



DEBATES OF THE SENATE

1st SESSION • 42nd PARLIAMENT • VOLUME 150 • NUMBER 51

OFFICIAL REPORT
(HANSARD)

Thursday, June 16, 2016

The Honourable GEORGE J. FUREY
Speaker

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Publications Centre: Kim Laughren, National Press Building, Room 926, Tel. 613-947-0609

Published by the Senate
Available on the Internet: <http://www.parl.gc.ca>

THE SENATE

Thursday, June 16, 2016

The Senate met at 1:30 p.m., the Speaker in the chair.

Prayers.

SENATORS' STATEMENTS

THE LATE ROBERT F. KENNEDY

Hon. Wilfred P. Moore: Honourable senators, I rise today to speak about the late Senator Robert Francis Kennedy, affectionately known as “Bobby” and “RFK,” the third son of the late Joseph P. Kennedy, Sr., and Rose Elizabeth Fitzgerald Kennedy. June 5 marked the forty-eighth anniversary of his assassination; he died early the next morning from a gunshot to his head. He was 42 years of age and just finished the eighty-second day of his campaign to be his Democratic Party’s nominee in the 1968 election for the presidency of the United States.

In 1968 our Senate adjourned on March 27 and no tribute was ever made to Senator Kennedy.

He was a brother of the late President John F. Kennedy, who was assassinated on November 22, 1963. He served as Attorney General in the Kennedy administration and was his brother’s principal confidant. He had been elected a senator from the State of New York in 1964.

Bobby announced his presidential candidacy on March 16, 1968, saying that he was running to “close the gaps that now exist between black and white, between rich and poor, between young and old.”

His campaign led him to small town main streets, to Black ghettos, to First Nations reserves, to universities, meeting and touching the people on the streets rather than seen only from a TV studio.

He was in Muncie, Indiana, on April 4, 1968 when he learned of the assassination of Martin Luther King, Jr. earlier that day. While reactionary riots were happening in major cities, he chose to speak at a rally in Indianapolis in the worst part of the Black ghetto.

He told the crowd of the death of Dr. King. Emotionally drained, he quieted the crowd as he spoke, saying:

Let us dedicate ourselves to what the Greeks wrote so many years ago: to tame the savageness of man and make gentle the life of this world.

Let us dedicate ourselves to that, and say a prayer for our country and for our people.

Shortly after 7 p.m. on June 5, he arrived at the Ambassador Hotel in Los Angeles, and with news correspondents awaited the South Dakota and California primary returns. With the spectacular double victory in hand, he went to the Embassy Ballroom to thank his supporters. He then headed to the Colonial Room to meet with print journalists. He went through the hotel pantry rather than through the frenzied crowd, and while reaching across a pantry table to shake hands with a kitchen staffer, the assassin fired his fatal shots.

Bobby’s was a campaign of hope. The hope he offered was that the American people believed in their integrity and that decency could be restored. His assassination marked not just the death of another Kennedy and a promising young leader, but the death of that hope.

His moral imagination was the silent heartbeat of his campaign. It explained why Black Americans considered him their “blue-eyed soul brother.” He became a vigorous advocate for the rights of Native Americans such that he was adopted into tribes and given the name “Brave Heart.”

With the active support of his wife, Ethel, he campaigned against the Vietnam War, against poverty, against hunger, against discrimination. He campaigned for equality, for sharing, offering hope — always hope.

We can only imagine what good work the Robert F. Kennedy presidency would have brought to his country and to our world. I’d like to think there would be no more Sandy Hook, no more Orlando.

Thank you.

COMMEMORATION OF THE BATTLE OF BEAUMONT HAMEL

Hon. Fabian Manning: Today I am pleased to present Chapter 2 of “Telling Our Story.”

Honourable senators, July 1, 2016 is just a few days away. Once again, Canadians from coast to coast will come together to celebrate Canada Day. For the people of Newfoundland and Labrador, this day has a much more sombre meaning.

In my home province, July 1 has long been known as Memorial Day; a day that marks the sad anniversary of the Battle of Beaumont Hamel on July 1, 1916, during World War 1. During World War 1, Newfoundland was still a Dominion of the British Empire and, as we are all aware, did not become a part of Canada until 1949.

However, once Britain declared war on Germany in 1914, Newfoundland, like Canada, was automatically at war and the response from my province was nothing short of tremendous. Of a total population of 240,000 people at the time, in excess of 12,000 Newfoundlanders and Labradorians answered the call for the war effort.

The 1st Newfoundland Regiment made their way overseas in October of 1914 and became a unit of the British Army. Referred to as the “Blue Puttees” due to the colour of their uniform leggings, in late 1915 the 1st Regiment saw action in Turkey during the Gallipoli campaign. Then, in 1916, the 1st Regiment was sent to the Western Front in France.

July 1, 1916, was the first day of the Battle of the Somme, which represented the “big push” by the Allies to break the trench warfare stalemate of the initial part of World War I. On the morning of July 1, 1916, thousands of British and French troops commenced their advance across “No Man’s Land,” which was defended by barbed wire, lookouts and a complex series of trenches.

This day would result in a slaughter for the Allied Forces. More than 50,000 British and Commonwealth soldiers would be killed, wounded or missing, representing the heaviest combat losses ever suffered by the British Army in a single day.

For Newfoundland’s 1st Regiment, which was making its advance near the Village of Beaumont Hamel in Northern France, the results were particularly devastating. Only 68 of the 801 Newfoundlanders who went into battle on that July 1 morning were able to answer the roll call the next day. All told, 255 of Newfoundland’s best lost their lives on that day, 386 were wounded and 91 were missing.

The survivors of the Battle of Beaumont Hamel would go on to help rebuild the 1st Regiment. The regiment would see additional action during the remainder of World War I. Eventually it would become the only unit of the British Army to earn the official designation of “Royal” from the British Crown in recognition of the regiment’s gallant action in the Battles of Cambrai and Ypres.

Of all the battles that the Newfoundland Regiment fought during the First World War, none was as devastating or as defined as the Battle of Beaumont Hamel. Without a doubt, it changed the course of history for Newfoundland and Labrador.

I have had the distinct honour to visit Beaumont Hamel on a couple of occasions — life-changing experiences to say the least. Once again this year I will have the privilege to be in France on July 1 and participate in the special commemorative ceremonies to mark the one hundredth anniversary.

It is the incredible sacrifices of the men of the 1st Regiment at Beaumont Hamel that, to this day, so strongly resonate in Newfoundland and Labrador. It is our duty now to ensure that the ultimate sacrifices made by these men to preserve our peace and freedom were not made in vain and that the memories of those brave soldiers will be forever enshrined in our hearts.

As we pause and pay tribute on July 1, and say a prayer of thanks, let us once again commit to always remember them.

Thank you.

Hon. Senators: Hear, hear.

NIGERIA

ABDUCTION OF CHIBOK SCHOOLGIRLS BY BOKO HARAM

Hon. Mobina S. B. Jaffer: Honourable senators, I once again rise to speak about the Chibok girls of Nigeria. As many of you know, I record how long it has been since Boko Haram savagely kidnapped 267 school girls from the village of Chibok on my Twitter feed every day. As of today, the Chibok girls have been in captivity for 793 days, forced to endure physical abuse, rape and hunger, and live in a constant fear of their lives.

As of today, it has been 383 days since President Buhari of Nigeria made a promise upon his inauguration to bring back the Chibok girls. As of today, he has failed to live up to his promise.

• (1340)

Part of why I rise today is to ask President Buhari to live up to his word. I regularly send written letters to him on behalf of the Chibok girls. Every day I wish that I could stop the count on my Twitter feed. Every day I hope that the girls will be rescued and reunited with their families who dearly love and miss them. Yet I cannot to this day stop raising the issue of the plight of the Chibok girls.

Let me share a story with you to illustrate their continuing nightmare.

Recently Christina Ijabla, one of the few girls who managed to escape Boko Haram last month, told the world a chilling story of how she and other girls had been treated. She said:

They tried repeatedly to coerce us into marriage. We refused and they became even more violent and brutal. They said that they would kill us and our families and that they had complete control over us. Then they blindfolded one of the girls - one of us - and shot her before our very eyes.

When President Buhari stands and does not act with the support of his army to stop the kind of horror he allows to continue, when he fails to rescue the Chibok girls, he dooms them to continue living through these kinds of despicable acts at the hands of Boko Haram.

Honourable senators, every night I say a prayer for the mothers of these girls. As a mother and a grandmother, I shudder to think

of the pain of these mothers. It has been 793 days, over two years, since these girls were abducted by Boko Haram.

Honourable senators, you may wonder why I continue to fight for girls in Nigeria. I do this because I believe that with every girl that is raped or harmed, the fabric of our world, the fabric of our society changes, and all of us have to stand up to protect the girls.

Honourable senators, I ask you to join me, and let us work together toward bringing the Chibok girls back home and stop their torture.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Kishwar Sultana, Executive Core Member for Pakistan for the Women's Regional Network, and Chelsea Soderholm, Regional Co-ordinator, India Chapter for the Women's Regional Network. They are the guests of the Honourable Senator Ataullahjan.

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

Hon. Senators: Hear, hear!

PAKISTAN

KHYBER PAKHTUNKHWA PROVINCE— LEGAL PROTECTION FOR TRANSGENDERED PEOPLE

Hon. Salma Ataullahjan: The last time I rose to speak to you about Pakistan, it was a time of sorrow. It was then when I expressed my deepest hope that the next time I spoke to you about Pakistan, it would be with good news.

Today, I am very happy to be able to share some positive news with you. This week in Khyber Pakhtunkhwa province in Pakistan, the government announced that for the first time in the history of the province transgender people would be protected under the law.

Furthermore, a significant amount of government funding has been allocated in the budget to fund wide-ranging services for the 50,000 or more transgender people in the province. Also, a transgender census will be conducted this year for the first time in the country's history.

Honourable senators, this is a breakthrough moment for Pakistan and for my home province of Khyber Pakhtunkhwa, which is one of the most conservative and most targeted provinces in Pakistan.

But most of all, this is a breakthrough moment and a time to celebrate inclusion for the historically marginalized transgender people of Pakistan.

The call for transgender rights in Khyber Pakhtunkhwa was a fervent demonstration of democracy in action. There had been a string of violent attacks against transgender people.

Last month, a transgender activist known as Alisha was shot multiple times, but she died in hospital while administrators were debating whether she should be admitted into the men's ward or the women's ward for medical care.

After Alisha's death, citizens of Peshawar, including hundreds of transgender people, rallied in the streets demanding transgender people's right to protection.

Brave transgender activists worked tirelessly to achieve this victory and recognition of their human rights. However, we must never forget that 46 transgender people were violently lost along the way.

At this time, when members of the LGBTQ community in Florida have been massacred or injured, supposedly in the name of Islam, it brings a small measure of comfort knowing that many citizens in the Islamic Republic of Pakistan marched alongside the Pakistani transgender community to fight for their protection and their rights.

And so today, I recall words of the UN High Commissioner for Human Rights:

It is by insisting on the dignity and worth of every human being, and securing their rights . . . that we will . . . build an abiding peace.

EDMONTON

TELUS WORLD OF SCIENCE

Hon. Grant Mitchell: Honourable senators, I want to tell you today about the Telus World of Science Edmonton. It is an extraordinary science centre with an IMAX theatre, a planetarium and interactive scientific exhibits, and it is located, as the name suggests, in a city that I call home, Edmonton.

I have visited the science centre and recently experienced its remarkable exhibit first-hand, from the Environment Gallery and Space Place, to the Robotics Lab and Beyond Rubik's Cube. These exhibits create a fascinating world for people of all ages but particularly young, future scientists.

One of my special memories while there was a conversation I had with a young Aboriginal employee whose name was Orion in the Rubik's Cube lab. It turns out he is a Rubik's cube wizard who can solve any configuration of a Rubik's cube puzzle that I could give him in a manner of literally seconds.

Other highlights include the following: In late 2015, the Telus World of Science Edmonton opened the Science Garage to rave reviews. The Science Garage is a 5,000-foot gallery that provides numerous hands-on, interactive science learning exhibits.

The International Travelling Exhibition of Sherlock Holmes recently opened; it is the only Canadian stop and runs through Labour Day.

Construction has commenced on the \$40-million Aurora Project. While there is still fundraising to do, the Aurora Project will see a complete transformation of the science galleries at the science centre, including the addition of 20,000 square feet of new visitor space, featuring a new gallery focusing on the science of the Arctic, the first of its kind in Canada.

I encourage Albertans, Canadians and in fact people around the world to visit telusworldofscienceedmonton.ca to learn more and plan a visit to this remarkable place that celebrates science, technology and learning in an exciting, diverse and challenging way.

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Jeremy Hornung, a 12-year-old boy who recently won an award for his essay on Senator Sinclair. He is accompanied by his family, friends, principal and teacher. They are the guests of the Honourable Senator Sinclair.

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

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

INFORMATION COMMISSIONER

2015-16 ANNUAL REPORT TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table, in both official languages, the 2015-16 Annual Report of the Information Commissioner.

SENATE ETHICS OFFICER

2015-16 ANNUAL REPORT TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table, in both official languages, the 2015-16 Annual Report of the Office of the Senate Ethics Officer.

[Senator Mitchell]

COPYRIGHT ACT

BILL TO AMEND—SIXTH REPORT OF BANKING,
TRADE AND COMMERCE COMMITTEE
PRESENTED

Hon. David Tkachuk, Chair of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Thursday, June 16, 2016

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

SIXTH REPORT

Your committee, to which was referred Bill C-11, An Act to amend the Copyright Act (access to copyrighted works or other subject-matter for persons with perceptual disabilities), has, in obedience to the order of reference of June 8, 2016, examined the said bill and now reports the same without amendment.

Respectfully submitted,

DAVID TKACHUK

Chair

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

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

• (1350)

[English]

CRIMINAL CODE

BILL TO AMEND—SEVENTH REPORT OF LEGAL AND
CONSTITUTIONAL AFFAIRS COMMITTEE
PRESENTED

Hon. George Baker, Deputy Chair of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Thursday, June 16, 2016

The Standing Senate Committee on Legal and Constitutional Affairs has the honour to present its

SEVENTH REPORT

Your committee, to which was referred Bill S-217, An Act to amend the Criminal Code (detention in custody), has, in obedience to the order of reference of May 18, 2016,

examined the said bill and now reports the same with the following amendment:

1. *Page 2*: Delete clause 3.

Your committee has also made an observation, which is appended to this report.

Respectfully submitted,

GEORGE BAKER

Deputy Chair

(*For text of observation, see today's Journals of the Senate, p. 641.*)

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

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

[*Translation*]

ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

BUDGET AND AUTHORIZATION TO ENGAGE SERVICES AND TRAVEL—STUDY ON THE EFFECTS OF TRANSITIONING TO A LOW CARBON ECONOMY—SECOND REPORT OF COMMITTEE PRESENTED

Hon. Paul J. Massicotte, Deputy Chair of the Standing Senate Committee on Energy, the Environment and Natural Resources, presented the following report:

Thursday, June 16, 2016

The Standing Senate Committee on Energy, the Environment and Natural Resources has the honour to present its

SECOND REPORT

Your committee, which was authorized by the Senate on Thursday, March 10, 2016, to examine and report on the effects of transitioning to a low carbon economy, respectfully requests funds for the fiscal year ending March 31, 2017, and requests, for the purpose of such study, that it be empowered to:

- (a) engage the services of such counsel, technical, clerical and other personnel as may be necessary;
- (b) adjourn from place to place within Canada; and

- (c) travel inside Canada.

Pursuant to Chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that committee are appended to this report.

Respectfully submitted,

PAUL J. MASSICOTTE

Deputy Chair

(*For text of budget, see today's Journals of the Senate, Appendix A, p. 650.*)

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

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

[*English*]

NATIONAL SECURITY AND DEFENCE

BUDGET AND AUTHORIZATION TO ENGAGE SERVICES AND TRAVEL—STUDY ON ISSUES RELATED TO THE GOVERNMENT'S CURRENT DEFENCE POLICY REVIEW—FIFTH REPORT OF COMMITTEE PRESENTED

Hon. Daniel Lang, Chair of the Standing Senate Committee on National Security and Defence, presented the following report:

Thursday, June 16, 2016

The Standing Senate Committee on National Security and Defence has the honour to present its

FIFTH REPORT

Your committee, which was authorized by the Senate on Thursday, April 21, 2016, to study on issues related to the Defence Policy Review presently being undertaken by the government, respectfully requests funds for the fiscal year ending March 31, 2017, and requests for the purpose of such study that it be empowered:

- (a) to engage the services of such counsel, technical, clerical and other personnel as may be necessary; and
- (b) to travel outside Canada.

