues, please join me in congratulating the Vancouver Aquarium for all the important work they do every day to the benefit of marine mammals and to educate Canadians.

[*Translation*]

### VISITORS IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, I wish to draw to your attention the presence in the gallery of participants in the Public Service Executive Development Program. They are guests of the Honourable Senator Gagné.

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

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

### CENTRALLIA 2016

**Hon. Raymonde Gagné:** Honourable senators, I am very proud to rise today to address you for the first time.

My colleague Senator Plett was in Vancouver and some other people were in Winnipeg for another event. I was in Winnipeg with my francophone community.

For anyone who remembers, in the 1970s, bilingual pop singer Pierre Lalonde sang “In Winnipeg, the nights are long . . . The earth is flat there . . . and life is too.” He should have come to visit Winnipeg last week for Centrallia 2016, the fourth edition of the global small and medium-sized business forum organized by the Agence nationale et internationale du Manitoba and the World Trade Centre Winnipeg.

The nights were short for the 700 participants, most of whom were senior executives from across Canada and over 30 other countries. I am drawing your attention to this unique event because it was organized by two bilingual organizations whose offices operate in French.

ANIM and the World Trade Centre Winnipeg were created by francophone visionaries in Manitoba. Their main goal is to promote trade and attract investment that will benefit Manitobans and all Canadians, while adding value to the francophonie in Manitoba, in Canada and internationally. Had Mr. Lalonde been with us at Centrallia, he could have stayed up all night discovering just how dynamic Manitoba’s francophone community is in the economic sphere.

The global francophone community has seen strong growth since 2010, and according to the Observatoire de la langue française, French will be the second most common language in the world in 50 years. This trend has not gone unnoticed in Manitoba.

If Centrallia wasn’t enough to satisfy his appetite for a little more excitement, Pierre Lalonde could have celebrated the 70th anniversary of CKSB, Canada’s first French-language radio station outside Quebec, with his Manitoba cousins. Created in 1946 thanks to donations from francophones, CKSB continues to make its voice heard as a Radio-Canada affiliate.

[ Senator Plett ]

• (1420)

Mr. Lalonde also could have come and said hello to the Honourable Maria Chaput to thank her for her 13 years of dedicated service to official language minority communities through her work as a senator.

Come to think of it, Mr. Lalonde probably wasn’t wrong about the long Winnipeg nights, but not for the same reasons. Now the nights are long because they are so busy. Thank you.

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

[*English*]

### VISITOR IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, I wish to draw your attention to the presence in the gallery of Ian Hilley, who is President of the Canadian Hemochromatosis Society. He is the guest of the Honourable Senator Wells.

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

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

### HEMOCHROMATOSIS AWARENESS MONTH

**Hon. David M. Wells:** Honourable senators, May is Hemochromatosis Awareness Month across Canada. I’ve spoken previously on this, and it is a cause that is important to me personally and one that’s very worthy of the public’s support and awareness. If undiagnosed and untreated, hemochromatosis can lead to serious health complications, even death.

Although most Canadians have never heard of it, hereditary hemochromatosis is the most common genetic disorder in Canada. Hemochromatosis causes the body to retain too much iron, and if undiagnosed and untreated, it can lead to heart disease, liver disease, diabetes, arthritis and some forms of cancer. Major organs are affected by excess iron.

Iron overload builds slowly, typically taking 25 to 30 years before symptoms appear in men, and longer in women. Left undiagnosed and untreated, excess iron can cause irreversible damage and can be fatal.

Diagnosis can be made by a simple blood test for iron levels and, when necessary, a genetic test for confirmation. Early diagnosis is critical in the prevention of the complications of hemochromatosis.

The Canadian Hemochromatosis Society exists to support patients, families and health care providers. It strives to create awareness of hemochromatosis and provide support for those affected. The society has helped many Canadians avoid the progressive suffering, disability and premature death from chronic diseases prompted by hemochromatosis.

The Canadian Hemochromatosis Society has also developed a simple set of questions to help determine if you might be at risk. If you are of Celtic or northern European lineage, you are in the group with the highest risk for carrying the hemochromatosis gene. One in 300 Canadians may be affected, and there exists a higher ratio in places like Newfoundland and Labrador and Nova Scotia due to the strong Irish and Great Britain lineage.

As someone who suffers from hemochromatosis, I can assure you that awareness is the cure. This evening I am hosting a reception to help support the Canadian Hemochromatosis Society in increasing awareness of the genetic disorder that affects iron metabolism. It takes place from five to seven o'clock this evening in Room S-256 Centre Block. Together let's put an end to higher health care costs and the greater suffering and premature death related to hemochromatosis in Canada. Thank you, colleagues.

[Translation]

### ROGER BROWN

#### ROYAL CANADIAN MOUNTED POLICE— CONGRATULATIONS ON RETIREMENT

**Hon. Percy Mockler:** Honourable senators, I rise today to pay tribute to an outstanding police officer, one of New Brunswick's adopted sons, the Commanding Officer of the RCMP in my province, Assistant Commissioner Roger Brown, who is originally from Newfoundland.

[English]

As senators have probably heard or seen in the media, Assistant Commissioner Roger Brown recently announced that he will be retiring on June 4, a memorable day in our province, particularly for Monctonians. He has been Commanding Officer of J Division in New Brunswick since 2013, after being transferred from Regina, where he was serving as Commanding Officer of the RCMP Academy.

[Translation]

His three years as the Commanding Officer of J Division were tumultuous for Assistant Commissioner Brown. On October 1, 2013, his troops were criticized for how they handled a situation involving armed protesters in Rexton, New Brunswick, who opposed shale gas development there.

[English]

Just days after starting his job, Assistant Commissioner Brown had to defend the RCMP's handling of the shale gas protests near Rexton, which resulted in dozens of arrests after a confrontation that saw six RCMP vehicles burned, weapons seized and a heavy police response.

Assistant Commissioner Brown will be retiring on June 4, 2016, the second anniversary of the death of three RCMP officers at the hands of an armed man with a prohibited rifle in the Moncton north neighbourhood. The culprit has since pleaded guilty and is

presently serving multiple life sentences in a federal penitentiary. For Commander Brown, it has been a short but tumultuous command in our province, with two major incidents in the RCMP's history here occurring during that time.

Honourable senators, in a statement announcing his retirement, Assistant Commissioner Brown said about his three years as commander in New Brunswick:

The RCMP in New Brunswick has undoubtedly endured some challenges during that time, the most significant being the loss of three of our police officers in Moncton in 2014. I was humbled by how our employees and New Brunswickers came together to do what needed to be done and to get through that difficult time.

Assistant Commissioner Brown is an extraordinary leader who gives credit to his troops and who built an enduring partnership with New Brunswickers through some of the most difficult times our province has seen.

Honourable senators, please join me in wishing Assistant Commissioner Brown and his wife a happy and well-deserved retirement in our beautiful province.

You are a remarkable Newfoundlander, and you will always be at home in our homes in New Brunswick, Commander Brown. Thank you.

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## ROUTINE PROCEEDINGS

### AUDITOR GENERAL

#### COMMISSIONER OF THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT— 2016 SPRING REPORTS TABLED

**The Hon. the Speaker:** Honourable senators, I have the honour to table, in both official languages, the Spring 2016 Reports of the Commissioner of the Environment and Sustainable Development.

### THE SENATE

#### SENATE PROCEDURE IN PRACTICE— DOCUMENT TABLED

**The Hon. the Speaker:** Honourable senators, with leave of the Senate, I have the honour to table the hard-cover edition of *Senate Procedure in Practice*, which includes an index. Honourable senators will recall the spiral bound version of the document was tabled in June of 2015.

Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

## JUSTICE AND ATTORNEY GENERAL

### FEDERAL OMBUDSMAN FOR VICTIMS OF CRIME—2014-15 ANNUAL REPORT TABLED

**Hon. Peter Harder (Government Representative in the Senate):** Honourable senators, I have the honour to table, in both official languages, the 2014-2015 Annual Report of the Office of the Federal Ombudsman for Victims of Crime.

[Translation]

### BUDGET IMPLEMENTATION BILL, 2016, NO. 1

#### THIRD REPORT OF SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY COMMITTEE ON SUBJECT MATTER TABLED

**Hon. Kelvin Kenneth Ogilvie:** Honourable senators, I have the honour to table, in both official languages, the third report of the Standing Senate Committee on Social Affairs, Science and Technology. It deals with the subject matter of those elements contained in Division 12 of Part 4 of Bill C-15, An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures.

**The Hon. the Speaker:** Honourable senators, pursuant to the order of the Senate of May 3, 2016, the report will be placed on the Orders of the Day for consideration at the next sitting of the Senate, and the Standing Senate Committee on National Finance is simultaneously authorized to consider the report during its study of the subject matter of all of Bill C-15.

[English]

## THE SENATE

### MOTION TO SUSPEND TODAY'S SITTING TO RECEIVE MESSAGES FROM COMMONS AND AUTHORIZE COMMITTEES TO MEET DURING THE SITTING OF THE SENATE ADOPTED

**Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate):** Honourable senators, with leave of the Senate and notwithstanding rule 5-5(j), I move:

That, at the end of the Orders of the Day and the Notice Paper today, the sitting be suspended to await the receipt of messages from the House of Commons if the Government Representative or the Legislative Deputy to the Government Representative so requests;

That, if the sitting is suspended under this motion, it be to the call of the chair, with the bells to ring for 15 minutes before the sitting resumes;

That committees of the Senate scheduled to meet today be authorized to sit from the time the Senate suspends, even

though the Senate may then be sitting, with the application of rule 12-18(1) being suspended; and

That rule 3-3(1) be suspended today.

**The Hon. the Speaker:** Senator Bellemare, on debate.

• (1430)

[Translation]

**Senator Bellemare:** Today, we are waiting for Bill C-14. I am sure all Canadians are very eager to see us debate this bill. We must therefore be ready to receive it.

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

**Hon. Senators:** Agreed.

(Motion agreed to.)

## THE SENATE

### NOTICE OF MOTION TO RESOLVE INTO COMMITTEE OF THE WHOLE TO CONSIDER THE SUBJECT MATTER OF BILL C-14, TO RECEIVE WITNESSES, PERMIT ELECTRONIC AND PHOTOGRAPHIC COVERAGE AND SUSPEND PROVISIONS RESPECTING ADJOURNMENT

**Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate):** Honourable senators, with leave of the Senate and notwithstanding rule 5-5(j), I give notice that, later this day, I will move:

That, without affecting the progress of any proceedings relating to Bill C-14, An Act to amend the Criminal Code and to make related amendments to other Acts (medical assistance in dying):

1. immediately after Prayers on the sitting day following the adoption of this motion, the Senate resolve itself into a Committee of the Whole to consider the subject matter of the bill;
2. the committee receive the Honourable Jody Wilson-Raybould, P.C., M.P., Minister of Justice and Attorney General of Canada, and officials, for a period of up to two hours, followed by the Honourable Jane Philpott, P.C., M.P., Minister of Health, and officials, for another period of up to two hours; and
3. two television cameras and two pool photographers be authorized in the Senate Chamber to broadcast and photograph the proceedings of the committee, with the least possible disruption of the proceedings; and



That on the day the Senate resolves itself into Committee of the Whole pursuant to this motion:

1. the provisions of the order of February 4, 2016, respecting the time of adjournment while the Committee meets, be suspended; and
2. the provisions of rule 3-3(1) be suspended.

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

**Hon. Senators:** Agreed.

[*English*]

**BILL TO AMEND THE PUBLIC SERVICE LABOUR  
RELATIONS ACT, THE PUBLIC SERVICE LABOUR  
RELATIONS AND EMPLOYMENT BOARD ACT  
AND OTHER ACTS AND TO PROVIDE FOR  
CERTAIN OTHER MEASURES**

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-7, An Act to amend the Public Service Labour Relations Act, the Public Service Labour Relations and Employment Board Act and other Acts and to provide for certain other measures.

(Bill read first time.)

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

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

**BUSINESS OF THE SENATE**

**The Hon. the Speaker:** Honourable senators, pursuant to the motion adopted in this chamber on Thursday, May 19, 2016, Question Period will take place at 3:30 p.m.

**ORDERS OF THE DAY**

**BOARDS OF DIRECTORS MODERNIZATION BILL**

SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Hervieux-Payette, P.C., seconded by the Honourable Senator Joyal, P.C., for the second reading of Bill S-207, An Act to modernize the composition of the

boards of directors of certain corporations, financial institutions and parent Crown corporations, and in particular to ensure the balanced representation of women and men on those boards.

**Hon. Yonah Martin (Deputy Leader of the Opposition):** Honourable senators, I note that it is day 14, so I will simply adjourn debate for the balance of my time.

(On motion of Senator Martin, debate adjourned.)

**LINGUISTIC PLURALITY BILL**

SECOND READING—DEBATE ADJOURNED

**Hon. Mobina S. B. Jaffer** moved second reading of Bill S-222, An Act for the promotion and advancement of Canada's linguistic plurality.

She said: Honourable senators, I am still preparing and am not quite ready to speak at second reading, so I will adjourn debate for the remainder of my time.

(On motion of Senator Jaffer, debate adjourned.)

• (1440)

**PHYSICIAN-ASSISTED DYING**

FIRST REPORT OF SPECIAL JOINT  
COMMITTEE—DEBATE  
CONTINUED

On the Order:

Resuming debate on the consideration of the first report of the Special Joint Committee on Physician-Assisted Dying, entitled *Medical Assistance in Dying: A Patient-Centred Approach*, deposited with the Clerk of the Senate on February 25, 2016.

**Hon. Yonah Martin (Deputy Leader of the Opposition):** Honourable senators, again this item on the Order Paper is at day 14. Senator Eaton does wish to speak, so I would like to adjourn in her name for the balance of her time.

(On motion of Senator Martin, for Senator Eaton, debate adjourned.)

[*Translation*]

**THE SENATE**

MOTION TO ENCOURAGE THE GOVERNMENT  
TO EVALUATE THE COST AND IMPACT OF  
IMPLEMENTING A NATIONAL BASIC  
INCOME PROGRAM—DEBATE

On the Order:

Resuming debate on the motion of the Honourable Senator Eggleton, P.C., seconded by the Honourable Senator Dawson:

That the Senate encourage the federal government, after appropriate consultations, to sponsor along with one or more of the provinces/territories a pilot project, and any complementary studies, to evaluate the cost and impact of implementing a national basic income program based on a negative income tax for the purpose of helping Canadians to escape poverty.

**Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate):** Honourable senators, I would first like to thank Senator Eggleton for moving this motion. Senator Eggleton, I will only tell you at the end what I have in store for you. You know what it is, but the others do not.

The idea of a guaranteed minimum income for everyone is not new. Some say that its origins can even be traced back to the 18th century. However, in the 20th century, this idea became popular with economists when, in the late 1960s, Milton Friedman of the University of Chicago championed a guaranteed minimum income program. He proposed replacing all social programs, including social security and public pension plans, with a universal individual payment that would guarantee a basic income and progressively diminish as individuals earned other income. That is when a guaranteed minimum income became associated with a negative income tax. Other thinkers adapted this concept for a more humanistic approach to finding a solution to poverty.