Pursuant to Chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget submitted to the Standing Committee on Internal Economy, Budgets and

Administration and the report thereon of that committee are appended to this report.

Respectfully submitted,

DANIEL LANG

Chair

(For text of budget, see today's Journals of the Senate, Appendix B, p. 660.)

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

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

THE LATE JO COX

SILENT TRIBUTE

The Hon. the Speaker: Honourable senators, I would ask that we all rise to observe a moment of silence in memory of Labour Party MP Jo Cox, who was brutally murdered earlier today at her constituency office in Birstall, near Leeds, England.

Honourable senators then stood in silent tribute.

[Translation]

THE SENATE

NOTICE OF MOTION TO AFFECT QUESTION PERIOD ON JUNE 21, 2016

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

That, in order to allow the Senate to receive a Minister of the Crown during Question Period as authorized by the Senate on December 10, 2015, and notwithstanding rule 4-7, when the Senate sits on Tuesday, June 21, 2016, Question Period shall begin at 3:30 p.m., with any proceedings then before the Senate being interrupted until the end of Question Period, which shall last a maximum of 40 minutes;

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

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

[Senator Lang]

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

[English]

ADJOURNMENT

NOTICE OF MOTION

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

That, when the Senate next adjourns after the adoption of this motion, it do stand adjourned until Monday, June 20, 2016 at 5 p.m.; and

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

• (1400)

CANADA-EUROPE PARLIAMENTARY ASSOCIATION

SECOND PART OF THE 2016 ORDINARY SESSION OF
THE PARLIAMENTARY ASSEMBLY OF THE
COUNCIL OF EUROPE AND ITS MISSION
TO THE SLOVAK REPUBLIC,
APRIL 18-28, 2016—
REPORT TABLED

Hon. Percy E. Downe: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canada-Europe Parliamentary Association respecting its participation at the Second Part of the 2016 Ordinary Session of the Parliamentary Assembly of the Council of Europe and its mission to the Slovak Republic, the next country to hold the rotating Presidency of the Council of the European Union, held in Strasbourg, France and Bratislava, Slovak Republic, from April 18 to 28, 2016.

QUESTION PERIOD

TRANSPORT

MANITOBA—AEROSPACE INDUSTRY

Hon. Donald Neil Plett: Honourable senators, my question is for the Leader of the Government in the Senate.

As you know, leader, I spoke yesterday on Bill C-10 and raised issues in regard to commitments that the federal government had made to the Province of Manitoba during the last provincial

election. They, in fact, promised that the Province of Manitoba would have \$20 million of aerospace industry training offered to them. That election, of course, happened some time ago, and Manitoba is waiting for a cheque or a letter or something.

You and I, of course, have discussed this, leader, and I have discussed this with the Minister of Transport, and we are starting our committee hearings on this on Monday. When I ask the minister whether this commitment has been fulfilled, I would like him to be able to feel good and give me a positive answer.

Leader, do you think there is a reasonable chance that the minister will be able to give us a positive answer that, in fact, the Liberal government does care about Manitoba, even though, very clearly, most of the Liberal MPs in Manitoba don't care about Manitoba?

Some Hon. Senators: Oh, oh!

Hon. Peter Harder (Government Representative in the Senate): Without accepting the premises of the question, I, like the honourable senator, wish that the minister is happy on Monday.

Senator Plett: Well, leader, let me ask you whether you will do everything in your power to make sure that the minister will be happy on Monday?

Senator Harder: I give the honourable senator an assurance of my ongoing efforts on this matter.

INTERNATIONAL TRADE

EXTRACTIVE SECTOR—BUSINESS PRACTICES

Hon. Nancy Ruth: Senator Harder, this is a question for Minister Freeland and it's about the extractive sector.

Canada has a long-standing commitment to promoting long-standing business practices by Canadian companies operating overseas. Specifically, how will the government ensure that Canada's corporate and social responsibility strategy for the extractive sector, to be renewed in 2019, explicitly addresses women and men, as opposed to broad references to human rights and explicitly addresses the following: women's inclusion in community decision making and oversight structures with relation to resources, their management and profits; what resources will be given to them and encouraged by Canada to support their participation in these things; investments in women's productive capacity; strict rules in supply chains regarding minimum labour standards for women and children; and proactive measures in the supply chains to protect women from rape, physical violence and security risks?

Could the government tell us how Canada's commitments to UN Security Council Resolution 1325 on women, peace and security is being incorporated into Canada's promotion of conflict-sensitive business practices in fragile and conflict affected areas? How is Canada implementing the November 2013 UN report, *Women and Natural Resources: Unlocking the Peacebuilding Potential*?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question as well as for her ongoing interest in these issues. I am aware that there are consultations with respect to the extractive sector initiative.

As for the specific questions that you reference, honourable senator, I will make sure they are responded to by the appropriate minister, and, again, I thank you for your interest. This is an important subject for all Canadians.

FINANCE

COMPETITIVENESS—SMALL BUSINESS TAX RATES

Hon. Tobias C. Enverga, Jr.: My question is for the Leader of the Government in the Senate. The World Competitiveness Centre recently revealed its annual rankings of the world's most competitive economies. This year, Canada has taken quite a fall in the rankings, from fifth best country last year to tenth this year. This is Canada's worst ranking since at least 2008.

There has been a noticeable lack of respect for entrepreneurship in this country by this Liberal government. For example, as we have seen in the recent budget, the Liberal government reneged on its election promise regarding the small business tax rate and on its election promise to give small businesses a 12-month break on EI premiums for hiring youth.

How can this government claim to have an agenda to ensure Canada's competitiveness when it is not following through on policies that would help to do just that?

Hon. Peter Harder (Government Representative in the Senate): I'd like to respond in two ways to the question. First, I believe that the data that informs the survey is data for the last year, which would suggest that it is data before this government came to office.

But the more important aspect of the question is what the government is doing for Canada's competitiveness. Later in the day, I will be pleased to speak to Bill C-15, the Budget Implementation Act, which has many initiatives with respect to competitiveness, and I'm happy to speak more completely on that subject later this afternoon. I thank the honourable senator for his ongoing interest in this important subject.

[Translation]

HEALTH

ELDER ABUSE—NEW HORIZONS PROGRAM

Hon. Jean-Guy Dagenais: Honourable senators, my question is for the Leader of the Government in the Senate and concerns seniors, a group that we will all belong to one day.

Yesterday, June 15, was World Elder Abuse Awareness Day, which draws attention to the serious problems of elder abuse and all forms of abuse, whether they constitute physical, sexual, psychological or financial abuse, or negligence.

The previous Conservative government was very committed to raising awareness about elder abuse. It launched a national advertising campaign, passed the Protecting Canada's Seniors Act in 2012, which increases sentences for a person convicted of elder abuse, and increased funding for the New Horizons for Seniors program in order to carry out elder abuse awareness projects.

Can the Leader of the Government tell us whether the Liberal government has implemented any specific measures in this regard? If yes, what are those measures?

Hon. Peter Harder (Government Representative in the Senate): I will take the question as notice. This subject is very important to all Canadians. I will ask the government to provide a detailed answer. New Horizons is a very important program. I hope that the government's response will be positive.

• (1410)

[English]

INTERNATIONAL COOPERATION

MINISTER'S VISIT TO SOUTH KOREA

Hon. Yonah Martin (Deputy Leader of the Opposition): I have a question for the Leader of the Government in the Senate.

Leader, when Minister Freeland was here, I specifically asked about the concrete measures that the government is taking to really advance the full implementation of the Canada-Korea FTA. I was aware of her trip to Korea. She mentioned the meetings she had and what a wonderful trip it was. I knew she would have a great trip. It's a remarkable country.

But I specifically wanted to know what outcomes were achieved from that trade mission as well as what actual programs and initiatives the government is undertaking to really forge the partnership that, if we do not capitalize on, our small business, our exporters, our importers and investors will lose out.

My question was very specific. I know the minister enjoyed her trip, but I didn't feel I got a response. Would you be able to answer this question or ask the minister for some specifics?

Hon. Peter Harder (Government Representative in the Senate): How about I do both? I've had some experience in Canada-Korea issues myself and know the importance of that market for Canada, which is why the Canada-Korea Free Trade Agreement was a high priority for Canada.

I regret that its implementation wasn't as rapid as one would have hoped, because the American implementation advanced by two years ours, and that caused some market erosion for Canada. In that sense, we're playing catch-up. The minister's visit is very important to re-establish that profile for Canada and Canada's producers.

The minister did reference a number of meetings, including the agricultural sector. Of course I can't get away with an opportunity to reference yet again her reference to the University of Waterloo, a great university from which I was pleased to graduate.

I would be pleased to ask her for additional concrete follow-up to the visit. Thank you for your ongoing interest in this question.

Senator Martin: Last week there was a Canada-Korea dialogue series on the Hill, one that really takes the conversation to a very high level of discourse. I know that all of the panelists, including the ambassador of Korea to Canada, talked about one very specific area of focus that Canada should be looking at really strategically, science, technology and innovation. The two economies are quite compatible. What Canada excels in, Korea may be very much interested in and vice versa. I would like to actually know what has been explored in that specific sector.

Senator Harder: Again, I would be happy to get additional details, but I do take from the minister's response and from the information available that you are absolutely right, that this is an area of high compatibility economically. That was the basis of the conversation with respect to the University of Waterloo, and high-quality talent in the engineering sector in particular can benefit both economies and businesses in collaborating in this area of innovation, science and technology.

Senator Martin: One more question if you don't mind, leader. It is a comment on what you said.

It's true the Americans were two years ahead, but I know that when the previous Conservative government ratified and implemented the agreement, on the day of the ratification of the agreement, the wheat and barley producers of Canada said their exports literally doubled. It was an instant gain for Canada. I'm proud of the record of the previous government.

As Senator Enverga said, the small businesses are taking a hit from all angles, and I wanted to stress to you, leader, to speak to the Minister of Small Business as well as to the government about the need for maybe another subcategory within the SMEs, because that's a very large category. We are talking about very small businesses across Canada from coast to coast to coast. Those are the people we need to support. They were very disappointed that the business tax cut was not happening.

Senator Harder: Thank you for your question, and I'll respond to both aspects. You referenced the improvement in barley exports, which is absolutely accurate.

What it did respond to is the precipitative drop in barley and other products; the Americans took our market over the two years we were without implementation of our free trade agreement, which was unfortunate. It is gratifying to see that some of that market has returned. As you referenced, the barley market is one of those.

It's important for all of us to recognize that you can lose markets if you're not fast enough on free trade agreements, and sometimes they respond quickly and sometimes they may not

[Senator Dagenais]

because of the competitive nature of the global economy, particularly in the resource sector and the agriculture and agri-food sector.

[Translation]

With respect to SMEs, again you are absolutely correct in saying that particularly in Asia, there seems to be reluctance and a hurdle for SMEs generally but particularly small enterprises to engage in the Asian marketplace. I know that the government is working diligently with provincial governments, often including local economic development agencies that have closer working relationships with the particularly small enterprises and trying to ensure there is a whole-of-Canada approach to supporting small and medium-sized enterprises in entering new markets.

Senator Martin: One point of clarification, by “small business,” I meant businesses in Canada doing business in Canada, whether a convenience store or a gas station, but most of these small-business owners are Canadians contributing to our economy. Whatever we can do for them, there should be a subcategory to focus on ways we can reduce red tape and/or cut the taxes to support these small businesses.

Senator Harder: I’m sorry I misunderstood. I thought we were on the same theme of trade as your preface suggested the barley market. My mistake.

I believe Minister Chagger responded to those questions, but I am happy to bring to her attention the question that you posed today as well.

THE SENATE

STATUS OF ANSWERS TO WRITTEN QUESTIONS

Hon. Percy E. Downe: Senator Harder, I’m wondering if you have any update on the answers to the written questions.

Hon. Peter Harder (Government Representative in the Senate): An answer in writing? It is my hope to continue the practice of regular reporting on delayed answers in a timetable that is more responsive than perhaps it has been. I will inquire as to when the next batch will be available.

My minions have been preoccupied with other issues perhaps. Or should I say minion?

Senator Downe: When we had this discussion in questions asked earlier, you hoped the ministers and departments could respond more quickly than normal. Do you anticipate we will receive some answers before we adjourn?

Senator Harder: I do. That doesn’t mean we’ll stay longer.

Senator Downe: Either way, I look forward to the answers.

NATIONAL REVENUE

TAX AVOIDANCE INVESTIGATION— KPMG—ISLE OF MAN

Hon. Claude Carignan (Leader of the Opposition): Honourable senators, my question is for the Government Leader in the Senate and has to do with an issue I raised with the Minister of National Revenue, Diane Lebouthillier, during her question period appearance here in the Senate.

The Canada Revenue Agency apparently made a secret offer to wealthy clients of the KPMG accounting firm. The clients were offered an offshore tax avoidance scheme in the Isle of Man, not to name names.

We recently learned from documents submitted to a committee in the other place that KPMG presented its tax avoidance scheme in the Isle of Man as a way for wealthy clients to circumvent the Divorce Act and to hide money from a former spouse during divorce proceedings.

When the Minister of National Revenue answered our questions recently, she did not make a connection to the amnesty agreement that the Canada Revenue Agency offered KPMG clients. This agreement still exists.

• (1420)

In light of this new information, I repeat my question: why did KPMG clients get this special agreement, even though they were already being investigated for breaking the law? Is this agreement still in effect?

Hon. Peter Harder (Government Representative in the Senate): Thank you for your question. I will ask the minister for an answer.

[English]

ORDERS OF THE DAY

QUESTION OF PRIVILEGE

SPEAKER’S RULING RESERVED

Hon. Pierrette Ringuette, pursuant to rule 13-4, raised a question of privilege concerning the decision of the Standing Committee on Internal Economy, Budgets and Administration to change her designation from independent to non-affiliated on the Senate website.

The Senate, pursuant to rule 13-5(2), proceeded to consideration of the question of privilege of the Honourable Senator Ringuette.

She said: Your Honour, I am giving oral notice as per rule 13-4, and I am raising a point of privilege in regard to my designation as an independent senator.

Honourable senators, should it be found that there is a *prima facie* question of privilege, I will officially and publically ask His Honour to order immediate restitution of my privilege to the Standing Committee on Internal Economy, Budgets and Administration.

As per rule 13-3, pertaining to the criteria of a breach of privilege, I am putting forward this oral notice because in order to bring a written notice, you need to understand the issue of your privilege being breached at least three hours before the Senate is sitting, which was not the case, and I'll explain.

Following last night's vote, this morning when I was having my coffee — I'm fascinated with numbers; you all know that — and I was looking at the results of the vote at third reading of Bill C-14, and I said, "Okay, 64, 12, 1. Who was missing?" I went to the Senate website that lists all the senators and, to my big surprise, I saw the first few senators on the list. For instance, Senator Bellemare, because it's in alphabetical order, was shown as non-affiliated; then Senator Boisvenu, non-affiliated; then Senator Campbell, non-affiliated. It went on and on until it came to my name, Senator Ringuette, page 3 of 4, non-affiliated, New Brunswick. Excuse my language, but I said, "What the heck is going on here?"

At 7:15 this morning, I sent an email to the Director of Communications, Ms. Leclerc, saying, "Mélisa, please tell me why and who has changed the Senate website for senators, identifying some senators from independent to non-affiliated." She replied three minutes later, at 7:18, "Good morning, senator. I am looping Nicole Proulx who can explain where the decision comes from." A "decision."

Finally I got a call from Ms. Proulx at 10:50 this morning, and she advised me verbally that it was an issue that had been talked about and addressed at the Internal Economy Committee of the Senate. I asked her when, and she said in May. I said, "May. That's a month and a half ago. I never received any call asking me if I was okay with that."

I asked Ms. Proulx to forward me the transcript of the meeting, even though it was in camera. She hesitated a little bit, and I said, "Well, I'm a senator; I'm entitled to that."

About half an hour later I received the transcript, and I also received the official minutes of the proceedings of the Standing Committee on Internal Economy, Budgets and Administration, dated May 5, 2016.

Before I go to that, and in order to establish the *prima facie* case in regard to my point of privilege, when a senator is appointed to the Senate, you will recall that we all go to the Clerk's office and sign a declaration of how we want to be designated.

[Senator Ringuette]

I did so on December 2, 2002, as a Liberal. But on February 2, 2016, I sent a letter to the Speaker of the Senate with a copy to the Clerk, Charles Robert, and Senator Cowan, indicating that as of February 2, I would not be sitting as an independent Liberal, but I would be sitting as an independent. That is my right and privilege to take the designation that I want.

If you want to be a Tory senator, that's okay with me; you decide individually. If you want to be an independent Liberal, that's okay with me; you decide individually. It is for each and every one of us, a privilege. I have exercised my privilege of wanting my designation to be an independent.

Further to that, we issued a press release in March 2016, and the entire press release was read in the Senate Chamber, and the headline was: "Senators to Form an Independent, Non-partisan Working Group."

We and I am an independent senator. That's my right. That's my privilege.

Now, I would like to put a little bit of historic context in regard to independent senators. In May 1996, Speaker Molgat, addressed the issue of who would be first recognized as able to ask a question. It seems that a few senators were rising at the same time and Speaker Molgat recognized an independent senator. A point of privilege was brought forth in the Senate in regard to an independent senator should not have privileges over a partisan senator to ask questions in the Senate.

Senator Molgat said that:

... the Speaker shall call upon the Senator who, in the Speaker's opinion, first rose.

Speaker Molgat continued:

... I apply it to the Senate as a whole, including the independent senators.

So independent senators were being recognized for the rights and privileges since 1996. Now, but for time constraints, we could go down memory lane and find a lot more data in this regard.

• (1430)

In July 2005, Speaker Dan Hays made the following ruling:

If there is any limitation, it may be that the lists emanating from the Government and Opposition Leadership do not take into account the independent Senators

There, again, we are independent senators.

Lo and behold, more recently, on February 24, 2016, our current Speaker made the following ruling and said:

It is within the power of the Senate to adapt its Rules and practices as it sees fit to take into account the increasing number of independent senators in our Chamber.

It is not to recognize non-affiliated senators in our chamber.

Furthermore, with regard to the Senate membership, in the Senate's Annual Reports on Activities for the year 2013, there were three types of political affiliation on March 31, 2013: C - Conservative Party of Canada; Lib - Liberal Party of Canada; and Ind - independent.

Then, if you look at the latest version of *Senate Procedure in Practice*, which is June 2015, it says, on page 29:

Most senators sit as members of the government or the opposition, although some senators sit as independents or belong to parties that do not meet the conditions to be recognized as parties in the Senate.

Again, *Senate Procedure in Practice* recognizes that I can be an independent senator.

When I looked at committee membership on the Senate website, as of May 17 independent senators were still recognized as independent senators. Then, if you go to the Senate webpage "Standings in the Senate," as of today you will see three different forms of recognition: "Conservative Party," "Non-affiliated" and "Liberal Party."

Even there, the rapid progress of changing my designation with regard to the Senate website, which is the communication tool of the Senate, is already happening, not only with respect to the membership of the entire Senate. It says here: "Non-affiliated — 23."

Then it says, "Changes To Party Standings Since Last General Election." So, Nick Sibbeston, you've changed to be an independent. It says right here, you changed to be an independent senator. Murray Sinclair, you're recognized as an independent senator. Pamela Wallin, Elaine McCoy, Pierrette Ringuette. I've changed to be an independent senator; I have not changed to be a non-affiliated senator.

If you go again to the Senate website with regard to "Party Standings (1867 To Date)," it is only recently that this terminology — that is the only way I can relate to it; it is terminology, not a designation — puts forth non-affiliated.

If you look at the history, there has never been "non-affiliated," except here we have, from 2006 to 2008, five who called themselves non-aligned; otherwise, it is independent senators.

With regard to the information that I received around eleven o'clock this morning, I will provide you with a few quotes from the unrevised transcript of the Standing Committee on Internal

Economy, Budgets and Administration, dated May 5, 2016. Pascale Legault, Chief Financial Administrator, Finance and Administration, Senate of Canada, said:

While the papers are being distributed —

She was distributing papers to the members of the committee.

— I would like to go back to our last meeting when this committee approved the proactive disclosure mock-ups. The decision was to also integrate all recommendations coming from the security report from Mr. McDonald.

Then there is discussion about the security issue. Later, Ms. Legault said:

... the mock-up that was presented remained the same. The only item that was discussed yesterday was whether we needed affiliation on that page. The view was that we could remove that column without reducing the level of information or meeting the objective here, or we could have the following affiliations: Conservative, Liberal or non-affiliated. I will leave that to this committee to make at the end of the presentation.

At the end of the presentation, the chair, Senator Housakos, said the following:

We've consulted far and wide —

POINT OF ORDER

Hon. Daniel Lang: On a point of order.

Colleagues, in deference to the senator who is bringing forward the question of privilege, what she is quoting from is an in camera meeting. An in camera meeting is that, namely an in camera meeting, unless you get the consent of those who were at that meeting to provide you with access to that information to make it public. The honourable senator got that information because she is a senator and she has certain responsibilities as a senator to honour the proceedings, as in any of our committees, especially when they are in camera.

I would ask the senator opposite when she refers to the meeting she can refer to it in substance, but I would suggest that she should not be quoting other members because it was an in camera meeting and that should be respected, just like everything else should be.

Some Hon. Senators: Hear, hear!

Senator Ringuette: On this point of order —

The Hon. the Speaker: Senator Lang raises a good point. I think it is inappropriate to quote directly from an in camera session.

Honourable Senator Ringuette, you can continue with your question of privilege with that caveat, but I should tell you as well at this stage I have heard a fair amount. I clearly understand your

question of privilege. It is entirely up to you how long you wish to go on, but I can tell you that I clearly understand your question of privilege.

• (1440)

Some Hon. Senators: Hear, hear!

Senator Ringuette: Thank you, Your Honour. Thank you, Senator Lang.

In general, at that in camera meeting, it was decided that independent senators would be recognized as non-affiliated senators.

Your Honour, I am willing and able to table all of these documents, if need be.

It is further indicated in the formal minutes of the proceedings that “independent” would be changed to “non-affiliated.”

The working group of independent senators received a visit from Ms. Nicole Proulx to give us information regarding Senate strategies, priorities and objectives for the upcoming years, and at no time was the issue of my designation disregarded.

We also received two other briefings from Ms. Pascale Legault, Chief Financial Officer, with regard to strategies and objectives, and none of these documents indicated any change in my designation.

I also have here the Senate communications plan. Here again, in this colourful presentation that I received in May, nowhere does it indicate that there was a motion within the Internal Economy Committee to remove my privilege to sit as an independent senator and be recognized as such in any Senate communications.

Your Honour, I honestly believe that this is a serious breach of my identity as a senator. At no time was I informed. At no time was I consulted by anyone in this chamber or in the administration, from Communications or any other department. We have very nice people working for us, but not at any time was I apprised of any kind of insinuation that they were considering recognizing independent senators as non-affiliated senators.

I sent to you, Your Honour, copied to the Clerk of the Senate last February, my designation as an independent senator. I am not a non-affiliated senator, and I want that to be respected. I want measures to be taken to correct all Senate communication and any kind of administrative paperwork in that regard.

Hon. Joan Fraser (Deputy Leader of the Senate Liberals): Briefly, Your Honour, I think up to a point Senator Ringuette has a point. It has been our long-standing practice that senators self-identify. I think there need to be limits to that practice. We would not want a senator to self-identify as being affiliated with “Murder Inc.,” for example, but normally we have accepted self-identification according to generally recognized political categories.

We still recognize “independent.” For example, if you look at the back of the seating chart, Senator Ringuette is recognized as an independent senator. So it’s not as if suddenly everything has changed.

However, if any identification of a senator is changed, it seems to me that that should be done in respect to rules that are understood and explained to every senator and with that senator’s consent, as to the extent that that senator consents to obeying the rules. If not, an arbitrary decision has to be made.

I am not sure that this reaches the height of a question of privilege. It may. Identity is important. That is for you to judge, Your Honour. However, I do think that perhaps she has pointed to a bit of a lapse in, at the very least, our communications policies.

Hon. John D. Wallace: Honourable senators, I rise to speak in support of the issue Senator Ringuette has raised. I wasn’t aware of this change until shortly before arriving here at 1:30. I have as well looked at the parliamentary website, and I notice that for me, my designation — Wallace, John D. — is now indicated as “non-affiliated” for New Brunswick in the Town of Rothesay.

I was not aware that change had taken place. There was no consultation whatsoever with me about it. Quite frankly, I am deeply offended that that change would have taken place.

At the time that I resigned from the Conservative caucus, I indicated clearly in all of the written notices that went to the Conservative caucus and to the Speaker’s office that I would be an independent senator representing the province of New Brunswick. It was never questioned that somehow I did not indicate a proper designation by referring to myself as an independent. I believe with that designation, titles and positions mean something.

This is a public website. The public look to it and should be able to determine what alliance or non-alliance any senator has. Conservatives, obviously, take great pride in being designated as Conservatives and Liberal senators as Liberals.

I can assure you, speaking for myself, I take pride in now being designated as an independent, and I would say an independent non-partisan senator. That is extremely important. That reflects my identity as a senator in this institution, and to think that that would be changed without any discussion with me is totally wrong.

I believe the designations should be returned to what they were. This reference to “non-affiliated” is such a benign description — maybe that was the intention — that the public wouldn’t know what it means. People understand what “independent” means and clearly understand what an independent senator is. That is what I am and what my fellow senators here are.

When I think of what has happened here, it’s not in isolation, at least from my perspective. The world is changing in this Senate. We realize that. To a large extent it’s changing because of the

[Hon. the Speaker]

presence of our new independent senators, and it will continue to change as greater numbers of independent senators arrive in the latter part of this year and beyond.

There have been numerous examples where the partisan political caucuses are attempting to maintain control not only over their affairs but affairs that really should not concern them, which are the rights, privileges and equality of independent senators. I have seen this happen over the last six months in terms of the ability of independent senators to be members of committees. That issue for me arose back in December. I presented a motion dealing with that issue in the chamber, as you may remember. That issue was only resolved last evening, six months later and at the end of our current term.

• (1450)

Essentially, senators will not be able to participate as members in committees before we break for the summer; that is totally unacceptable.

I ran into a similar situation with the partisan control over offices. I will not go back into that issue, but it is one that I took exception to personally, as you may recall.

Seating in this chamber, where independent senators should sit in this chamber — that was contested as well. The decision you made on that issue, Your Honour, as Speaker of this chamber, was challenged.

And now here we go with the designation or the description of what each of us as independent senators should be.

Time is marching on. The world in this Senate is changing, and it will continue to change. This may seem to be a small issue for some people. I can assure you it is not a small, insignificant issue for independent senators. That description of an independent senator should be returned and should replace the reference to “non-affiliated” that now appears on the Parliament of Canada website.

Hon. Leo Housakos: First, I want to make it clear that the changes that have been referred to on the floor today have in no way, shape or form been designed to offend anybody or to denigrate anybody. I, as chair of the Internal Economy Committee, apologize if some people have been hurt by that decision.

But I also want to highlight some facts with regard to this debate.

I agree with Senator Fraser that, ultimately, this could be a point of privilege, but this is also well within the purview of the Internal Economy Committee to take these decisions and have these discussions.

Senator Wallace, you are absolutely right. There have been some changes in this institution, and there has been a desire on the part of a number of senators to change designations and titles in this place. Of course, the Internal Economy Committee has been

left with the consequences of having to try to navigate through all of these requests coming from senators from all sides in the chamber.

We had long and lengthy debates about this issue at the Internal Economy Committee, and we are trying to come up with a solution that satisfies everyone to the best of our committee's capacity. There was nothing clandestine about this.

The concerns brought forward today on the question of privilege by the honourable senator have come to my attention for the first time. I can assure honourable senators if this concern would have been brought to my attention, we would not be spending time on this debate now on the floor of the Senate. We would be addressing it in the Internal Economy Committee, which is the place to address it.

An Hon. Senator: Hear, hear!

Senator Housakos: I also want to say that some senators, Senator Wallace, take great offence to the fact that some senators believe that independence is a monopoly that they own. A number of senators believe independence is a state of mind. We have seen in the last weeks in this chamber that all senators can behave in an effective, independent fashion in participating in this debate.

As chair of the Internal Economy Committee, I can tell honourable senators that on a number of occasions a number of senators have expressed concern that some of their colleagues think they own a monopoly on the whole notion of independence.

With regard to the question of why we made the changes to the disclosure platform, the rules in the Senate have been clear, Your Honour. Designations in the Senate are designed for senators that want to affiliate themselves to a political party that is recognized by Elections Canada. Those senators who choose not to affiliate themselves obviously can sit in this chamber and can categorize themselves as they have in the past as independents.

But if you look at the Senate chart column of the administration, at the top, it says “affiliation,” and when you go down that list, it says “Conservative” or “Liberal.” We thought in the spirit of clarity we would clarify by saying “non-affiliated,” which in reality is what Senator Wallace confirmed you are. You have chosen not to affiliate yourself to a political party.

We were also trying to come to a solution because a number of affiliated senators feel no less independent in this chamber, because a lot of them expressed the view that by some senators referring to themselves as independent, there is an automatic perception that the rest of us are dependent on someone or something. That is offensive as well to a number of senators, and they expressed that point of view at the Internal Economy Committee.

Having said that, if we clearly have not gotten it right and a number of senators feel that this debate needs to be pursued, I really don't think that we should be spending valuable time in this

chamber on this issue, given the importance of the debates we have had here in the last few days and the issues that remain on the agenda.

Some Hon. Senators: Hear, hear!

Hon. Pamela Wallin: I want to add a few words of support to Senator Ringuette's and Senator Wallace's comments because this is a very important issue. I don't think it can or should be dismissed, nor do we believe that we have some kind of monopoly on the notion of independence. It is, however, a formal designation.

I have the right to change my designation as I see fit, with the exceptions that have been mentioned earlier. We want to be respectful.

The designation of a senator is determined when the senator makes his or her choice. The Conservative caucus can choose not to have me sit with them, which they did. But I then have the choice of what my designation will be. If any senator chooses to join the Conservative caucus at that point, would you really want to choose a different name or affiliation for him or her since they were not appointed by a Conservative prime minister or because their background is slightly different? To not allow 23 senators, to be exact, to have input into their own designation is without justification.

In this chamber, senators have sat within political parties and outside political parties for decades. Some senators chose to sit as Progressive Conservatives, a political party that actually no longer existed after 2006.

I know many senators in this chamber consider themselves independent-minded as well as having a party affiliation. However, independent with a capital "I" is a widely held designation to be chosen and not to be disregarded.

I am not simply nonaligned. I choose to be independent and not affiliated with a political party. It is not and should not be the purview of a majority on a committee to unilaterally pick another name and label me with their choice.

Some Hon. Senators: Hear, hear!

The Hon. the Speaker: Honourable senators, I believe I have heard enough, but I did see two senators rising. I will entertain two more interventions, but I would ask senators to please keep them brief.

Hon. Terry M. Mercer: I am a little miffed here that the Standing Committee on Internal Economy, Budgets and Administration have enough extra time on their hands that they can sit around and talk about what we individual senators would like to designate ourselves.

I have always considered the Internal Economy Committee one of the most important and busiest committees here. I have never sat on it. I have sat in a couple of times to replace someone. I've

always found that it's a hard-working committee. But I am surprised that they have taken the time to sit down and look at what we designate ourselves as.

What we designate ourselves as is what we are. Leave it alone. Let's move on.

Hon. Anne C. Cools: Honourable senators, I would like to add to this debate on Senator Ringuette's claim on breach of parliamentary privilege. I would like to support Senator Ringuette to the extent that she feels and claims rightly that she has been offended. An offence has been offered to her, undoubtedly, but I do not believe that that offence is a violation of her parliamentary privileges.