Professors Margot Young and James Mulvale wrote a very interesting article on guaranteed minimum income, which was published by the Canadian Centre for Policy Alternatives. I recommend that you read it. They define the concept of guaranteed minimum income as follows:

[English]

The term “guaranteed income” refers to a specific although broad category of social reform. As a starting place for discussion, the idea of a guaranteed income is used to signal reform proposals that advocate some variant of an income benefit scheme in which the state provides a minimum level of basic income on a continuum basis to every adult, irrespective of personal circumstances or need, with no other or very few conditions attached. Proponents of a guaranteed income cite a range of reasons for supporting the idea: a fix to poverty, liberty and individual opportunity, social and democratic citizenship, gender equality, shared social ownership, a flexible and just labour market, and environmental sustainability.

[Translation]

As we can see, there are many advocates of this proposal, as many on the left as on the right.

The idea of adopting a guaranteed minimum income program in Canada is not new either.

In Canada, in Alberta, the Social Credit Party, under William Aberhart, promoted the idea of providing everyone with social credit during the 1930s. Later, the idea of a guaranteed minimum income resurfaced, including in 1968, in the work of the Economic Council of Canada.

[ Senator Martin ]

In the Senate, Senator Croll, who gave his name to the famous report on poverty, proposed such a program in 1971. In Quebec, in 1971, the Castonguay-Nepveu report — Castonguay also being a former senator — also proposed a two-part guaranteed minimum income program: one for individuals able to work and the other for individuals considered unable to work. In 1970, the Royal Commission on the Status of Women also promoted a guaranteed annual income for single-parent families.

Then there was what was known as the Mincome experiment, which Senator Eggleton mentioned, in Manitoba during the latter half of the 1970s. Finally, there was the Macdonald report recommendation about the universal income security plan in 1985. This universal benefit would have replaced a host of assistance programs, family allowances and tax exemptions. The plan also provided for a small allowance and a low tax rate for earned income. Its proponents said it would have saved the public purse a lot of money. It also required that the federal government work closely with the provinces. This idea was shelved.

The idea of a minimum basic income has been coming up again since the 2000s, but no country has introduced such a comprehensive plan yet. There have been various attempts, such as Alaska Dividend, a program created by American senator Sarah Palin and paid for with revenue from resource development.

According to Young and Mulvale, four criteria characterize and distinguish guaranteed income proposals. This is important to remember.

First is the degree of universality. Does the program apply to everyone? All individuals, including children, are entitled. The only condition is citizenship.

Then there are the conditions of entitlement. Is the program conditional or unconditional? Are there income conditions? Wealth tests? Obligations to work?

With respect to the benefit level, does the program offer significant benefits or a relatively small income?

Is the program integrated with other social programs, or does it replace other social programs? For example, the proposal favoured by Milton Friedman was universal, which means that it was for everyone, it was unconditional, but it guaranteed a very small income and replaced all other social programs.

Other universal and unconditional proposals are designed to prevent poverty, so they offer much higher benefits than those proposed by Milton Friedman. The problem often associated with these more humanistic proposals is that they are expensive and can have an unintended impact on the labour market.

For example, according to Young and Mulvale, a Canadian program providing a grant of \$15,000 per year to all individuals age 18 and over would cost \$392 billion. I should point out that the federal budget, including debt servicing costs, totals \$317 billion.

It would be much less expensive if we were to consider establishing a guaranteed minimum income program for people in need who have no income or assets and face barriers to

employment. This is not the same thing. It would not be a universal, unconditional program that is not integrated with other social programs. It would instead be a program targeting low-income earners, contingent on asset testing and integrated with other social programs.

I have never been in favour of a guaranteed minimum income that would replace social programs, as proposed by Friedman. Social programs and especially social insurance programs address problems that a guaranteed minimum income would never be able to address. In terms of economic security, historical analysis indicates that the one-size-fits-all approach does not work.

In fact, social programs have evolved over time to respond to various problems such as workplace accidents, involuntary unemployment, illness and disability, and inability to work because of age. A number of social insurance programs have been developed to prevent poverty in the event of unemployment, illness, accident or retirement, but also to allow individuals to protect their quality of life. The purpose of social programs is not just to prevent poverty. They also address the problem of economic insecurity, and their benefits are often associated with participation in the labour market. They are financed by salary-based contributions.

As I was saying at the beginning, in recent years many groups have spoken out against the fact that there is a great deal of poverty in Canada despite the many social programs in place.

As you know, however, poverty is about more than just a low income. For instance, when you analyze earnings profiles throughout people's lives, this shows that many people were poor while they were students, for example. They later went on to be successful and live comfortable, and sometimes extremely comfortable, lives.

Similarly, the tragedies experienced by certain populations, such as indigenous populations, clearly demonstrate that their hardships go beyond the simple fact of having a low income.

Let's get back to Senator Eggleton's motion.

The motion stipulates, and I quote:

• (1450)

[*English*]

That the Senate encourage the federal government, after appropriate consultations, to sponsor along with one or more of the provinces/ territories a pilot project, and any complementary studies, to evaluate the cost and impact of implementing a national basic income program based on a negative income tax for the purpose of helping Canadians to escape poverty.

[*Translation*]

That is a very broad proposal. At first glance, we do not really know whether it is conditional or universal. I think it is too broad. Furthermore, Senator Eggleton's speech was not as inclusive as

his motion. In his speech, he did not propose adopting a universal and unconditional guaranteed minimum income program. He is more concerned about the idea of alleviating poverty than he is about a negative income tax program that would replace everything else.

It is also important to point out that any program of this nature will have a real financial impact on the provinces' budgets. The federal government needs to take that reality into account. It cannot be the architect of this initiative. Instead, it should support specific pilot projects.

Right now, many experts in Quebec and other provinces believe that a negative income tax program could help welfare recipients and people whose financial situation is precarious escape poverty.

As you know, welfare benefits in Quebec and other parts of Canada do not allow people to escape poverty.

In 2016, Quebec welfare recipients who are able to work and have no employment limitations are receiving a monthly benefit of \$623, or \$7,476 a year, while those who have a limited capacity for employment, such as people with disabilities or serious health problems, are receiving \$947 per month or \$11,364 per year. That is well below the poverty line.

If we look at how long people in Quebec have been receiving these benefits, we see that three-quarters of those who receive benefits under last resort programs have been doing so for over four years and 55 per cent have been doing so for over 10 years.

Many tax experts, economists and others maintain that a negative income tax system for income security recipients could be a more effective way to fight poverty than the current system. Many say that such a system could even provide more of an incentive to work than the current system, which bases eligibility for certain benefits on seniority or how long one has been on social assistance.

In other words, under the current system, there is no incentive to have a job. A person can have a job, but can earn only so much before their benefits are taken away. Recipients will receive benefits geared to specific needs the longer they are on social assistance.

A guaranteed minimum income program with a negative income tax for certain groups would help many people improve their lives while participating in the labour market. That is what the experts say.

The Government of Quebec recently proposed to look into having a guaranteed minimum income, and in an excerpt from the government's budget, which is quite broad, the government says, and I quote:

Economic, social and demographic changes all influence the labour market. In response to these changes and in keeping with the goal of fostering labour market access to the greatest number of citizens, the Québec government would like to begin evaluating the mechanisms associated with the principles of guaranteed minimum income, which 21st-century Québec society may then draw from.