An Hon. Senator: Oh, oh!

Senator Cools: If you want to respond to me, you must rise.

Privileges have to be identified, and when members raise questions of privilege, they are expected to identify the privilege of Parliament that has been violated. It is difficult to describe a personal experience of feeling hurt or offence as questions of privilege. This raises a lot of problems.

• (1500)

Colleagues, for many years I sat here, in the chamber, and was described as "non-affiliated." The letters "NA" did not stand for "non-aligned." They stood for "non-affiliated" with a political party, because the Senate, like the House of Commons, for quite some time now has been reliant and dependent on political parties to deliver responsible government, whether some want to admit this or not. Historically, responsible government has meant government by a political party.

Political parties were called into existence because very early in the development of responsible government, some very learned people discovered that, left to their own devices, members, being humans, would coalesce by private interests. Political parties were introduced so that members could coalesce by ideas and by principles that are much more beneficial and of greater importance to the common good than private interest.

I remind senators, yet again, that the term "independence" always refers to distance from the Crown. Terms like the independence of Parliament or judicial independence reveal this. The term "independent" meant every member of the house, who was not a minister of the Crown. All members of Parliament who were not Crown ministers were independents. In those days, every single member was expected to be very high-minded, strong-minded and independently thinking.

We do damage when we have reduced the term "independent" to mean the absence of party affiliation. Every single human being in this room who is a senator is expected to bring their independence of mind and spirit to every single issue put before them.

I say yes, Your Honour, an offence has happened. A violation has happened, but it seems to be a mistake or a misunderstanding. I do not believe it is a Question of Privilege. I believe it is a hurt to

Senator Ringuette personally, but I do not believe it is a Question of Privilege that violates the honourable senator's privilege of Parliament.

Hon. Frances Lankin: Thank you, very much, Your Honour. I understand that you have received sufficient advice and you will rule on this accordingly. I am just responding to the remark that this was only a personal offence to Senator Ringuette. I want to make sure that all honourable senators know that I share that offence with her, and I'm sure many of my other colleagues do as well.

The Hon. the Speaker: I thank all senators for the input. Senator McCoy, if you want to make a brief intervention, please.

Hon. Elaine McCoy: Just to straighten the record so that we have all our facts straight, nothing more. We have just checked the transcript of the meeting of Internal Economy of May 15, 2016. They are on the website. We read them again. Our office just emailed to say they checked them, and they said they were not in camera. Thank you.

The Hon. the Speaker: I want to thank all senators for their input into the debate on this matter. I will take it under advisement.

BUSINESS OF THE SENATE

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, you know that this is my first June in the Senate. I thought it would be useful before we get to Orders of the Day for me to clarify the intentions of the government with respect to government business over the course of the next few days.

It is our intention to deal with second reading of Bill C-15, the Budget Implementation Act, today, as well as the fifth and sixth reports of the National Finance Committee concerning the main and supplementary estimates.

As you will be aware, the other chamber is dealing with the government's response to the message this chamber sent yesterday. I have less control with that chamber than I do with this one and cannot predict when that chamber might conclude their debate and vote. However, should they conclude their debate and vote and send a message to us, it would be my expectation that we will deal with that tomorrow, if it is received at all.

Further, it is our intention to give priority to Bills 19, 11, 20, 10 and 7 in the course of the coming days. I would expect that we could accomplish all of these bills before the house rises.

It is, of course, the management of these bills that is my responsibility, and I look forward to exercising that responsibility.

I believe with appropriate consultations, these can all be dealt with in the course of next week, but that, of course, is up to the conduct and the flow of the management of these issues in the

coming days. I think it would be helpful for everybody to understand from a government business point of view how I propose to proceed.

It is with this schedule in mind that we will, pursuant to Rule 4-13(3), reorder the government business today as follows: second reading of Bill C-15, followed by the fifth report of National Finance, followed by the sixth report of National Finance, followed by government inquiry No. 1 and followed by all remaining items as they appear on the Order Paper.

Hon. Daniel Lang: Your Honour, I want to register my concern with respect to the schedule that's been presented to the Senate here today. Bill C-7, which is a very important piece of legislation, affects approximately 25,000 members of the RCMP, not just the members themselves but their families and the RCMP and how they conduct their business.

We have a report that was accepted yesterday unanimously by our committee and brought forward for third reading. I think it's absolutely imperative that Bill C-7 be considered as soon as possible so that it can be dealt with in a fair manner in this house and be taken to the other place. There are significant amendments affecting a lot of lives and an important institution in this country.

The Hon. the Speaker: Senator Lang, it is within the purview and authority of the Government Representative in the Senate to set the Order Paper as he deems fit.

Did you wish to speak on that, Senator Harder?

Senator Harder: I would only like to respond by recognizing that it was on my list and will be dealt with as we move forward. I would also just note for the record that it was on division, although I would hasten to add it was a strong yes.

Senator Lang: Your Honour, just to clarify for the record, if Bill C-7 passes the Senate and goes out for third reading and the house has risen, the bill would not be considered in the other place. That's my concern. We have a short window here. It's an important piece of legislation for a lot of Canadians and especially for an institution that we're all very proud of.

BUDGET IMPLEMENTATION BILL, 2016, NO. 1

SECOND READING

Hon. Peter Harder (Government Representative in the Senate) moved second reading of Bill C-15, An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures.

He said: Honourable senators, I'm pleased to sponsor Bill C-15, the government's budget implementation act.

• (1510)

Before I proceed with my comments, I would like to thank the Honourable Senator Smith and his committee for their due diligence in their advance study of the Budget Implementation

Act. Over the coming days we will benefit significantly from the work they have done.

Bill C-15 contains amendments to various acts required to allow implementation of key measures contained in Budget 2016. With this bill, and the budget it supports, the newly elected government seeks to improve Canada's position in a shifting world economy by investing in a long-term, inclusive plan for growth. More importantly, I believe this bill is proof positive of the government's new and optimistic approach to economic management that supports Canadians by investing in our future.

The Canadian economy — and indeed economies the world over — are undergoing dramatic changes that could potentially disrupt our future growth. In that environment, there is a consensus in Canada and around the world, from organizations like the IMF and the OECD, that governments should be investing in their economies to spur economic growth for the future.

Budget 2016 recognizes that there are no quick solutions to many challenges facing Canada's future prosperity, and it addresses this by taking a strategic and comprehensive approach to long-term growth. Fortunately for this country, we are better prepared than most to make the necessary investments in the economy with a debt-to-GDP ratio that is by far the lowest of any G7 country.

I know, as a former secretary of the Treasury Board during the program review period, how difficult, but necessary, expenditure reduction has been to put us in this position.

We also at the present time benefit from interest rates that are at record lows, so Canada can borrow on excellent terms.

Though Canada's economy has fared well, both before and after the recession, the core of the Canadian economy continues to feel squeezed: the middle class. And rightly so.

Among the wealthiest 0.01 per cent of Canadians, their after tax, after transfer incomes have risen dramatically in the past 30 years. Individuals earning more than \$1.8 million per year have on average seen their incomes rise by nearly 156 per cent in that time, after taking inflation into account.

The net result is that even though there has been economic growth over the past three decades, it has not benefited the middle class. The need for more inclusive growth is not new. It has long been understood that as a strong economy starts, it starts with the middle class.

Colleagues, I'd like to take a few minutes to discuss Budget 2016 before I move on to the specific measures in the budget before us.

Infrastructure is vital to strengthening the economy and growing this middle class. That is why this budget proposes major new investments in infrastructure from coast to coast to coast. Studies consistently show that when there is slack in the economy and interest rates are low, for every dollar a government spends on infrastructure, greater economic activity is generated.

The government's proposed infrastructure investment will be made with a focus on long-term growth but will also include initiatives that will make a difference in the immediate future.

To help families and communities struggling right now, the first phase of the government's infrastructure plan invests \$11.9 billion over five years to modernize and rehabilitate public transit, water and waste management systems, provide affordable housing and protect infrastructure systems from the effects of climate change.

The budget also invests \$3.4 billion over five years to help maintain and upgrade national parks, harbours, federal airports, ports infrastructure and border infrastructure and to support the cleanup of federal contaminated sites across Canada.

Over the course of the next decade, the government plans to invest more than \$120 billion in infrastructure, all of which will benefit Canada going forward. These initiatives will accelerate the transition to a low-carbon, clean-growth economy, enhance broadband access for rural communities and deliver many other benefits for Canadians.

So, too, will enhancing the country's capacity to spur innovation. Within the next year the government will put forward a new innovation agenda that will outline a vision for Canada's economy as a centre of global innovation, renowned for its science and technology, entrepreneurialism and globally competitive companies.

To promote this plan, Budget 2016 includes new measures to boost Canada's capacity to innovate and grow the economy. Canada's universities, colleges and research institutions attract the best and brightest from around the world to create hubs of discovery and innovation, which in turn help companies grow and compete more effectively.

To support these centres of excellence, the government will provide the highest annual funding increase in over a decade for discovery research through Canada's granting councils, an additional \$95 million per year.

It will also invest \$2 billion over three years for a new post-secondary institution strategic investment fund to modernize on-campus research, commercialization and training facilities. Through these initiatives, our colleges and universities will be able to modernize research labs, retrofit buildings used for advanced training and expand on-campus incubators that support startups as they grow their businesses. This will create cleaner and more modern campuses today and better economic conditions for tomorrow.

These investments all reflect the government's core belief that the advancement of basic science and the development of intellectual capacity are key drivers of the innovation agenda. By working together, business, post-secondary institutions, governments at all levels and other stakeholders can accelerate economic growth. Budget 2016 will invest \$800 million over four years to support innovation networks and clusters designed to increase collaboration and create value through innovation, helping to ensure Canada is at the forefront of technology advancement in the 21st century.

Innovation and economic growth are also essential in Canada's plan to attack climate change. Our environment and economy go hand in hand. This new spirit of collaboration with provincial and territorial governments is paramount in addressing the global threats posed by our changing climate.

The government is committed to working with provincial and territorial partners towards the new pan-Canadian framework on clean growth and climate change. Accordingly, the budget proposes investments in new clean technology projects that address climate change, air quality and clean water to support provincial and territorial actions that significantly reduce greenhouse gas emissions.

This includes expanding eligibility for accelerated capital cost allowances in two important and emerging areas: power for electric vehicles and electric storage, as well as launching regional discussions to identify the most promising electricity infrastructure projects to reduce greenhouse gases.

As announced in March by the Prime Minister at the first ministers' meeting in Vancouver, the government will create a \$2 billion low-carbon economy fund.

Honourable senators, the government also recognizes the importance of a renewed relationship with indigenous peoples based on mutual respect and support, and the future success of indigenous peoples in this country must be at the heart of all initiatives undertaken by the government.

In economic terms, the arguments are irrefutable. With an aging population, the Canadian economy needs more workers. The indigenous population is Canada's fastest growing, but First Nations, Inuit and Metis peoples need a more effective path to this prosperity.

Budget 2016 proposes investments of \$8.4 billion over the next five years to ensure indigenous peoples have a better stake in Canada's prosperity. This is in keeping with the spirit of the Kelowna Accord concluded in 2005, thanks to the leadership of former Prime Minister Paul Martin.

Improving the educational outcomes of First Nations children living on-reserve is critical to improve their quality of life and allow them to contribute to stronger communities. Currently, only 38 per cent of First Nations peoples aged 18 to 24 living on-reserve have completed high school, compared to 87 per cent for the non-indigenous population.

To address this critical issue, Budget 2016 proposes to make substantial investments in primary and secondary education on-reserve, totalling \$2.6 billion over five years starting with 2016-17. It proposes investments in literacy and numeracy programs and special needs education.

To support the immediate needs of First Nations children and to begin a process of reform to strengthen the First Nations Child and Family Services Program, Budget 2016 proposes investing \$634.8 million over five years. Program reforms will be developed in partnership with First Nations stakeholders. The goal is to

ensure that programming emphasizes the prevention of harmful conditions for children rather than interventions after harm has occurred.

• (1520)

First Nations living on-reserve are more likely to experience poor housing conditions and overcrowding than the general population. To address this urgent need on-reserve, Budget 2016 proposes to provide \$554.3 million over two years again beginning in 2016-17.

Of this amount, \$416.6 million over two years would be provided to Indigenous and Northern Affairs Canada to address immediate housing needs on-reserve. An additional \$137.7 million over two years would be provided to Canada Mortgage and Housing Corporation, most of which would support the renovation and retrofit of existing housing on-reserve.

The need for affordable housing is also particularly high in the North and Inuit communities. To address urgent housing needs in these regions, Budget 2016 proposes to provide up to \$177.7 million over two years, again starting in 2016-17, to provinces and territories through the Investment in Affordable Housing initiative. Specifically over two years, \$8 million would be provided to Yukon, \$12 million to the Northwest Territories and \$76.7 million to Nunavut.

Honourable senators, green infrastructure investments on-reserve can help protect the environment and the health and safety of communities. Over the next five years, the government proposes to improve waste water infrastructure and waste management systems by providing \$2.24 billion to First Nations communities to support such improvements.

To complement the social and green investments being proposed on-reserve, Budget 2016 also proposes an additional \$255 million over two years, again starting in 2016-17, to the First Nation Infrastructure Fund. These funds would support investment in a range of complementary infrastructure areas, such as roads and bridges, energy systems, broadband connectivity, as well as existing physical infrastructure to mitigate the effects of natural disasters and fire protection services.

Better health care is also an urgent need for indigenous peoples. The government proposes to repair and build nursing stations and residences for health care workers in indigenous communities. It will also put an end to the crisis of boil water advisories on reserves through investing nearly \$2 billion through waste water infrastructure and better drinking water monitoring systems.

Honourable senators, Canada is universally praised worldwide for our compassion. We have been called the most admired country in the world. The government is committed to further strengthening Canada's place globally by rebuilding our international infrastructure and reinforcing support for multilateral institutions. The budget proposes allocations of up to \$586.5 million over three years including \$450 million for the Global Peace and Security Fund, including initiatives to promote

pluralism; \$106.5 million for the International Police Peacekeeping and Peace Operations program; and \$30 million for the Counter-Terrorism Capacity Building Program.

Last November, the government committed \$678 million over six years to resettle 25,000 Syrian refugees by February 29, 2016. Budget 2016 commits new funding to resettle an additional 10,000 government-assisted Syrian refugees over the course of 2016.

This is an issue that is very close to me personally. As I noted in my maiden speech in this chamber, I was fortunate enough to serve both as the founding Executive Director of the Immigration and Refugee Board and Canada's first Deputy Minister of Citizenship and Immigration. This experience reinforced for me the fact that new citizens are vital to strengthening the Canadian economy and providing a safe haven for those fleeing war-torn countries.

I am pleased that Budget 2016 proposes an additional \$25 million to support faster and more predictable processing times for family sponsorship. The new funding will be used to target specific application backlogs in Canada and overseas, and to reduce processing times for sponsorship decisions. Through this investment, application backlogs will be reduced and waiting times will be significantly shortened.

Considering Canada's favourable conditions and the need to ensure long-term growth, let me now highlight some of the key measures of Bill C-15.

In December 2015, the government began strengthening the middle class by introducing significant tax cuts. Since the start of the year, roughly 9 million people see more money on every paycheque. Bill C-15 will enable further targeted investments to grow the economy while creating better opportunities for middle class Canadians and those working hard to join it.

One of the signature measures is the new Canada Child Benefit. This measure is a significant policy innovation that will lift hundreds of thousands of children out of poverty in the process. The Canada Child Benefit, or CCB, is simple, targeted and tax free, unlike the systems of benefits it replaces. It values fairness and will deliver more money to 9 in 10 Canadian families. Once this benefit is implemented, families with children under the age of 18 will receive the cheques starting in July, provided Bill C-15 is adopted by this Parliament in time.

Let's look at some examples. A single mother with one child under the age of six and earning \$30,000 a year will receive an annual benefit of \$6,400 tax free. A family earning \$90,000 with two children receives \$5,650, an increase of \$2,500 from the current system. More importantly, this new program will target those Canadians who need it most.

Measures like the middle class tax cut and the Canada Child Benefit will help families directly but will also have an important impact on the economy as a whole. Specifically, it will deliver a much-needed boost to the backbone of Canada's economy, namely small business.