To define this new model, the Québec government will examine ways of simplifying, attaining greater transparency in and reducing the administrative load of the various transfers to Québec individuals and families.

These are Quebec programs, particularly the social assistance program.

In this context, the Minister of Labour, Employment and Social Solidarity and the Minister of Finance will announce the creation of a committee of experts to conduct this initial examination. The aim of the process is to look into new approaches to fighting poverty more effectively, promoting social inclusion and moving toward introducing a guaranteed minimum income.

Clearly, the Government of Quebec doesn't intend to replace all its social insurance programs with such a measure, but rather to reflect on ways to fight poverty more effectively.

In its most recent budget, the Government of Ontario also announced that it will evaluate the relevance and feasibility of pilot projects related to this issue.

However, as you know, colleagues, the financial stakes for the provinces are huge. According to a study by former professor Jean-Yves Duclos, now the Minister of Families, Children and Social Development, who assessed a recommendation from Quebec's advisory committee on combatting poverty and social exclusion that proposed a guaranteed minimum income for social assistance recipients in order to lift them out of poverty, it would have cost \$2.2 billion more to create such a program, and Quebec would have had to pick up the tab for 85 per cent of that.

**The Hon. the Speaker:** I'm sorry, Senator Bellemare, but your allotted time has expired. Would you like to request five more minutes?

Is it your pleasure, honourable senators, to grant Senator Bellemare five more minutes?

**Hon. Senators:** Agreed.

**Senator Bellemare:** The question of sharing the costs of pilot projects is crucial to the successful completion of any such project.

Senator Eggleton and I have discussed all of these issues, and we agreed on the following wording, which puts greater emphasis on the motion's objective, which is to fight poverty, than on the means, which is the negative income tax, but also addresses the means.

#### MOTION IN AMENDMENT

**Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate):** I therefore move to amend Senator Eggleton's motion to read as follows:

[ Senator Bellemare ]

[English]

That the Senate encourage the federal government, after appropriate consultations, to provide support to initiatives by Provinces/Territories, including the Aboriginal Communities, aimed at evaluating the cost and impact of implementing measures, programs and pilot projects for the purpose of helping Canadians to escape poverty, by way of a basic income program (such as a negative income tax) and to report on their relative efficiency.

[Translation]

This wording explicitly recognizes that the government will take action to support the provinces rather than act as the superior authority. It emphasizes the objective, which is to reduce poverty, and highlights the fact that any number of projects on the notion of a guaranteed minimum income could be initiated and compared as to their impact and efficiency.

I will close by sharing Young and Mulvale's conclusion, with which I agree completely, and I quote:

[English]

While absence of money is an essential feature of poverty, social exclusion as well as inadequate access to public goods, networks, and political capital are all part of a fuller notion of poverty. Such an understanding of poverty means that a range of measures will be key to effective welfare reform, including:

- Enhancing collective provisions of essential goods;
- Labour market policy reform; and
- Public, affordable, and quality childcare.

With that, I thank you.

**The Hon. the Speaker:** Honourable Senator Bellemare, for clarity, would you mind repeating your motion in amendment?

**Senator Bellemare:** I move:

That the Senate encourage the federal government, after appropriate consultations, to provide support to initiatives by provinces/territories —

— and here I used the word “support” instead of “sponsor” —

— including the Aboriginal Communities, aimed at evaluating the cost and impact of implementing measures, programs and pilot projects for the purpose of helping Canadians to escape poverty, by way of a basic income program (such as a negative income tax) and to report on their relative efficiency.

This amendment makes it clear that the motion is addressed to low income people.

**The Hon. the Speaker:** It is moved by Senator Bellemare, seconded by Senator Harder, that the motion be amended as follows — dispense?

**Hon. Senators:** Dispense.

**Hon. Art Eggleton:** Honourable senators, I've spoken already on this motion, but I have a question for the previous speaker.

I accept this amendment. I think it's reasonable to focus it on the initiative coming from the provinces. We already know of two provinces that are doing that.

• (1500)

Of course, the Mincome experiment in the 1970s involved the Province of Manitoba coming to the federal government. The support was quite strong. They shared the cost of doing the pilot project. You would see something along those lines as being quite acceptable: The province brings in a proposal and the federal government would support them, with the objective of trying to bring the opportunity for people to escape poverty. That's my question. I have another one after that.

**Senator Bellemare:** Yes, but I think that we can have many kinds of pilot projects, maybe not a tonne of them, but a couple of them involving Aboriginal people, especially those who live in towns and cities. We can have programs involving those who are on social aid, which incorporates some kind of involvement in the labour market.

There can be many kinds, at least one program without any conditional attachment to the labour market. We could have different kinds of programs. Quebec may be different from Ontario.

That is the kind of experiment we could conduct to be able to see what is most efficient.

**The Hon. the Speaker:** Senator Eggleton, the time is up for questions. However, if you wish to speak, you can. You're not closing out debate on the original motion; you're only speaking to the amendment. It's entirely up to you.

(On motion of Senator Eggleton, debate adjourned.)

MOTION TO URGE THE GOVERNMENT TO TAKE ALL  
NECESSARY STEPS TO BRING INTO FORCE BY  
ORDER-IN-COUNCIL THE PROVISIONS OF  
C-452—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Boisvenu, seconded by the Honourable Senator Dawson:

That the Senate urge the government to take all necessary steps to bring into force as soon as possible by order-in-council the provisions of C-452 *An Act to amend the Criminal Code (exploitation and trafficking in persons)*, chapter 16 of the Statutes of Canada (2015), which received royal assent on June 18, 2015.

**Hon. Joan Fraser (Deputy Leader of the Senate Liberals):** Colleagues, there are a number of items on the Order Paper that I'm intending to speak to, and this is one of them. I'm having trouble getting the research on all of them done in time, so I move the adjournment for the balance of my time.

(On motion of Senator Fraser, debate adjourned.)

MOTION TO HAVE ALL DOCUMENTATION PROVIDED  
TO THE AUDITOR GENERAL BY EACH SENATOR  
WHO WAS SUBJECT TO THE COMPREHENSIVE  
AUDIT RETURNED TO EACH SENATOR  
RESPECTIVELY—DEBATE  
ADJOURNED

**Hon. Wilfred P. Moore,** pursuant to notice of May 19, 2016, moved:

That all documents, information, papers and reports provided to the Auditor General of Canada by each Senator who was subject to the comprehensive audit by the Auditor General pursuant to the motion adopted by the Senate of Canada on June 6, 2013, be returned intact and complete, including any copies thereof, to each Senator, respectively, within thirty (30) days of the adoption of this motion.

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

(On motion of Senator Martin, debate adjourned.)

#### BUSINESS OF THE SENATE

**The Hon. the Speaker:** Honourable senators, pursuant to the order, I declare the sitting suspended until 3:30 p.m., when the sitting will resume for Question Period. The bells will start ringing at 3:25 p.m.

(The sitting of the Senate was suspended.)

(The sitting of the Senate was resumed.)

• (1530)

#### QUESTION PERIOD

*Pursuant to the order adopted by the Senate on December 10, 2015, to receive a Minister of the Crown, the Honourable Diane LeBouthillier, the Minister of National Revenue appeared before Honourable senators during Question Period.*

#### BUSINESS OF THE SENATE

**The Hon. the Speaker:** Honourable senators, as was the case in past weeks, I would ask colleagues to limit themselves to one question and, if necessary, at most one supplementary question. This will allow us to get through our list of senators. As usual, when we have a minister visiting with us, the list is rather extensive.

Welcome, minister.