Budget 2016 will give small businesses what they need most, a growing economy and customers to buy their goods and services. It will build on the 10.5 per cent tax cut that small business received on January 1, 2016, and other measures that support innovation and access to global markets put forth by Canada's government.

Providing better support for the middle class and our small businesses depends on investments that foster stronger economic growth. Notably, this bill addresses the affordability of post-secondary education systems by making it more accessible. Bill C-15 makes amendments necessary to increase the Canada Student Grants amounts by 50 per cent, from \$2,000 to \$3,000 per year for students from low-income families, and from \$800 to \$1,200 for students from middle-income families. It is estimated that 250,000 students from across the country from low-income families, 100,000 students from middle class income families and 16,000 part-time students will get more help each year as a result of these measures.

In addition, to help these students gain experience, the government will create up to 35,000 additional jobs for young Canadians in each of the next three years under the Canada Summer Jobs program. Bill C-15 will allow for investments to create clean jobs and to strengthen co-op and on-the-job learning opportunities to better help our young people succeed after graduation.

Canada is at its best when all citizens have the opportunity to reach their full potential and are treated fairly, and the contributions from every segment of society are valued. As a nation, we are united by these beliefs which have made Canada the model it is for the world.

Though I firmly believe that we need to continue to strengthen this condition, we nevertheless face significant challenges in doing so. For the first time in Canada's history, there are more seniors over the age of 65 than there are children under the age of 15. Think of that. Over time there will be fewer Canadians working to support the overall population. Ensuring strong, inclusive growth will be even more challenging than ever. Managing this demographic shift requires that Canada do more to invest in this next generation in post-secondary education, training and innovation. The standard of living of all Canadians, not just our seniors, depends on it.

To meet this challenge, Bill C-15 enacts budget proposals to increase the Guaranteed Income Supplement up to \$947 annually for the most vulnerable single seniors starting in July 2016, which will support those who rely almost exclusively on Old Age Security and GIS benefits and may therefore be at risk of experiencing financial difficulties and difficulties in saving for their retirement.

• (1530)

Most of these single seniors are women, who are more likely to find themselves in poverty than men, and this measure will make an enormous difference in improving their quality of life.

This enhancement more than doubles the current maximum GIS top-up benefit and represents a 10 per cent increase in the total maximum Guaranteed Income Supplement benefits available to the lowest-income single seniors. This measure represents an investment of over \$670 million a year and will improve the financial security of over 900,000 single seniors across Canada.

Single seniors with annual income — other than OAS and GIS benefits — of about \$4,600 or less will receive the full increase of \$947. Above this income threshold, the amount of increased benefit will be gradually reduced and will be completely phased out at an income level of \$8,400. Benefits will be adjusted quarterly with increases in the cost of living.

As an essential part of the government's plan to strengthen public pensions and improve the lives of Canadian seniors, the eligibility ages of the Old Age Security program will be restored. Bill C-15 would cancel the provisions in the Old Age Security Act that increase the eligibility age for Old Age Security and GIS benefits from 65 to 67 and allowance benefits from 60 to 62 over the 2023 to 2029 period. This means that Canadians who have worked hard all their lives and who expect help to retire in dignity won't have to keep working in difficult jobs when they should be enjoying their well-earned golden years.

With Bill C-15, the government is also proposing to restore Parliament's oversight of the government's borrowing plans to provide greater accountability and transparency for how the government finances its activities.

As Minister Morneau did — both here in the chamber and on other occasions — I would like to highlight the hard work of Senator Moore for his tireless advocacy for greater accountability and transparency.

Some Hon. Senators: Hear, hear!

Senator Harder: Senator Moore has worked with a number of other senators — Senator Day, as well as former Senators Murray and Banks — in making sure that Canadians understood the importance of this issue.

As senators will know very well, under the current process the government can increase its borrowing without the consent of Parliament. The new borrowing approval process would restore parliamentary oversight regarding the government's market borrowing plans, including the borrowings of agent Crown corporations.

Colleagues, Canada's financial sector remains the envy of many countries around the world. This reputation was the result of hard work and prudent decision making by financial institutions and by the actions of the federal government and regulators.

To ensure that Canada continues to benefit from a strong financial sector, Bill C-15 also proposes to introduce a bail-in regime for Canada's largest financial institutions that will promote financial stability and reinforce that bank shareholders and creditors are responsible for banks' risks — not taxpayers.

Consistent with international best practices and standards developed following the financial crisis, the bail-in regime will enhance the bank resolution tool kit and further support the resilience of Canada's financial sector. The regime would apply only to Canada's largest banks and would allow authorities to recapitalize a failing bank by converting eligible long-term debt into common shares. While the failure of a large bank in Canada is very unlikely, authorities must have adequate tools to be able to preserve financial stability and protect taxpayers in a crisis. Canadians should rest assured that their insured and non-insured deposits will continue to be protected by the Canada Deposit Insurance Corporation.

Honourable senators, Canada's veterans have dedicated their lives to the defence of their country, and they deserve our gratitude, our respect and our support. We have made a solemn promise, and Budget 2016 and Bill C-15 honour that promise. Bill C-15 enhances services and benefits for veterans in recognition of the sacrifices they have made.

The changes in this bill are being proposed because Canadian Armed Forces members, veterans, stakeholders, the Veterans Ombudsman and the government itself have expressed concern that seriously disabled veterans are not assured financial security from the suite of New Veterans Charter services and benefits currently in place.

With the passage of this bill, Canadian Armed Forces members and veterans with service-related disabilities will see an increase in the benefits they receive. Those who incur a severe and permanent service-related disability will benefit most from these changes.

The changes to the Earnings Loss Benefit would be implemented on October 1 of this year. Changes to the Permanent Impairment Allowance and the Disability Award would be implemented on April 1, 2017.

Colleagues, I have said before that Canada's economy is undergoing significant changes. It is critical that Canada's Employment Insurance system adapts to these changes, while continuing to provide help to those workers most in need. For some, help is needed because they have lost their job through no fault of their own. For others, it's because they have left the workforce to raise children or provide care for a loved one. Whatever the reason, no Canadian should struggle to get the assistance they need.

Bill C-15 amends the Employment Insurance Act to, among other things, increase, until July 8, 2017, the maximum number of weeks for which benefits may be paid to certain claimants in certain regions; eliminate the category of claimants who are new entrants and re-entrants; and reduce to one week the length of the waiting period during which claimants are not entitled to benefits.

The purpose of these measures is to assist workers affected by the recent decline in commodity prices. The recent rise in unemployment in some regions has stretched the responsiveness of the EI system. While the use of a backward-looking three-month moving average of local unemployment rates provides a gradual response to changing local labour market conditions and

stability against normal labour market volatility, it can result in inadequate support in the case of sudden and sustained deteriorations where hiring rates decline and layoffs increase.

Bill C-15 includes amendments to all acts and related texts that will be required to enable the features contained in Budget 2016. Among them are amendments to the Income Tax Act, the Excise Tax Act, the Employment Insurance Act, the Old Age Security Act, the Bank Act, the Financial Administration Act, the Federal-Provincial Fiscal Arrangements Act and a few others.

The bill enables Budget 2016 — a budget that contains the measures on which this government was elected — to be delivered, and I would urge you all to support this bill.

Hon. Larry W. Smith: I would like to thank His Honour and all colleagues on both sides for allowing the National Finance Committee to meet during the emotional debate of Bill C-14. We have had long discussions and submitted our reports, namely, the fifth and the sixth reports of the Standing Senate Committee on National Finance, reviewing various topics of estimates, the planning for 2017 and the budget. We just had another budget meeting downstairs.

I would like to give you a quick review, because I don't necessarily have the length of content that our Leader of the Government just shared with us, after which I could perhaps ask a question of Senator Harder regarding his speech.

The Standing Senate Committee on National Finance has the strategic role of reviewing the key elements contained in the federal budget implementation acts. Bill C-15 is the first of two implementation acts that will change required legislation to carry out the goals outlined in Budget 2016.

[Translation]

Bill C-15 will have a direct impact on how much tax Canadians pay, the benefits they receive, and transfers to the provinces and territories.

[English]

This is the first major test for the new government in establishing the fiscal direction for the citizens of Canada.

The government has titled the budget "Growing the Middle Class." After considerable requests to define the middle class, Minister Morneau confirmed in our meetings with us that the group that has income between \$45,000 and \$95,500 is the middle class target group, which is helpful in terms of our ability as parliamentarians to measure the success of an initiative. This is related to the proposed tax increase to the higher-income group with incomes over \$200,000.

As an aside, the first thought was that it makes sense that the people earning \$200,000-plus would pay a little extra to help the middle class. The challenge is defining what is the middle class. That has been a major challenge. Even the finance minister, along with many people in this room, had a difficult time defining what

"middle class" is because most Canadians earning under \$200,000 think they are middle class. If you live in certain parts of the country — and I will not offend people by saying which parts of the country — you may have a better time earning \$40,000 annually than you would if you lived in Toronto or Vancouver.

• (1540)

At first blush this makes sense. When we did a bit of an analysis, we found that the people earning \$200,000 and over will pay more tax, which sometimes discourages younger people who hope one day to earn big money. Will there be movement of the population? We are not sure, but it is a threat.

Second, in calculating the monies that will go back to help the middle class folks, we found that people earning \$150,000, \$160,000, \$170,000, \$180,000 or \$190,000 were getting more kickbacks than the people earning \$45,000 and \$50,000. People earning \$45,000 may get back 100 bucks and people earning \$150,000 may get back 600 bucks.

We have tables of all of the areas that we analyzed, the question being: What is the middle class? Is there a benefit to the middle class or an uneven distribution of money that goes to people who are upper middle class and earning over \$120,000, \$140,000, \$160,000 or \$180,000?

It is something to think about. Is this helping the middle class, or is this a maneuver to influence people to support an action? That is debatable and is something we really want to understand because it is important. If we are going to help the middle class, let's help the middle class, but let's understand what constitutes the middle class. There will be many factors, but we have to be able to target and focus it. That is one of the issues that has come up in our studies.

In Bill C-15, many family tax-saving measures have been repealed, such as the Universal Child Care Benefit, the educational tax credit, the Children's Fitness Tax Credit, the Children's Arts Tax Credit and the tuition tax credit.

We recognize the former government created a boutique of different tax measures to put more money in the hands of Canadians with the thought that if you have more money in your hands, you will invest it in the economy and it will be beneficial to the economy. The new child subsidy system, called the Canada Child Benefit, has been introduced and will allocate funds to parents with children below the age of 18 and will phase out as incomes near \$150,000. Parents who earn less will receive a higher benefit with the program and will allocate more for a younger child than an older child.

So there are pluses and minuses in the program, as in any program that we can initiate as a government.

[Translation]

Bill C-15 includes many other measures that I look forward to explaining in greater detail once the committee's report is tabled.

[Senator Harder]

[English]

Because of Bill C-14, and I hope our colleagues understand, we have been trying to get our two reports, the fifth and the sixth, passed so we can discuss them and then advance in terms of budget discussions for Bill C-15. We are in the midst of that, so I would ask for your patience in getting this done and continue a more fruitful discussion of some of the actual points of Bill C-15.

Our Standing Senate Committee on National Finance was asked to study Bill C-15. We diligently had over 10 meetings on that particular subject, plus a variety of meetings on the actual studies of Main Estimates and Supplementary Estimates (A).

On Bill C-15, we have had testimony from over 50 officials and witnesses, including the Minister of Finance, in addition to three other committees, which held five meetings and heard from 22 witnesses. We subbed out part of the requests to three other committees to help us along the way.

I would like to thank our committee members, and all those who replaced members on our committee, for the work they have done. We met over four to five times per week late in the evening over the last six weeks, and we will have more to say on the subject as we move forward.

I have a question that I would like to ask the Leader of the Government. It is not necessarily related to tax cuts. It is about the Old Age Security eligibility moving from the age of 65 to 67.

I did a bit of research. I wanted to learn from my mentor, Senator Baker, who has helped me over time in terms of thought process. I learned that in the 1960s, the average age of retirement was 72 to 74 years of age. I believe the pension eligibility at that time was somewhere around 65 years of age, but there was a narrow gap between the two. The average age in the 1970s and 1980s — moving up to the late 1970s and early 1980s — we are into the higher 80s for females and I think males are slightly under.

With the idea that people are living and working longer, now 70 has become 60. That is the new mode in terms of fashion. Why would we move the age bracket back from the age of 67 to 65? I understand the arguments of individuals who may have lower incomes, wherein they have to wait longer to get a pension, but more people are working longer today. More people are living a longer life.

Will reducing the age cause more pressure on our system because people will live longer and will stress the system more? Could you help me with the government's thought process? Besides telling me you will hurt people who will miss out, what is the real rationale? It doesn't seem to fit that that small group will make that much of a difference.

Senator Harder: Thank you for your comments, senator.

Let me begin by reiterating my gratitude for the work you've done. You weren't in the chamber when I last said that. I wanted to make sure you were here to understand how much the government appreciates the work that the Senate committee has

done in pre-study to allow this conversation to be more informed as a result of the hard work that you and your colleagues have done.

I will get to your question, but I wanted to respond to a few points that you made in your comments.

I think it is appropriate for the focus on the middle class to include not just tax measures but the broader macroeconomic performance. There are a broad range of issues, not just tax cuts, which affect that.

The Hon. the Speaker pro tempore: Senator Harder, I am confused. Are you answering his question or asking a question? You have been on debate.

Senator Harder: No, I am answering a question that he posed. That is my naivety. I am sorry. I will answer it privately.

Senator Raine: Answer it in a question.

Hon. Joan Fraser (Deputy Leader of the Senate Liberals): We are allowed to put questions on any brief comments, as I understand it, after a speech. I thought Senator Harder was making his brief comment. Was I correct in that?

Some Hon. Senators: Yes.

The Hon. the Speaker pro tempore: I think you are absolutely right, but I think Senator Smith confused the issue because he was on debate.

Senator Smith, perhaps you should have asked your question when Senator Harder was on debate.

Senator Baker: We will give consent, though.

The Hon. the Speaker pro tempore: Senator Harder, perhaps you could ask Senator Smith a question.

Senator Harder: Now I am getting the hang of it.

Perhaps I could phrase it this way: Senator Smith, would you agree with me that the definition of "middle class" and public policy affecting the middle class needs to be macro in orientation? While tax measures are an important component of that, there are other components, such as private pensions and public pensions and broader disparity of regional impacts and local factors, that determine middle class performance.

Would you not also agree that lowering OAS pension eligibility from that which it was expected to rise to is recognition that the "over 65" age cohort includes many people who need to take advantage of the OAS and some who don't because of other pension provisions, such as CPP, their private pensions or investment pensions? It is appropriate for a civilized society to ensure that a public pension system targeted to old age persons be as generous as we can possibly make it.

• (1550)

Senator Smith: Thank you for the question. I understand how governments can create bundles and boutiques and different elements to put in the pot so that people can have more benefit. What I was giving feedback to was a specific issue that will come through Bill C-2 on taxing the wealthy.

We know now that people earning over \$200,000 will be paying up to 53 per cent tax. We have one of the four or five highest tax rates at that level in the world. Here we are trying to build our economy. This goes back to the whole issue of will this budget grow our economy? Will it be job oriented? Or will it be a transfer of money into other government agencies so that they will grow but the economy will not?

When we look at the top people who earn \$200,000 plus, we have an issue: 53 per cent. The second issue: Is there an incentive now to move? Third issue: Young entrepreneurs, will they stay in our country? Plus \$1.9 billion per year, a deficit.

What irks me as a person, as a Canadian, is that we are taking that money, and instead of giving most of that money to those people earning \$45,000 to \$90,000, we are giving higher stipends to people at \$100,000, \$120,000, \$130,000, \$140,000, \$150,000, \$160,000. Are those people middle class? Everyone thinks they are middle class, but they are not.

I don't consider myself a politician; I consider myself someone who wants to make Canada better. Are we making Canada better by taking this measure? I understand the child tax will be a benefit. It is part of a boutique concept of adding elements to the pie. However, it will cost us \$4.5 billion a year to put that into place.