[Translation]

## MINISTRY OF NATIONAL REVENUE

### KPMG—TAX SETTLEMENT

**Hon. Claude Carignan (Leader of the Opposition):** Good afternoon and welcome, Madam Minister.

My question is on the Canada Revenue Agency amnesty for KPMG clients. Many Canadians are concerned about recent reports that the Canada Revenue Agency made a special secret deal with wealthy clients of KPMG who were caught using an offshore tax avoidance scheme on the Isle of Man. With this amnesty, as it is now called, these wealthy KPMG clients will not face civil or criminal proceedings and will pay no penalty or fine if they pay the taxes owing plus modest interest.

*La Presse* also reported last month that you apparently said that this special deal is still in effect. In fact, you allegedly said, “It is still possible, the program is currently in progress.”

My question is very simple: Why is this special deal for KPMG clients under investigation for breaking the law still in effect?

**Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue:** I would like to thank the senator for his question. First, allow me to thank you for inviting me to participate in your Question Period. I appreciate this opportunity to talk with you about the government’s policies and matters of interest to the Canada Revenue Agency in an open and transparent manner. I believe that it is important for us to be able to work together on behalf of Canadians. To me, this is key.

Senator, I would first like to point out that the word “amnesty” is not part of the Canada Revenue Agency’s practices or vocabulary. There is only one tax system for Canadians, and the agency’s ultimate objective is to recover money owed to the government.

Right now, the matter is still pending. The investigations of the taxpayers identified are under way and our government’s massive investment of \$444.4 million shows how important we think it is to combat tax evasion and avoidance.

**Senator Carignan:** I have a supplementary question, Mr. Speaker. I expected you to say that the deal made with KPMG clients is not an amnesty. However, regardless of what word is used, it is clear, Madam Minister, that your department struck a special deal with KPMG.

Madam Minister, are you concerned about the impact this special deal could have on clients of other firms who participate in similar illegal schemes and could ask for the same deal in return for their cooperation?

**Ms. Lebouthillier:** I would like to thank the honourable senator for his question. I want to tell you that last year, the Canada Revenue Agency was able to recover \$11.5 billion, \$7.5 billion of which involved international and large business aggressive tax planning.

Under my direction, an external tax expert conducted an independent review of the CRA to do an in-depth analysis of the agency’s operations and decisions with regard to KPMG.

The review concluded that the CRA acted in accordance with its established policies and procedures and that officials acted in accordance with the agency’s code of integrity and professional conduct.

[English]

### OFFSHORE COMPLIANCE ADVISORY COMMITTEE

**Hon. Percy E. Downe:** Minister, it is nice to see you here. You announced in April the appointment of a five-person Offshore Compliance Advisory Committee to offer much-needed advice and recommendations to the Canada Revenue Agency. When do you expect the first report from this committee? Is it your intention to make that report public at the same time the Canada Revenue Agency receives it?

[Translation]

**Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue:** I would like to thank the honourable senator for his question. Further to an announcement made in April, an in-depth study will be conducted over the next year to estimate the tax gap. I am pleased to announce that an initial report will be made available in the coming weeks.

[English]

**Senator Downe:** I didn’t quite hear an answer there, minister. Is it your intention to make the report public?

[Translation]

**Ms. Lebouthillier:** Yes, the report will be made public, and as I said during my announcement about the study, the documents will be made public. The government is committed to being open and transparent.

### MIDDLE CLASS TAX

**Hon. Larry W. Smith:** Thank you for being here, Madam Minister.

With Bill C-2, the Prime Minister wanted to foster a dynamic Canadian middle class by asking taxpayers who earn more than \$200,000 per year to pay more tax. That seems perfectly logical.

• (1540)

Here is my question. When we look at Bill C-2 and how the money is redistributed, we see that households earning between \$45,000 and \$90,000 are not the only ones that will benefit. Those earning between \$45,000 and \$200,000 will benefit too.

First, I would like to know how you define middle class. Second, why is the government collecting more money from those who earn \$200,000 so it can give \$700 to those who earn \$180,000 per year? I don't see how this bill was written with the middle class and wealth redistribution in mind. Households that earn more than \$90,000 or \$95,000 will pay less tax on income up to \$200,000. How is the middle class supposed to benefit from this measure, and what do you mean by middle class? A taxpayer earning \$170,000 to \$180,000 per year is not a member of the middle class. The average income in Canada is \$32,000. A dual-income family earns about \$65,000. I'm just trying to understand how the bill was drafted. Can it be improved to help the middle class, to help households that earn between \$85,000 and \$90,000?

**Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue:** I thank the senator for his question. I want to begin by saying that when the Prime Minister appointed me the Minister of National Revenue, he got himself a social worker from the riding of Gaspésie—Îles-de-la-Madeleine, where 17.5 per cent of the people collect employment insurance and the average income is \$24,500. Our government needed a starting point for its middle-class agenda.

We have announced measures including the tax-free Canada Child Benefit and the Guaranteed Income Supplement for low-income seniors. I can tell you that this news was welcomed back home. We are working with the ministers to ensure that members of the middle class benefit from tax credits and have easy access to services that improve their quality of life and meet their basic needs.

**Senator Smith:** Thank you, minister. In my opinion, it is not the number of programs that will ensure that we help more Canadians. The previous Conservative government did the same thing. Under Bill C-2, households earning between \$45,000 and \$90,000 will receive some money from taxpayers who earn more than \$200,000. As a Canadian citizen, and not as a politician, I wonder why households earning between \$120,000 and \$170,000 are also entitled to a tax cut. Does that mean that people who earn more than \$200,000 will pay a premium to support members of the middle class who earn between \$45,000 and \$90,000?

The point I'm trying to make is that these measures will help all Canadians and not just the middle class, households earning between \$45,000 and \$90,000. You gave me a stock answer when you said that your government adopted a series of measures to help the middle class. However, even with the tax increase that will hit taxpayers who earn more than \$200,000, this translates into a \$9.1 billion annual deficit. Changes need to be made to Bill C-2 in order to focus more on taxpayers who earn between \$45,000 and \$90,000 without running a deficit of roughly \$9 billion for four years. We have to help people who need it and not taxpayers who earn between \$160,000 and \$170,000 a year. That is what I recommend.

**Ms. Lebouthillier:** Thank you for your question. I will take your recommendation under advisement. I come from the middle class. Now that I am a minister, I earn more than \$200,000 a year, and I can assure you that I will be pleased to pay more tax to help the middle class.

#### SERVICE DELIVERY

**Hon. Dennis Dawson:** Thank you, Madam Minister. I was able to follow you at the Liberal Party convention last weekend. It was the first convention in 40 years that I was unable to participate in. I would like to thank you for standing up for the interests of Quebec, particularly the Quebec wing. I see that there is a succession. I was thrilled to see that the people from Quebec are defending our interests so well.

That being said, when you were appointed, the Prime Minister gave you a mandate to review the agency's service model, give Canadians the benefits to which they are entitled, plan legislation around charities and provide additional support for recovery activities. After six months, have you implemented a process for evaluating these measures and, if so, have you seen any progress?

**Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue:** I thank the honourable senator for his question. After six months, phone services have been substantially improved. Last year, during tax season, taxpayers were calling up to 10 times before they got an answer, which caused a lot of frustration. Thanks to new funding, we were able to hire more staff to answer the phones. Now, taxpayers receive an answer after two calls, which is a 90 per cent improvement in client service.

We simplified the information that people receive by mail. Canadians really appreciated that. What is more, our correspondence has improved. We have a historic budget of \$444 million. How did we obtain that funding? When they were appointed, all of the ministers received a mandate letter containing clear objectives. The Canada Revenue Agency prepared a short-, medium- and long-term action plan containing specific measures. We hired experts to combat tax evasion, negotiate international agreements, and recover money owing to the government. That money will be used to provide quality transportation, health and education services. That money belongs to Canadians and it will be used to provide better services for everyone.