If we have \$1.9 billion because we have increased taxes for people earning over \$200,000, we will spend \$4.5 billion to help young people and take 300,000 kids out of poverty. Which one do you want to do? I would rather do the one where we will take the children out of poverty, but I wouldn't necessarily want to do the one where we are spending \$1.9 billion to give peanuts to the people earning \$45,000 to \$90,000. Some will get a \$120 payment. That is not even a week of groceries for a family of three.

That is the question I am trying to ask, not to be malicious or negative, but just to ask whether it makes sense.

The Hon. the Speaker *pro tempore*: Are you asking a question or answering the question?

Senator Smith: I thought I was answering the question. Senator, let me be blunt: I don't think that creating a boutique of issues will help as much as being targeted and focused. You will have some of the elements you have talked about, but taxing the top notch at 53 points has more negatives as opposed to benefits.

The Hon. the Speaker *pro tempore*: Has he answered your question, Senator Harder?

Senator Harder: In part, but I would like to pose another question.

Senator, would you not agree that the mandate of this government, as expressed in their platform and in the election, was one that gave them the authority, from the democratically elected government by the population, to address the concerns of the growing income disparity, to address the concerns over a lack of middle class economic growth over the last decade, and to ensure that those who are making a good bundle, whose growth has accelerated over the last decade, contribute to this public good called "civilization" in a more aggressive fashion? Ultimately, there is a balancing act, which the government has, for its purposes, brought forward in its budget. There are a number of measures, not just tax measures, that reflects this.

Bill C-15 brings forward a broad blend of public policy initiatives designed to address and stimulate economic growth and focus on the middle class. Would you not agree?

Senator Smith: The honest answer to the question is that in anything you do, you need to be targeted and focused. A child benefit is a focused plan which will cost us \$4.5 billion a year. I understand that; I'm not against that. We need to help impoverished young people to get them in a better place. I understand that.

However, taxing that upper level at 53 per cent poses risks. The risks are you will have people trying to move, trying to avoid tax. I didn't say "evade"; I said "avoid." You will have people say, "Why should I come to Canada?" If I am a major employer, and I am trying to get the brightest minds for IT and move them into Kitchener-Waterloo, how will I get those people there when they will pay 53 per cent tax? How will I get people if we increase EI premiums to levels where small businesses say they are being penalized?

I agree that focused approaches, in my mind, are better. You can't be everything to everybody. We have an economy to run where I do not believe and I do believe — especially in situations where we have deficits — you can run a deficit. The issue is how much?

The real issue is, how do we encourage that middle class? We need to define it, but how do we encourage that middle class by doing the right thing? The child care program makes sense, but it is an investment. I don't believe in making a \$1.9 billion deficit to distribute \$250 to someone earning \$45,000 a year and say to them that we are really helping the middle class.

Let's do the right thing. Let's not just throw things out in the air so that people will vote for us. Let's do the right thing because it is the right thing to do. That's all I am saying.

Senator Harder: I appreciate your answer. I would like to ask one last question.

Senator Smith: Please.

Senator Harder: As you noted in your comments, this budget eliminated a number of tax expenditures — education tax credit, children's fitness tax credit, children's arts tax credit, family tax cut — are you supportive of those initiatives?

Senator Smith: Let me put it to you this way: Each government has its own way of trying to develop a strategy. The strategy of the previous government was to put more money in the hands of Canadians. It has been proven that when you put more money in the hands of Canadians, they will spend that money, which helps stimulate the economy.

I am not saying that everything that was done by the previous government might have been the best, but it worked. It showed the results.

The challenge for the new government is the plan that they are going to implement. Will it make our economy better? Will it make our economy stronger? Will we create more jobs? Will we eliminate unemployment? Do you know what we learned from visiting with the infrastructure department? There are over 27 departments involved with infrastructure. We asked the question: Who controls the money? Do you know what the answer was? "Not us." I thought the infrastructure department controls all the money, but it goes to different departments because it is bundled out.

So the natural question is, how do we control the efficiency of the money that we are investing? The government has said that infrastructure spending will be a major motor to drive our economy with multiplier effects, but the specialists say to us, "We don't know what the multiplier effects are because we haven't done the compilation of the programs from 2007 to 2014." We need to sit back and organize ourselves to know exactly what we have done, what the results are, and where we are going.

When we look at policy, all I am saying is let's make sure we have done our homework, know where we are going, and know how to measure what we have done. The challenge the new government faces, like any government, is will the things that we implement work and will they deliver the results.

Senator Harder: I thank you for your answer.

Hon. Frances Lankin: I will speak briefly. I indicated at the beginning, at second reading, in principle I support this bill.

I want to speak to a few short issues that are contained within it. I look forward to hearing the results of the report of the pre-study that was done by National Finance and for any further work done at the committee stage.

• (1600)

There are a couple of points I would like to raise that I think the committee will take into consideration as it is doing further review.

The focus on the budget in terms of stimulus and through a number of measures looking to create prosperity is one that I welcome as a general framework. With respect to infrastructure

spending, there are many kinds of deficits, and in this country we suffer from a deficit of infrastructure.

The budget speech made specific references to the kinds of matters that the minister believes the infrastructure program will address: the rehabilitation, modernization of public transit, water-waste water system for providing affordable housing, protecting infrastructure systems from the effect of climate change and the list goes on. These are all critical.

I welcome the investment. It's \$11.9 billion over the next five years. It is important. Communities and provinces welcome the federal government's positive intervention in this way.

Speaking as a senator from Ontario, there are a couple of issues which are important for me to put on the record. I hope that the Finance Committee will examine this as they continue their look at the budget.

I had the opportunity last week to arrange for phone consultations with Minister Duguid of Ontario about their plans with respect to the infrastructure spending, and with Mr. Gary McNamara who is the President of the Association of Municipalities of Ontario.

In any event, both of them raised specific concerns with respect to the way in which the spending will be implemented, not the dollars themselves. It's not the intent, but it's welcome.

But for many municipalities and the provincial government, they have moved over the last number of years to plan for long-term budgeting against priorities. The province has insisted of municipalities to set priorities. Those priorities are the most urgent and the most needed infrastructure.

There is some discussion going on between the federal government and the Province of Ontario right now with respect to this program and about these dollars being applied to new and different projects being brought forward.

While again that's welcome, all of the work that's been done in terms of the pre-study of these projects, the environmental approvals of these projects, the prioritization of the needs are the list that needs to be addressed. This kind of stance on the part of the federal government could lead to delays in the spending of these dollars and in getting these projects up and going. It also means that a lot of work that has gone into setting priorities for these projects may not have sufficient funds at the provincial or local levels to address.

I hope we will take a look at that. Again, both the minister and the chair of AMO were very positive about this, but they want the respect for the long-term planning which has occurred.

I'd like to briefly speak to the development with respect to the child benefit. I'm very supportive of this.

I had the opportunity a few years ago to co-chair a commission in Ontario to study reform of social assistance. My co-chair was Munir Sheikh. The two of us looked at the kinds of interventions which would have the most impact with respect to children and families in poverty, and children in poverty. We made

recommendations along this line for the Province of Ontario which they have begun to implement. We support this at the federal level as well.

It's important to look at these kinds of mechanisms versus other mechanisms of targeted programs. What is the impact on the marginal effective tax rate? I'm very concerned about the coming years. Successive governments have tinkered here and there and done things that have brought about a real mishmash of how this affects people.

This becomes critically important when you're looking at the poorest people in the country, people who are reliant on disability benefits or on social welfare benefits. The ability for them to bridge into employment and to break out of a cycle of poverty is often stymied by the effect of marginal effective tax rates. An example is when you consider moving out and you would be losing benefits and access to drug benefits for your family.

When you look at the interaction of federal disability benefits and provincial disability benefits, there's a whole range of things within the tax codes that both orders of government need to think about carefully in terms of their unintended consequences.

The senator spoke to some of those issues when he talked about what the effect is of a tax break for the middle class and where these thresholds can become very important. I'm generally supportive of the measures the government has put forward but would ask to look at what the impact of that is.

I do believe that there are some very important investments being made in education. I won't speak at length to that, however that speaks to the future of our country, and these will be most welcome again at the provincial level.

There is much debate across the country about the best road forward when it comes to the support and work for the low-carbon economy. We know that there are different jurisdictions provincially taking different steps forward. I hope the Senate committee work on this will help to inform the direction of the federal government and will be open and welcoming of the initiatives where provinces are stepping out ahead and moving to get things done.

I would also like to speak briefly in terms of the new investments in health. These are particularly welcomed. The focus on a patient-centered approach is very important. A number of provinces are moving quickly to embrace that concept and to build their systems based on that.

We know the importance of a palliative care program from the debates we've had over the last few days and from the Senate's work — people like Senator Carstairs.

Senator Eaton's amendment may have focused more on the actual provincial process. I believe that leading a strategy at a national level is a very worthwhile cause. So I would support that as the government talks about these long-term benefits that they wish to put in place.

The government talks about support for evidence-based policies with respect to those Canadians for whom natural death is not reasonably foreseeable. After reflecting on our debate the last several days, I believe that there is a need to study what further safeguards are required.

I realize my amendment failed in this house. I'm curious about that. In any event, we don't need it in the act for the government to proceed on that basis. I would urge the minister to go forward. In her comments today in the press conference, she did tip her hand towards being interested in that.

Next, a quick word on the status of women and the increased funding to the Status of Women in Canada. I refer to this as the Senator Nancy Ruth provision. This is to increase the agency's capacity to support gender-based analysis across the federal government. The only thing I would say is let's get on with it. This has been requested for many years by many Canadians. Senator Nancy Ruth has played a critical role leading this. You heard from the ministers who addressed Bill C-14 here, that that kind of analysis hadn't been done. They are providing for it to be done in the future. Let's get started. It's been left for too long.

With regard to helping the less fortunate, there are some specific measures, like investments in homelessness strategy and transition homes for victims of violence which are very good.

I mentioned the commission report. There were recommendations within our report that Munir Sheikh and I put forward which have an impact on federal government and budget planning, tax code planning, and benefit program planning. I would ask that the government take a look at that. Our committee could perhaps take a look at that and see where we might provide feedback on these measures.

In particular, I would also note Senator Eggleton's motion looking at a guaranteed annual income pilot study which falls within this general area. I hope there will be support for that in this chamber and in the House of Commons.

In conclusion, Your Honour, I am, in general, supportive of the direction of the budget. I hope that we have the opportunity through the work of the Senate committee to examine some of these questions.

There is one last issue that I did forget to mention. In the provision of health care, there is a concern of many organizations at the provincial level right now that there is not active enforcement of the provisions in the Canada Health Act and that there are clinics and other services popping up and not meeting those provisions. We need an active look at that. So I would urge the government and the Minister of Health in particular to take that into consideration.

• (1610)

I look forward for this to return with comments from the National Finance Committee and to having further debate on third reading. Thank you.

Hon. Joseph A. Day: Honourable senators, I'd like to begin by identifying where we are. I believe we're debating Bill C-15, budget implementation number one, and this is second reading debate.

It's sometimes helpful to discuss the budget, but we don't vote on the budget here. We're not asked to support the budget other than within our respective parties, but we are and we have a very important role to play in what flows from the government's enunciated promises and initiatives in the budget. The two things that flow from that are the estimates and budget implementation in the form of a statute.

We will talk about the Main Estimates and the supplementary estimates. I believe Senator Smith will introduce those. Both reports are on our record now for discussion, and they will be up for discussion when introduced by the Chair of the Finance Committee.

This is the first budget implementation bill that flows from the new government and from the budget itself that was introduced in March.

What we see in the budget implementation bill are those initiatives that relate to finance in large part, and that's another issue I'd like to talk about, but we see those initiatives in this budget implementation bill.

I understand that finance has almost become our practice because we get these documents late and we want to get them done because they're critical to the government. The Finance Committee is doing a pre-study of budget implementation number one, and once this document and this bill have been referred to Finance, then that pre-study can morph into the work that the committee is doing. That is the traditional way that we've handled this, and then the bill will come back for third reading.

Second reading is to talk generally about the principle of what's in the bill. That's our usual first look at the document. I want to remind honourable senators that because this is a budget document, it flows from the budget and it's a matter of confidence in the other chamber, in the other place. Being a matter of confidence, we have a tradition that we treat budget implementation and supply bills in a somewhat different fashion from Bill C-14, which we've been dealing with for the last three weeks.

We can make comments. We can complain about the fact that it's too long. We can complain that there are too many things in budget implementation that don't relate to the budget or to the finances, and we have done that year after year after year. But very seldom would we consider amending the budget implementation. We may make comments, but if we ever did amend, it would be to reduce expenditure. We can't increase expenditure.

We defer to the House of Commons and the executive in relation to these kinds of documents, and that's what we should

have in the back of our minds when we're dealing with this particular budget implementation bill.

Traditionally, the government will come forward with two budget implementation bills, one before we leave — this one that we're dealing with — and another will typically come in the fall that we'll deal with before the Christmas break.

The Senate Finance Committee is extremely busy with a lot of different initiatives because, as I mentioned earlier, flowing with budget implementation is the estimates, and they tend to be flowing along together. This isn't written in any rules, but by tradition there tends to be three different supplementary estimates in addition to the Main Estimates.

We're going to be dealing shortly — tomorrow, this afternoon, this evening — with the Main Estimates for the year. We dealt with interim supply to give the government some money to run from April 1 through to the end of June. Now we'll deal with the rest of that. We're also going to be dealing with Supplementary Estimates (A). We have Supplementary Estimates (A) coming down the line, we've got Main Estimates coming down the line, and we're now dealing with the second reading of budget implementation, Bill C-15.

I want to mention that the government should be given some accolades for not making this an omnibus bill.

Some Hon. Senators: Hear, hear.

Senator Day: We have complained about that year after year and we've thought about strategies to deal with it. We have a bill that's fairly extensive at 177 pages, but virtually everything in this bill deals with what flowed from this particular budget and what relates to the financial aspects. If you look at the bill, honourable senators, you can see that.

I could spend a bit of time referring to the bill itself. I haven't had a lot of time to work on it, but you can see I have the pages tabbed here to help me through it.

There are four parts to this bill. Part 1 deals with amendments to the Income Tax Act; Part 2, amendments to the Excise Tax Act; Part 3, further amendments to the Excise Tax Act, excise measures and excise tax 2001 and related matters. They are all finance issues. In Part 4, the typical "Various Measures" appears.

There are 15 different divisions within Part 4, but seven of those divisions had, by our tradition, been sent off to other standing committees of the Senate that have expertise in the area that appears there.

The three committees have looked into the divisions of Part 4 that were referred to them and we have received reports. Each one of those reports is in our Order Paper as well. You can see what that particular standing committee felt was important in relation to the portion that had been referred to them.

They're all referred back to the Finance Committee, which brings the three reports together, plus the work that it has done, into an overview of Parts 1, 2 and 3, and those portions of Part 4 that were not done by other committees.

The other committees, honourable senators, for your information, such as the Standing Senate Committee on Social Affairs, Science and Technology, did some work with respect to Employment Insurance and gave a good report and raised some important issues.

The Standing Senate Committee on Banking, Trade and Commerce looked into a quite a few different divisions and its report is before you.

The Standing Senate Committee on National Security and Defence and its Subcommittee on Veterans Affairs looked into initiatives to change some of the items that are of concern to veterans. Veterans have raised a number of issues, and a lot of them are being dealt with in this budget implementation bill.

• (1620)

I hope to have an opportunity to go over those reports, at least the two that I was deeply involved with, to help you understand what appears in the budget implementation document.

That, honourable senators, is a general overview of what you should expect with respect to the work that was being done by Finance. I think we should commend the members of the Finance Committee for the extra work they typically have to do in June and again in December.

I've had some experience with that extra workload and the work that they're doing. I know that it takes the entire team to commit to doing good work, because this is probably one of the most fundamental functions of this chamber, to oversee expenditures of the executive and the government, especially when we learn how cavalierly the other place deals with a lot of these documents. Maybe it is because they're whipped; maybe it is because they want to go home for the summer. I don't know the answer to that, but I can tell you if you look at the time that is spent on estimates in the other place, you will be very disappointed.

We should, we do, we have and we will spend the time so that the people of Canada can take some assurance from Parliament as a whole and, in this case, the Senate portion of Parliament, that we look into the impact of some of these initiatives. We won't spend a lot of time talking about what's in the budget and what the promises are. What we will look at is what is in the budget implementation bill and the Main Estimates to see just what, in fact, is being done — not what is being promised, but what will be done.

That's our role, and I'd like to thank the Finance Committee for their role in this regard. I look forward to third reading debate on this particular matter where we can get into some of the

initiatives that are actually implemented here. I also look forward to the debate with respect to the other aspects of what flowed from the budget in the estimates.

Thank you, Your Honour.

Hon. Dennis Glen Patterson: I'm mindful of the time — and I won't say the time we've wasted this afternoon — but mindful of the short time that we have available this afternoon. I would like to make some brief comments on one of the principles in this bill, the reconciliation with First Nations.

I want to acknowledge the significant commitment to housing in the budget, and I don't want to overlook education or other issues, but the Standing Senate Committee on Aboriginal Peoples has done an extensive study on First Nations housing on-reserve and reported to the last Parliament.

I guess what I would like to say about this subject is that we found a horrendous housing problem, but I think it's fair to say that we were also very concerned that the precious monies that are allocated to housing for First Nations and Inuit be well spent. We found, for example, that building codes weren't in place and weren't enforced.

In acknowledging the \$416.6 million over two years to address immediate and acute housing needs on-reserve, and the \$137.7 million allocated to CMHC to support renovation and retrofit, I would urge the government to look at the thoughtful recommendations made by the Standing Senate Committee on Aboriginal Peoples about building codes. Ensure that the building codes are in place so that houses are built to last and built to standards of efficiency and safety. There is a tremendous fire problem.

We also acknowledge that government can't do it all with public funds, and we recommended ways in which private home ownership can be encouraged by broadening the terms of the Ministerial Loan Guarantee program and by leveraging the First Nations Fiscal Management Act vehicles.

I want to make the point that I welcome this money. I'm sure I speak on behalf of my colleagues in the committee in that respect, but let's spend it better than ever before.

Regarding the support for northern and Inuit housing, I want to acknowledge the significant commitment to housing in the North over two years, including \$76.7 million in my own region of Nunavut.

Our committee is currently studying this, and our recommendations haven't come forward yet. I don't want to prejudge any of those. By the way, it is really noted by Inuit that this is probably the first budget that talks about Inuit housing and Inuit regions. Monies that have been allocated and probably intended for Inuit in their regions in the past have either been significantly eroded by administration costs, eaten up by provinces or even disappeared. We heard last week from the Labrador Inuit that they calculated some \$400 million had been

transferred for housing in their region over 40 years and it resulted in 50 houses being built. They felt the money had never made it to Labrador, to Nunatsiavut.

I just want to comment that our committee has already recommended to the government that monies dedicated to the Nunavik region — and that's \$50 million over two years — be transferred to the Makivik Corporation, which has a record of success and credibility in building houses in that region. They will spend it well.

We have had some indications that the government of Quebec actually acknowledges that. We heard the same strong plea from the Nunatsiavut Government, and I'm hoping that our committee will make a formal recommendation to our government on the need to transfer the \$15 million over two years to the Nunatsiavut Government, which is a government created for the Inuit in Nunatsiavut, and they are confident that they could spend that money very wisely and very effectively to meet those acute housing needs.

I do appreciate the opportunity just to make those points.

We want to reach out to Aboriginal people. We welcome the monies that have been dedicated in the housing area, but it's got to be well spent. There are some solid recommendations I've just outlined that I think will ensure that every one of those precious dollars is well spent and made good use of as has not happened in the past, sadly.

Hon. Lillian Eva Dyck: I thank my honourable colleague and deputy chair of the committee for bringing that up. As he indicated, we are nearing the end of our study on the Inuit housing situation, and one thing that I would like to add to his comments is that we are not concerned only that the money is well spent and that the money doesn't necessarily get eaten away by administrative costs. The other thing that was brought up very clearly was that by not involving the Nunatsiavut Government, the government has contravened the treaty. That is extremely serious. That is a fundamental right that is written into their treaty.

• (1630)

They were not involved; they were not consulted. The money is being directed toward CMHC, and it should not be directed towards CHMC according to their treaty. It is a direct contravention of their treaty. That should be noted because they have a right to that money, to be consulted and manage that themselves, and they have shown that they are capable of managing that money.

Hon. Wilfred P. Moore: Honourable senators, I want to follow up on the comments of my committee colleagues, the chair, Senator Dyck, and the deputy chair, Senator Patterson. We heard many stories of inefficient use of government monies by CMHC. This stuff will make you cry. I will give you an example.

We were in remote reserves looking at housing, and one reserve needed money for some repairs and, hopefully, to build one or two new houses. The only way in there is by airplane. There are

no roads. They were told that if they spent \$200,000 on road signs within their community — and they have been there for a couple thousand years probably — they would get money for housing. So they do it. They get the money in December and it has to be spent by the end of March. Now how do you build houses? How do you get the materials in? You are in conditions of minus 30 and minus 40.

The demeanour of that CMHC institution with regard to our First Nations people is to keep them in bondage: culturally, economically, housing and education. It's terrible.

I subscribe to what Senator Patterson said. This money should go to the local authority. Let them spend it; they know how to do it. They don't even talk to the people about how to build a house, the design. They have them all facing north, where the wind blows from, with no porch, no windbreak and no proper ventilation. This will all be in our report, but if you could do something about that.

Another thing is that the overcrowding in these homes leads to the deterioration of health, social demeanour and education.

We had a young man before our committee the other day.

Senator Dyck: Natan Obed.

Senator Moore: Yes. He has a university degree from Acadia University in Wolfville, Nova Scotia. I was sitting there thinking this is hopeful. We asked, "How did this happen to you, but to others in your community it didn't?" Quite simply, he said, "I had a bedroom. I had a place to go to study. I had some privacy. I wasn't crowded like my neighbours. I could think and I could work." That is what happened.

Housing isn't just about a roof over your head; it is about the whole thing. It is at the root of education or lack of education. These are smart, intelligent people. They just need a chance. They need a hand up. The money in housing has to be spent well, and you have to talk to the people, whether it is the First Nations or the Inuit. Thank you.

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

Hon. Senators: Agreed.

(Motion agreed to and bill read second time.)

REFERRED TO COMMITTEE

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

(On motion of Senator Harder, bill referred to the Standing Senate Committee on National Finance.)

[Translation]

NATIONAL FINANCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

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, for the purposes of its consideration of Bill C-15, An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures, the Standing Senate Committee on National Finance have the power to meet, even though the Senate may then be sitting, and that rule 12-18(1) be suspended in relation thereto.

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

Hon. Senators: Agreed.

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

Hon. Senators: Agreed.

(Motion agreed to.)

[English]

THE ESTIMATES, 2016-17

MAIN ESTIMATES—FIFTH REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

The Senate proceeded to consideration of the fifth report (interim) of the Standing Senate Committee on National Finance, entitled: *Second Interim Report on the Main Estimates 2016-17*, tabled in the Senate on June 1, 2016.

Hon. Larry W. Smith moved the adoption of the report.

He said: Honourable senators, the fifth report of the Standing Senate Committee on National Finance, the *Second Interim Report on the Main Estimates 2016-17*, is a report for the purpose of evaluating the funding the government is requesting Parliament to authorize when we receive the appropriation act that refers to full supply. Prior to the end of March 2016, our chamber approved the release of interim supply, which allows the flow of a portion of the funds required for the government to begin operations.

In the coming days, prior to the end of June, we will be asked to authorize the release of the balance of funds based on the Main Estimates 2016-17, which total \$250.6 billion. I encourage you all to review the report. It will provide a detailed summary of the work performed diligently by our committee members at the time when we had the consideration of the associated appropriation bill before this chamber.

As everyone knows, we received appropriation bills 19 and 20 in the chamber. You also have a copy of the reports that were sent to you some time ago on the interim Main Estimates report.

I hope you take the time to read it. All you have to do, to get a good handle on it, is read the first page where we have the executive summary and about 10 bullets. Those bullets will explain for each of the departments what we are trying to look at and recommend.

Hon. Joseph A. Day: Honourable senators, this is the other aspect of what flows from the budget, and that is the estimates. These are the Main Estimates that were generated.

Unfortunately, when these were generated the budget hadn't been fully developed, so there was a problem with timing. What happens is we have to have the Main Estimates out in early March so that we can do a partial supply for the government for the period from April 1 through to the end of June. The Main Estimates begin development in November of the previous year.

The various departments have to anticipate, and they won't anticipate on what is going to be in the budget; they just anticipate which programs will continue, which programs won't continue and how much the department is going to need for operation and that kind of thing. Then out comes this document. We generate a debate on that. We determine how much each department needs for the three-month period, and then we will do interim supply at the end of March.

• (1640)

We are now at the stage where we have had a chance to look at the Main Estimates for the whole year and the balance of the estimates, the voted portion, because there are two parts to the estimates as well, the voted portion and the statutory portion that are in the estimates. Departments determine, "Do I have authority to spend this money? I will put it in this document that is generated by Treasury Board. I already have the authority, but I will just put it in to show so we can get our arms around how much the government will spend." There is another portion called the voted portion, and that is what you will be asked to look at and vote on in the supply bill.

If you look at the Order Paper for today, at the second page it says "For Friday, June 17" and it says Item No. 1 and 2. Those items are the two supply bills that flow from these reports five and six that appear down below it. Our tradition has been to get the supply bill reports if not adopted then at least out and open for debate so that honourable senators can understand what is being voted on.

There is a significant number of billions of dollars you will be asked to approve, and it's important for you to know that when you look at the supply bills, Items No. 1 and 2 on the Order Paper, that would be Bill C-19 and Bill C-20. They are very pro forma documents. It is basically established wording that appears every time. It tells you the amount you are voting on — you will see that tomorrow — and then a schedule is attached to it.

It is that attached schedule that we were able to determine in March. There was no schedule attached to one of those bills, as you will recall, and we sent the bill back and said, "We can't deal

with that because we don't know what we are voting for." The schedule outlines all the different departments. That was a very fine hour for the Senate. It shows that we actually look at these documents that tend to be pro forma. I was pleased we were able to do that.

This is the fifth report, and as the Honourable Senator Smith has indicated, this particular report has been before you for a period of time and outlines a number of interesting points that I commend to your attention so you can see what is happening within the various departments.

That's an interesting role that finance has to play. You can look at why you need this money? How are you spending the money? How much of it lapsed? Why did it lapse? All those questions are open and are asked.

One of the areas I was interested in, honourable senators, is the first year of operation of the Canadian High Arctic Research Station, the money that is being spent there and the mandate. I found that quite interesting, ramping up on the housing requirements they have there for that particular project, and the huge turnover they have. There is a 20 to 25 per cent turnover of employees working in these positions in the North, and that is not the scientists. They have over 600 applications for scientists to work there, but the administrative staff and the help have a huge turnover. We have to determine why that is happening. Do those locals who have been hired need some extra training in order to be able to perform the functions expected of them and to enjoy the work they are doing? I don't think those questions have been answered but at least the issue has been raised, and we will want to look into that. These could be very valuable jobs for families in the North, where there aren't very many. What do we need to do and what can we do to assist them in treating this job a bit more permanently?

The environmental assessment process is referred to, Treasury Board Secretariat's role of trying to align the budget and estimate process a lot better. That has to be one of our major initiatives. We have talked about this for years, but we have these supplementary estimates because they are not aligned. There is a requirement that estimates are out so we can have interim supply, and the budget comes sometime between February and March usually. One year we had it in May. We need an alignment of these two items so that the estimates include the budget, at least some of the items in the budget, when they come out. That is an issue that is raised again and worth talking about.

There were extensive discussions in this report with respect to natural resources and clean energy; environment is referred to again, Atomic Energy of Canada Limited Canada and the cleanup obligations and how much longer the Pembroke Chalk River reactor will be working and how is that working now. This is a very interesting initiative that we should be keeping an eye on because it is government owned and private sector run. We will want to keep an eye on this particular initiative. For an asset like a nuclear reactor, it is a major step we took a year ago. That is another item that is explained in some detail in this report.

I commend it to you and I congratulate the Finance Committee for the work they have done on this.

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?

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

SUPPLEMENTARY ESTIMATES (A)—SIXTH REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

The Senate proceeded to consideration of the sixth report of the Standing Senate Committee on National Finance, entitled: *Supplementary Estimates (A), for the fiscal year ending March 31, 2017*, tabled in the Senate on June 15, 2016.

Hon. Larry W. Smith moved the adoption of the report.

He said: Honourable senators, I can gauge the enthusiasm in the room at this particular time, so I will make it short.

This reminds me of when we played the Ottawa Roughriders about 35 years ago. At half time we were down 34-7 and Marv Levy came in and said, "Gentlemen, I never promised you a rose garden," and we looked at him as if he was completely out of his mind because no one even knew the song, but many of the people in this room do.

However, I'll just make this very brief. The Standing Senate Committee on National Finance is proud to provide you with its sixth report prior to the appropriation acts that you will be asked to vote on in a day or so. As we know, we have 19 and 20 that have just come in, in terms of the appropriation acts.

Hopefully everyone is aware that Minister Brison has undertaken to realign how the numbers in the reports and finance is organized as we move forward in time. My understanding is that at this particular time we get Main Estimates before we get the budget.

• (1650)

I say the object is "long-term," but hopefully within the next two to three years we will have the budgets, and then estimates and Supplementary Estimates A, B and C will probably be reduced, but we will have a more aligned budgetary system. The minister has undertaken that, which we think is a fantastic initiative, and has asked us to work with him, so we will be doing that.

In Supplementary Estimates A, 2016-17, the government is asking for an overall increase of budgetary expenditures of \$6.98 billion for fiscal year 2016-17, which makes them the largest supplementary estimates in a decade.

The estimates show a decrease of \$5.7 billion due to the removal of the universal child care benefit program; however, the net additional fiscal costs of the change to the new Canada child tax benefit will cost \$4.5 billion in 2016-17 and are not included in the Main Estimates of the Supplementary Estimates A.

Fifty-six per cent of the new funds requested in Supplementary Estimates A relate to infrastructure pledges outlined in Budget 2016, which totalled \$3.9 billion, and which will be spread from 27 different government organizations.

As I talked about earlier, the challenge we see is how these funds will be administered and delivered so we can get the results, making it challenging for Infrastructure Canada to follow closely the delivery and results of this funding.

The Standing Senate Committee on National Finance has begun an in-depth study on infrastructure, and we will be pleased to provide as much information and clarity to honourable senators in this claim so we can work to make sure this extensive funding is diligently reviewed.

Let us make sure we understand: The government's program and platform is based largely on the success of the \$120 billion commitment to infrastructure, and the concept of a multiplier effect, which is showing financial returns and job creation, which is difficult to do with infrastructure projects. We are there to help; we are not there to criticize.

In order to review these estimates, the committee heard testimony from 10 departments and agencies which account for 78 per cent of this funding request. The committee decided to report on key issues noted during its meetings, and I encourage honourable colleagues to review the committee report as we will be asked to vote on the appropriation bill, Bill C-20, shortly.

I would like to thank Senator Day, because of his knowledge and history as chair of the Finance Committee he has outlined to all our members the evolution of how things work. Procedurally, as a new person coming in — and it is my fifth or sixth year; we have been together for many years with Senator Day — it is a continuous learning experience. To have the credibility of our former leader is most appreciated.

The report is simple and short. I allude to the executive summary where we put 10 bullets down. They are very specific, and they are observations which we feel can help each of the departments. If you are interested in getting to know what is going on, it's the fastest and easiest way to learn about the whole financial operation of the government.

Hon. Joseph A. Day: Thank you, Senator Smith, for your kind words. I regret that I'm not able to attend as many of your meetings as I have in the past, but I always enjoy getting back and attending the meetings whenever I can. I certainly make a point of reviewing your reports, which I have done here.

This particular document, honourable senators, will form the basis for Bill C-20, which will be coming tomorrow. Once we have adopted this report, we have basically said that we have looked at

the background of this particular supply bill. The supply bill is the pro forma words and an attachment of figures. It will be around \$7 billion that you will be asked to vote on. Are you satisfied that we know what we are voting on, the \$7 billion? That is in the report.