[English]

#### FINTRAC REFERRALS—INVESTIGATION OF TERRORISM FINANCING THROUGH CHARITABLE ORGANIZATIONS

**Hon. Daniel Lang:** Madam minister, last year the Standing Senate Committee on National Security and Defence did a very intensive study into the question of the terrorism threat facing Canada. We had over nine months of hearings, heard from over 100 witnesses and came to a number of conclusions in respect to the information provided to us.

• (1550)

The one area that did come up for discussion and debate was the question of your particular agency, the Canada Revenue Agency. We learned that millions of dollars are leaving Canada to support radicalization and terrorism. During the course of those studies over nine months with 100 witnesses, we also heard that millions of dollars were entering Canada from interests in countries such as Saudi Arabia and Qatar, that are promoting an extremist message in Canada, which is very serious. We were also told, which I'd like you to comment on, that over the last five years your department received approximately 120 referral cases from FINTRAC identifying links between Canadian charities and terrorism financing.

I'd like to know, Madam Minister, if you've been briefed on this matter. Are those cases under investigation, and can you table with us a report on each one of these cases when they've been concluded?

[Translation]

**Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue:** I would like to thank the honourable senator for his question. Are you referring to charitable organizations?

[English]

**Senator Lang:** Yes.

[Translation]

**Ms. Lebouthillier:** In the mandate letter I was given by the Prime Minister, charitable organizations make up one of the files that I have to study with my staff and the agency. In Canada, there are more than 89,000 charitable organizations and, according to our calculations, they handle \$4.4 billion. Every year, we receive about 1,800 applications from new charitable organizations in Canada seeking charitable status. The mandate letter I received from the office of Prime Minister Trudeau indicates that there is work to be done on this file. The legislation has not been amended since 1982. We will have to hold consultations, and the whole issue will have to be studied.

[English]

**Senator Lang:** Madam Minister, with all due respect I don't think you answered the question that I asked. First, I asked clearly whether or not the 120 referred cases from FINTRAC are under investigation by your department. Second, can you table a report on the conclusion of each one of these reports? We don't need new legislation. The fact is: It's been identified that terrorism financing is happening in this country. Your department has referrals. The question is: Are you aware of them? Are you investigating them? Have they come to a conclusion on those investigations?

[Translation]

**Ms. Lebouthillier:** I will take note of your question. I cannot answer it at this time, but I can assure you that I will look into it and provide you with an answer.

[ Senator Lang ]

## GUARANTEED INCOME SUPPLEMENT

**Hon. Pierrette Ringuette:** Thank you. Madam Minister, for a number of years, approximately eight years, here in the Senate, one of my former colleagues, Senator Callbeck from Prince Edward Island, repeatedly asked the former government to establish a program whereby the most vulnerable seniors could receive the Guaranteed Income Supplement or GIS. It seems that she was not successful, as Statistics Canada's latest figures indicate that 20 per cent of Canada's most vulnerable seniors do not receive the GIS that they are entitled to, including 30,000 seniors in New Brunswick.

Madam Minister, do you and your department plan to contact seniors to ensure that this 20 per cent of Canadian seniors, including 30,000 in New Brunswick, receive the GIS?

**Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue:** I thank the honourable senator for her question. Please know that I was horrified to learn last January that over 100,000 seniors in Canada were not getting the Guaranteed Income Supplement. We are talking about some of the poorest, most disadvantaged people. I can assure you that the Minister of Families, Mr. Duclos, looked into this matter, and that we worked together to ensure that our seniors received the payments owing to them, with arrears, given that this situation has been going on for many years. Furthermore, it was announced this week that the GIS will be fully automated so that people who are entitled to receive it will do so automatically, thanks to new investments in the program.

**Senator Ringuette:** I have a supplementary question. Madam Minister, what you are telling us is that since January, you have been able to identify 100,000 seniors in this country who were not receiving the GIS and that you took action accordingly. Senator Callbeck from Prince Edward Island had been calling for this kind of action for years, and you are now confirming to us that that information was available, but nothing was done about it?

**Ms. Lebouthillier:** According to the information available to me, that is exactly what I'm saying. When I first took up my duties, the Prime Minister asked me to humanize the services of the Canada Revenue Agency. Any time anyone asks me the question, I always make it clear that Canadians don't work for the CRA; the CRA works for Canadians. We therefore must work proactively in order to provide the most vulnerable in our society, including people in the regions, all the programs and services they are entitled to, and make sure that they are informed about them.

As I said, many of us use accounting firms to file our income tax returns, but those who are less fortunate do not necessarily deal with experts and accounting firms. Within the Canada Revenue Agency, we are also going to maximize the volunteer program to ensure that situations like that, with the 100,000 seniors, do not happen again.



[English]

#### SERVICES FOR NORTHERN CANADIANS

**Hon. Dennis Glen Patterson:** First, some background on my region of Nunavut, Madam Minister. The population is composed of 85 per cent Inuit, the vast majority of whose first language is neither English nor French but Inuktitut. Yet, the Inuit pay taxes like other Canadians and are also entitled to tax deductions like any other Canadians.

Your predecessors in the Canada Revenue Agency deserve credit: 11 years ago at the instance of former Liberal MP Nancy Karetak-Lindell, four Inuktitut-speaking people were hired by the CRA with a mandate to travel to Inuit regions to provide education on income tax and assistance to people in understanding both their obligations and their benefits. They were given responsibility for collection accounts. They travelled three or four times a year, meeting with communities, giving workshops and going on radio advertising. Unfortunately, this assistance has been greatly reduced. There's only one employee and no longer an outreach program. With our high unemployment rate, many Inuit people are dependent on the CRA to access their child benefit entitlements, but they need help understanding their obligations and entitlements.

Would you consider reinstating the greatly valued outreach program for Inuit in the Inuit regions of Canada?

[Translation]

**Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue:** Listen, I share your concerns. This is part of the discussions I am having with the Canada Revenue Agency about responding to people in remote areas with unique characteristics.

• (1600)

Because I live in a region, I have noticed that service centralization has a negative impact on people who are poor and less educated and who have a harder time standing up for what they need. I can assure you that we are working on this. My mandate letter clearly indicates that all Canadians, including the poorest, must receive the services and information they are entitled to.

[English]

**Senator Patterson:** Thank you for that response, minister.

I believe you spoke about simplifying forms earlier this afternoon. I do want to point out that Inuit elders who have lived their entire lives in small Nunavut communities are sometimes being required by CRA to fill out a detailed five-page form to establish their Nunavut residency. This is very important for residents to qualify for the Northern residents tax deduction, which is appreciated. That form is available only in English or French. The Internet is very slow and limited in bandwidth, so even if they can use the Internet, they can't easily access your forms.

Another parent from a small community with six children was asked to provide original immunization certificates to prove their children were Nunavut residents. It's very challenging.

In light of these challenges, is the minister willing to consider reducing red tape and simplifying demands of CRA for proof of facts like Northern residence and children?

[Translation]

**Ms. Lebouthillier:** I thank the honourable senator for his question. We are working very closely with the Minister of Indigenous Affairs and with communities to provide them with the best possible services and to simplify those services while taking regional characteristics into account.

There are some problems with the Internet. In some communities, people don't have access to the Internet. In others, they don't have access to the cell network.

I can assure you that this issue is important to me. It is part of my mandate to meet the people's needs and to ensure that people are receiving the services they are entitled to.

I have taken note of your request concerning translation of documents. That could be done.

#### TAX HAVENS—TAX AVOIDANCE

**Hon. Serge Joyal:** Welcome, Madam Minister. I would like to talk about tax havens. A lot of your voters are very angry about tax havens, and the government should adopt a radical new approach to dealing with this problem.

Canada has 12 treaties with countries that are known tax havens. I don't need to list them for you, but they are Luxembourg, Brunei, Caribbean countries, Barbados and Jamaica. You know them as well as I do. Big corporations avoid paying their fair share by transferring their profits directly to these countries, which allow this practice. Corporations avoid the Canadian taxman and can then bring back sums of money that are downright mind-boggling to people who pay their taxes and do their best to fulfill their obligations to their country honestly.

What are you going to do to put an end to these treaties with tax havens and normalize the situation of Canadian companies that were conducting these transactions legally in the past, now that it is no longer acceptable for our country to stand idly by and let this happen?

**Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue:** I thank the honourable senator for his question. You are absolutely right. Ninety percent of Canadians pay their taxes and meet their obligations. As a result of a \$440 million investment, our government expects to recover \$2.6 billion over the next five years. We will work on detecting, auditing and investigating, as well as imposing penalties and prosecuting.

With regard to detection, we will improve our technology so that we can continue to deal with international cases. We hired another 100 auditors so that we can examine 12 times more tax

schemes. The number of examinations focused on high-risk taxpayers will increase from 600 per year to 3,000 per year with the hiring of 100 additional auditors. What is more, thanks to the Prime Minister and the government's new way of doing things, we will be able to focus our efforts on results in order to meet our obligations to Canadians.

**Senator Joyal:** Madam Minister, with all due respect, you seem to be confusing tax evasion and tax avoidance. You announced \$400 million to combat tax evasion, a measure that everyone in this chamber is happy about, but I am talking about tax avoidance, operations that are currently legal because they are covered by treaties with tax havens. These treaties give companies the legal coverage they need to avoid paying taxes. The government needs to review the content of those treaties so that it is no longer possible for Canadian companies to transfer their profits to another country and then repatriate them to Canada to avoid paying taxes, since, as you know, taxes in those countries are very low. That is what we are talking about, not going after companies that are engaging in tax evasion. Tax evasion is illegal, but tax avoidance is legal and sanctioned by the government. That is what I want you to talk about. I would like to hear what you intend to do to condemn this situation and deal with it. Tax evasion and tax avoidance are two totally different things.

**Ms. Lebouthillier:** Since January 2015, the agency has received information concerning more than 17 million electronic transfers of more than \$10,000 a year. We are on track to uncovering \$1 billion. At the press conference we held in April, I mentioned that we will be working on the legal aspect of transactions that are unethical, but not illegal. In 2016, some things must change, and we will work on them collaboratively. If laws must be changed, we will work with the Minister of Finance to bring about those changes.

**Senator Joyal:** Madam Minister, I understand very well that Canada is caught up in an international situation and that it is not the only country affected. What I would like to hear from you is what Canada will do at the OECD and how it will take the initiative to work with EU countries, which publicly stated about three weeks ago that they will review the international system that applies to tax havens. Luxembourg is one and Switzerland is another. You know them better than I do. It is your responsibility to manage them. What are you going to do at the international level to ensure that you put a stop to this?

**Ms. Lebouthillier:** I would like to thank the senator for his question. The Canada Revenue Agency works with various countries. Three weeks ago we signed an agreement in Beijing. We continue to work with other countries and we want to become very proficient in the art of recovering money owing. The Canada Revenue Agency wants to become an international leader in this area.

• (1610)

#### TAX EVASION

**Hon. Paul E. McIntyre:** Madam Minister, my question is similar to Senator Joyal's. In light of what was revealed by the Panama Papers, a number of countries have launched investigations into

[ Mr. Lebouthillier ]

possible cases of tax evasion and tax avoidance. France, Spain, Australia and even Panama have launched investigations, while the federal government here in Canada has simply opened the door to possible criminal charges.

That being said, it seems to me that Canada has been less decisive than its allies. It has not said whether it plans to conduct an investigation into the information found in the Panama Papers. Don't you think that the federal government should launch an investigation in order to get to the bottom of this thorny issue, tax evasion, as many other countries have done?

**Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue:** I thank the honourable senator for his question. With regard to the Panama Papers, and I'm sure you know this, since I talked about it in the other place, I would like to point out that the CRA knew about the scheme and was well aware of the journalists' plans to share the documents and make them public. The Canada Revenue Agency had already had the documents in its possession for some time. We are continuing the process and we are working with our international allies.

The Canada Revenue Agency has a specific branch made up of tax experts, accountants and even RCMP members who work on these international files.

As I said earlier, of the \$11.5 billion we were able to recover last year, some \$7.5 billion was connected to files similar to the Panama Papers. That was part of it.

[English]

#### AUDITS OF ENVIRONMENTAL CHARITIES

**Hon. Nancy Greene Raine:** Madam Minister, prior to the last election the Canada Revenue Agency had commenced audits of a number of environmental charities who were acting outside their mandates, including by engaging in political activities beyond the 10 per cent limit. I'm from British Columbia, and I'm well aware that many resource projects are being held up by activists. As we go through the environmental review process, a very strict process, it is being delayed to a point where these projects aren't getting through. Our country depends on revenue from resources, as well as from taxation, to enjoy the standard of living that we do.

Madam Minister, can you update us on the status of these audits, and will you table a report with the Senate on each of these charities when the audits are completed?

[Translation]

**Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue:** I thank the honourable senator for her question. Indeed, 49 per cent of Canada's economy relies on natural resources.

As far as charities are concerned, in January, I announced the winding down of the political activities audit program. There are no new charities that we are auditing. We are ending the process that was launched by the previous government.

What we announced in our program — and it was in my mandate letter — is that we will hold consultations during the year with people from the Canada Revenue Agency and charities to update some outdated policies that go back to 1982.

[*English*]

### BUSINESS OF THE SENATE

**The Hon. the Speaker:** Honourable senators, the time for Question Period has expired. I'm sorry, Senator Raine, but we're out of time.

[*Translation*]

Honourable senators, I am sure you join me in thanking Minister LeBouthillier for coming to meet with us today.

[*English*]

Thank you, Madam Minister. We'll give the minister a moment to leave, and then we'll resume the sitting.

**Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate):** Honourable senators, pursuant to the order adopted earlier this day, I ask that the sitting be suspended.

**The Hon. the Speaker:** Honourable senators, pursuant to the order, the sitting is suspended to the call of the chair after a 15-minute bell.

(The sitting of the Senate was suspended.)

(The sitting of the Senate was resumed.)

• (1820)

### CRIMINAL CODE

#### BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-14, An Act to amend the Criminal Code and to make related amendments to other Acts (medical assistance in dying).

(Bill read first time.)

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

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

### THE SENATE

#### MOTION TO RESOLVE INTO COMMITTEE OF THE WHOLE TO CONSIDER THE SUBJECT MATTER OF BILL C-14, TO RECEIVE WITNESSES, PERMIT ELECTRONIC AND PHOTOGRAPHIC COVERAGE AND SUSPEND PROVISIONS RESPECTING ADJOURNMENT—MOTION IN MODIFICATION ADOPTED

**Hon. Diane Bellemare,** pursuant to notice of earlier this day, moved:

That, without affecting the progress of any proceedings relating to Bill C-14, An Act to amend the Criminal Code and to make related amendments to other Acts (medical assistance in dying):

1. immediately after Prayers on the sitting day following the adoption of this motion, the Senate resolve itself into a Committee of the Whole to consider the subject matter of the bill;
2. the committee receive the Honourable Jody Wilson-Raybould, P.C., M.P., Minister of Justice and Attorney General of Canada, and officials, for a period of up to two hours, followed by the Honourable Jane Philpott, P.C., M.P., Minister of Health, and officials, for another period of up to two hours; and
3. two television cameras and two pool photographers be authorized in the Senate Chamber to broadcast and photograph the proceedings of the committee, with the least possible disruption of the proceedings; and

That on the day the Senate resolves itself into Committee of the Whole pursuant to this motion:

1. the provisions of the order of February 4, 2016, respecting the time of adjournment while the committee meets, be suspended; and
2. the provisions of rule 3-3(1) be suspended.

She said: Honourable senators, before moving my motion, and after consultations, I ask for leave of the Senate, pursuant to rule 5-10(1), to modify my motion by modifying the second-to-last paragraph to read as follows: "the provision of the order of February 2016 respecting the time of adjournment be suspended and this modification will allow the Senate to continue to sit after the committee rises."

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

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** It was moved by the Honourable Senator Bellemare, seconded by the Honourable Senator Harder that without affecting the progress of any proceedings — may I dispense?

**Hon. Senators:** Dispense.

**The Hon. the Speaker:** On debate, Senator Bellemare.

[*Translation*]

**Senator Bellemare:** After consulting with the senators, it was decided that it would be better to continue with our business because of certain constraints and certain speeches that must be given tomorrow. That is why we want to continue with our business. Thank you.

[*English*]

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

**Hon. Senators:** Question.

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

(Motion agreed to, as modified.)

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

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## CONTENTS

Thursday, May 31, 2016

	PAGE		PAGE
<b>SENATORS' STATEMENTS</b>		<b>Bill to Amend the Public Service Labour Relations Act, the Public Service Labour Relations and Employment Board Act and Other Acts and To Provide for Certain Other Measures (Bill C-7)</b>	
<b>Persecution of Baha'i People in Iran</b>		First Reading . . . . .	731
Hon. Mobina S. B. Jaffer . . . . .	726	<b>Business of the Senate</b> . . . . .	731
<b>Visitors in the Gallery</b>		<hr/>	
The Hon. the Speaker . . . . .	726	<b>ORDERS OF THE DAY</b>	
<b>Seasonal Agricultural Worker Program</b>		<b>Boards of Directors Modernization Bill (Bill S-207)</b>	
Hon. Don Meredith . . . . .	726	Second Reading—Debate Continued.	
<b>Visitors in the Gallery</b>		Hon. Yonah Martin . . . . . 731	
The Hon. the Speaker . . . . .	727	<b>Linguistic Plurality Bill (Bill S-222)</b>	
<b>Conservative Party of Canada Convention</b>		Second Reading—Debate Adjourned.	
Hon. Donald Neil Plett . . . . .	727	Hon. Mobina S. B. Jaffer . . . . . 731	
<b>Visitors in the Gallery</b>		<b>Physician-Assisted Dying</b>	
The Hon. the Speaker . . . . .	728	First Report of Special Joint Committee—Debate Continued.	
<b>Centrallia 2016</b>		Hon. Yonah Martin . . . . . 731	
Hon. Raymonde Gagné . . . . .	728	<b>The Senate</b>	
<b>Visitor in the Gallery</b>		Motion to Encourage the Government to Evaluate the Cost and Impact of Implementing a National Basic Income Program—Debate.	
The Hon. the Speaker . . . . .	728	Hon. Diane Bellemare . . . . . 732	
<b>Hemochromatosis Awareness Month</b>		Motion in Amendment.	
Hon. David M. Wells . . . . .	728	Hon. Diane Bellemare . . . . . 734	
<b>Roger Brown</b>		Hon. Art Eggleton . . . . . 735	
Royal Canadian Mounted Police—Congratulations on Retirement.		Motion to Urge the Government to Take All Necessary Steps to Bring into Force by Order-in-council the Provisions of C-452—Debate Continued.	
Hon. Percy Mockler . . . . .	729	Hon. Joan Fraser . . . . . 735	
<hr/>		Motion to Have All Documentation Provided to the Auditor General by Each Senator who was Subject to the Comprehensive Audit Returned to Each Senator Respectively—Debate Adjourned.	
<b>ROUTINE PROCEEDINGS</b>		Hon. Wilfred P. Moore . . . . . 735	
<b>Auditor General</b>		<b>Business of the Senate</b> . . . . . 735	
Commissioner of the Environment and Sustainable Development—2016 Spring Reports Tabled . . . . .	729	<hr/>	
<b>The Senate</b>		<b>QUESTION PERIOD</b>	
<i>Senate Procedure in Practice</i> —Document Tabled.		<b>Business of the Senate</b>	
The Hon. the Speaker . . . . .	729	The Hon. the Speaker . . . . . 735	
<b>Justice and Attorney General</b>		<b>Ministry of National Revenue</b>	
Federal Ombudsman for Victims of Crime—2014-15 Annual Report Tabled.		KPMG—Tax Settlement.	
Hon. Peter Harder . . . . .	730	Hon. Claude Carignan . . . . . 736	
<b>Budget Implementation Bill, 2016, No. 1 (Bill C-15)</b>		Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue . . . . . 736	
Third Report of Social Affairs, Science and Technology Committee on Subject Matter Tabled.		Offshore Compliance Advisory Committee.	
Hon. Kelvin Kenneth Ogilvie . . . . .	730	Hon. Percy E. Downe . . . . . 736	
<b>The Senate</b>		Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue . . . . . 736	
Motion to Suspend Today's Sitting to Receive Messages from Commons and Authorize Committees to Meet During the Sitting of the Senate Adopted.		Middle Class Tax.	
Hon. Diane Bellemare . . . . .	730	Hon. Larry W. Smith . . . . . 736	
<b>The Senate</b>		Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue . . . . . 737	
Notice of Motion to Resolve into Committee of the Whole to Consider the Subject Matter of Bill C-14, to Receive Witnesses, Permit Electronic and Photographic Coverage and Suspend Provisions Respecting Adjournment.		Service Delivery.	
Hon. Diane Bellemare . . . . .	730	Hon. Dennis Dawson . . . . . 737	
		Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue . . . . . 737	

	PAGE
FINTRAC Referrals—Investigation of Terrorism Financing through Charitable Organizations.	
Hon. Daniel Lang .....	737
Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue .....	738
Guaranteed Income Supplement.	
Hon. Pierrette Ringuette .....	738
Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue .....	738
Services for Northern Canadians.	
Hon. Dennis Glen Patterson .....	739
Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue .....	739
Tax Havens—Tax Avoidance.	
Hon. Serge Joyal .....	739
Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue .....	739
Tax Evasion.	
Hon. Paul E. McIntyre .....	740
Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue .....	740

	PAGE
Audits of Environmental Charities.	
Hon. Nancy Greene Raine .....	740
Hon. Diane Lebouthillier, P.C., M.P., Minister of National Revenue .....	740
<b>Business of the Senate</b>	
The Hon. the Speaker .....	741
Hon. Diane Bellemare .....	741
<b>Criminal Code (Bill C-14)</b>	
Bill to Amend—First Reading .....	741
<b>The Senate</b>	
Motion to Resolve into Committee of the Whole to Consider the Subject Matter of Bill C-14, to Receive Witnesses, Permit Electronic and Photographic Coverage and Suspend Provisions Respecting Adjournment—Motion in Modification Adopted.	
Hon. Diane Bellemare .....	741



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