Our tradition is that we not go to committee on these particular matters because we have, in effect, pre-studied them and the report has been debated here. That is why it is important that the report be there before we start looking at the appropriation bills or the supply bills, which we will do tomorrow.

You have the Supplementary Estimates A, the second of two reports. Supplementary Estimates A, as we explained earlier, comes about because the main supply was developed before the budget came out.

As Senator Smith indicated, this is a larger Supplementary Estimates A than normal because there were a lot of initiatives in the change of government and in the new budget that the government was anxious to get on with. Supplementary Estimates A allows that to happen.

There is some interesting reading in this report, but you can see that Treasury Board, as they usually do, because they help to develop this document with the public service, which is the estimate document for the department. There is another document prepared that is parallel with this that I commend to you as the performance plans and priorities. That is an important document that runs parallel to and explains a lot of what is in this particular document. Then there is the after-the-fact document that comes out once the fiscal year has ended just to see how well the department did and how close they are to their plans.

Then there is Public Accounts document, which is a much more sterile document than the dialogue that appears in some of these other documents. Put altogether, they tell the story on a year-to-year basis of what the government hopes the public service will achieve, what the initiatives are and how well we have performed in that regard.

Shared Services Canada is an area we want to keep an eye on. We have seen this, Senator Smith, for some time now. They were given much more work than they have been able to handle. Their benchmarks have not been met in many cases. They are now putting off work because they are saying they only have money to maintain the existing infrastructure rather than getting on with new infrastructure.

Shared Services was created three, four or five years ago to provide common support for security and information technology, and that whole area is for various departments. Information technology and communications departments of each of the departments were in part moved over to Shared Services. You have a management issue when they are saying, "Oh, no, I work for Shared Services, but I am over in National Defence." You have 100 people working here and 20 people there. I think that is part of the problem.

You may have read where a number of public servants were not paid. Some haven't been paid for several months. They moved over to a new computer system that wasn't functioning properly,

was overloaded and didn't have enough capacity. That's the kind of problem that we are starting to see under this particular Shared Services line.

It's a good concept, but have they been funded? Have they got the talent? Have they got the number of employees to do the job? Those are questions that we will have to ask.

Sometimes when Finance is not able to delve into something as deeply as they would like to, the Parliamentary Budget Officer could be called upon to help out and is available. Sometimes we could ask the Auditor General to take a look at a particular issue, and this may be one of those that require some in-depth study.

The Canadian Air Transport Security Authority keeps asking for more money as they expand their area of authority. All baggage, whether checked or carry-on, was being checked as of 2013, but they haven't fully implemented that yet because of personnel. They're about to enter into negotiations for a new collective agreement, so we could see interesting times ahead this year in that particular area.

• (1700)

It was highlighted by Senator Smith that the committee looked into Infrastructure Canada and found that they control only a portion of the infrastructure money and that the rest of it is in a whole lot of different places. How do we coordinate this, and how do we determine whether the government's stated objectives are actually being met when the funds are spread among so many different departments?

Indigenous and Northern Affairs Canada: It seems that virtually every time Finance does one of these studies, they find that there are major expenditures that are not being watched as closely as they should be, and definitely work should be done in that regard.

Those are just some of the items that are highlighted in this particular report. As I indicated, honourable senators, tomorrow you will be asked to vote on a little bit over \$7 billion, and this will tell you where those funds are going.

Thank you, honourable senators.

The Chair: Are honourable senators ready for the question?

Hon. Senators: Question.

The Hon. the Speaker: It was moved by the Honourable Senator Smith, seconded by the Honourable Senator Oh, that this report be adopted now.

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

(Motion agreed to and report adopted.)

CONTROLLED DRUGS AND SUBSTANCES ACT

BILL TO AMEND—SIXTH REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE ADOPTED

The Senate proceeded to consideration of the sixth report of the Standing Senate Committee on Legal and Constitutional Affairs (Bill S-225, An Act to amend the Controlled Drugs and Substances Act (substances used in the production of fentanyl), with an amendment and observations), presented in the Senate on June 10, 2016.

Hon. Bob Runciman moved the adoption of the report.

He said: Honourable senators, there was one amendment to Bill S-225, moved by Senator Harder and adopted unanimously by the committee. This bill in its original form listed four precursors that are used in the production of fentanyl. One of those is aniline, which is a common product used in the chemical industry. The amendment removes aniline as a listed substance under the bill, but it adds other precursors used in the production of fentanyl.

This amendment is not expected to have a substantial effect on the legislation and on its ability to have a real impact on the manufacture of illegal fentanyl in this country — a problem that is resulting in the addiction and death of hundreds of Canadians every year.

In addition, the committee made two observations: first to encourage Health Canada to launch a public campaign on the dangers of opioids; and second, to encourage Health Canada to streamline the process by which substances are assessed to determine if they should be regulated under the Controlled Drugs and Substances Act. Committee members were quite concerned that Health Canada continues to discuss and consider this issue while people are dying.

I want to give, on behalf of the committee, all credit to Senator White for acting by introducing this legislation.

Hon. Senators: Hear, hear.

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

Hon. Senators: Question.

The Hon. the Speaker: It was moved by the Honourable Senator Runciman, seconded by the Honourable Senator Marshall, that the report be adopted.

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

(Motion agreed to and report adopted.)

THIRD READING

The Hon. the Speaker: When shall this bill, as amended, be read the third time, honourable senators?

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

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

Hon. Senators: Agreed.

The Hon. the Speaker: It is moved by the Honourable Senator White, seconded by the Honourable Senator Ngo, that this bill be read the third time now.

On debate, Senator White.

Senator White: Honourable senators, I rise today to speak on Bill S-225, An Act to amend the Controlled Drugs and Substances Act (substances used in the production of fentanyl).

This enactment amends Part 1 of Schedule VI to the Controlled Drugs and Substances Act to add certain substances used in the production of fentanyl, so that they will be regulated as Class A precursors.

For an understanding, precursors are ingredients used to make a substance. In this case, we focused on the ingredients used for fentanyl but as well discussed at length the other challenges facing Canadians, including a more recently found synthetic drug found on our streets called W-18.

So that we are clear, the illicit possession, distribution or manufacturing of fentanyl is already illegal. The challenge with fentanyl precursors is that, today, the sale of precursors that make fentanyl is not illegal. In fact, anyone could purchase the precursors online today, without any justification or regulation. It is hoped that by listing the precursors, we will enable law enforcement to identify who is producing the illegal fentanyl, where it is coming from and, as we have seen when adding other precursors previously on other drugs, have an impact on the availability of this drug on our streets. Hopefully, keeping it out of the hands of more Canadians, we can have an impact on those engaging in this drug use.

You see, this isn't just a drug being used by Canadians but a drug that has killed hundreds this year. It is anticipated that by making the precursors illegal, it may — and hopefully will — allow law enforcement to stop or at least hinder the shipment of precursors to illegal labs in Canada, often from China.

As mentioned, currently fentanyl powder and fentanyl analogues are easily imported into Canada through Internet purchase — the majority of which, as I mentioned, come from China.

Fentanyl provides similar effects to those of OxyContin but is more toxic than morphine or even heroin. A considerably smaller amount is required for users to feel its effects. Lab analysis reveals

in some cases that illicitly obtained fentanyl has been mixed with low-quality heroin, and in other cases it is cut with caffeine or animal tranquilizer.

There are devastating effects of illegal manufacture on people, such as a witness from Saskatchewan that we heard from, whose 19-year-old son used half a tablet of fentanyl one evening and died. By the way, he received that fentanyl from his brother.

There is a risk to public and first responders. Clandestine fentanyl reprocessing and production labs pose a significant safety risk to the public and first responders. Exposure to fentanyl and fentanyl analogues may result in serious medical distress — including overdose or death, due to the nature of its toxicity — by those who are actually responding to calls for service, such as police officers and emergency service workers.

I fully recognize and agree that we cannot focus solely on drug interdiction, as we discussed in committee. But as we combat both supply and demand, we also need to have a fulsome dialogue and development of a national drug strategy. The importance of support, treatment, education and prevention are not lost on me, but we also need to be able to target enforcement. I believe controlling precursors is paramount to this strategy.

While challenges associated with the illicit sale of fentanyl are similar to other illegal drugs, the death rate, addictive qualities and community impact is devastating. We heard from one First Nation in Alberta where they had over a dozen deaths from fentanyl overdose last year alone. A toxicologist in the province of Ontario talked about the number of people she sees every week who die as a result of overdoses of fentanyl.

The Leader of the Government in the Senate appeared at clause-by-clause consideration of the bill. I want to thank him for that. He assisted firstly by giving the government's support to this bill, and secondly by making a friendly amendment, adding other precursors.

• (1710)

The reality is that in Canada we have a real challenge in adding precursors to the list as noted. In fact, in the U.S. they were able to add these very ingredients quickly in 2007 following a number of deaths as they have what's called "temporary addition procedures" that they can follow to have something temporarily listed. That's something we will be hearing about in the fall as we try to muster support for such a program in Canada.

Lastly, I want to take this opportunity to pass on my appreciation for the critic, Senator Moore, and his support and often his challenge to me to try and make the greatest impact possible; as well to the Chair of the Legal Committee, Senator Runciman, and the members, who were both engaged and extremely helpful in bringing this legislation forward. It truly is appreciated.

Honourable senators, I respectfully ask for your assistance in bringing this bill forward to the House of Commons by supporting quickly the passage of Bill S-225.

Hon. Jane Cordy: I want to thank you very much for bringing this bill forward. It's extremely important. I think it's very important that we have a national drug strategy, which you mentioned in your speech.

I also think there is a misconception among Canadians when we think of a junkie or a person addicted to drugs that we always think it's illegal drugs, something they are getting illegally off the street. In fact, your information and your bill will help to educate Canadians that in fact people can get addicted to drugs that they have been prescribed by their doctors.

Could you tell us what is the rate of use of fentanyl in Canada? Is it low? Is it high? Could you explain that?

Senator White: Thank you very much for the question.

In fact, British Columbia has just identified this as a provincial health hazard. We have had over 300 people die from accidental overdose as a result of fentanyl use just this year and over 1,100 over a three-year period in Canada alone.

Fentanyl used to be and was identified by most law enforcement officials, as you may have heard, as fentanyl patches where people would purchase legally prescribed fentanyl patches illegally off the street. That changed a couple of years ago when China became a major supplier of the precursors required to make it. Our biggest challenge with fentanyl today is not actually legal fentanyl; our biggest challenge is illicit and illegal fentanyl being made by manufacturers literally in the basements of their homes.

Hon. Mobina S.B. Jaffer: Senator White, would you take another question?

Senator White: Absolutely.

Senator Jaffer: Senator White, I have to admit I learned a lot when we studied this bill in committee. I first of all want to thank you for tabling this bill. We learned in committee that first there was something not as bad as fentanyl, and now there's fentanyl, but then there are other things coming in the market.

It would be very interesting here for senators to realize that we are very slow. Our health department is very slow in reacting to these things, and maybe you can explain what could be in place to make sure our children do not die?

Senator White: Thank you very much for the question.

In fact, I alluded to it briefly. In 2007 they had a number of deaths from fentanyl use in the United States, and almost overnight the United States government, as result of a recommendation from the Drug Enforcement Administration, was able to temporarily list the precursors that we're now arguing today should be listed. Nine years later we're trying to get these very ingredients listed. In fact, we've had probably 1,500 people die from drug overdoses of fentanyl in Canada and still haven't got these listed.

We heard from the Health Canada officials, and I think they felt we were questioning their ability to do their job. I think we haven't given them the tools to do their job. We should be able to list these just as the United States can. In fact, other senators and I travelled to the U.S. two months ago and had meetings with 66 congressmen and senators, and the number one complaint that they raised about Canada was the fact that our illegal fentanyl was showing up on their streets, that we actually haven't been able to react to it.

There is something we can and something we should do, and that is put in place a program like they have in the United States where we can do an immediate reaction to something that is killing Canadians, and afterwards the research and the work done by this place and by the other place can be done to make it a permanent listing.

Senator Jaffer: I'm not meaning to belabour this point, but I think all our colleagues should know how long it's taking. You already said it takes over seven years and it's also to provide resources, but what could we do? How could we push this?

I keep asking you these questions because I come from B.C., and it's a very serious issue in B.C. That's why I want this on the record in the chamber.

Senator White: To be fair, I don't think it is a resource issue. Within 24 hours we had the list of precursors that needed to be listed to prepare this legislation. We know what the precursors are, and in fact in 24 hours we had the list of precursors for W-18.

This is about our government actually making a decision that they're going to take this seriously and have an ability to react that takes a few days, not a few years, and I think that will save hundreds of lives.

The Hon. the Speaker: Senator Lang, question?

Hon. Daniel Lang: Would the member take a question?

Senator White: Absolutely.

Senator Lang: I want to echo Senator Jaffer's question. I think it's a very valid question. In historical terms, it wasn't that long ago, I think in 2008, that Bill C-475 was passed as a private member's bill, again, by John Weston, an MP from British Columbia. In fact, I sponsored the bill when it came to the Senate. That was precursors for ecstasy and those types of drugs.

The question I have would be this: What legislation is required so that when it comes to the attention of the government they can pass the necessary regulations and don't have to wait for two or three years to get a private member's bill to weave its way through the Senate and the House of Commons, so that they can respond, as you said earlier, like in the United States?

Senator White: We heard from health officials that they actually have the ability to go through this process on their own. The challenge they have is whether or not they feel they have the support to do that.

I do think if there was an obligation that when Canada's national police force, like the Drug Enforcement Administration in the U.S., brought forward a list of precursors they could get a temporary listing of those items so that they could then react to a more permanent listing. That's the place we should be aiming for. It is a process whereby it's an immediate response from Health Canada when those precursors are brought forward.

I don't think there is a lack of willingness from Health Canada. I think there is a fear of making this mistake on their own. I think they want us to bring something forward to make it a permanent process.

Senator Lang: I want to follow up a little further to clarify for the record here. From what I just understood, there is a process in place if they decide to exercise it. What I don't quite understand is what could a legislative measure do further to ensure that they take the steps that we expect them to take?

Senator White: The challenge we have now is that the process they follow is a permanent listing. In the United States, the minute the DEA requests it, they receive a temporary listing. Law enforcement have been complaining for years now about not listing the precursors for fentanyl. An opportunity for law enforcement to force the hand of Health Canada for a temporary listing would also force them to do their work on a permanent listing, and I think that's a challenge they have.

As they work on everything else they're working on, they work in the background trying to drive this forward on their own. We've been successful in two months on something that they haven't been successful in doing in six years.

Hon. Wilfred P. Moore: Honourable senators, I rise to speak at third reading of Bill S-225, An Act to amend the Controlled Drugs and Substances Act (substances used in the production of fentanyl).

First, I would like to commend Senator White for his commitment to the public good. This legislation will help to make our community safer and could frankly save lives.

• (1720)

I would also like to point out the good work of the Standing Senate Committee on Legal and Constitutional Affairs, which dealt with Bill S-225 in a timely fashion. It's important that this bill pass in order to alleviate a growing problem with fentanyl overdoses.

I would also like to thank Senator Harder for his helpful interventions at committee, which facilitated broader agreement amongst committee members on the study of this bill.

Through the course of the Senate's work on Bill S-225, it became clear that in the face of a scourge such as the illegal sale of fentanyl, it is a complex societal problem, one that fixing requires a collaborative and timely effort.

[Senator White]

Fentanyl addiction and abuse begins with the fact that there is an epidemic of painkiller abuse in Canada. Canada has dispensed more highly addictive opioids than any other country in the world, other than the United States. This over-prescription has led to people becoming addicted to opioids at unprecedented levels.

One witness at committee, Dr. Susan Christenson, mentioned that "about 75 per cent of patients who have come forward with this addiction probably had some troubles with prescription narcotics."

This would suggest that in the end we should have been more vigilant in our monitoring of how our medical system prescribed such powerful painkillers.

The United States was forced to change its guidelines recently in the face of a similar epidemic. The Centers for Disease Control and Prevention, the CDC, in March of this year published guidelines which, one, urged doctors to try other approaches to pain treatment; two, prescribed opiates sparingly; and three, only provide low doses with short-term supply.

We know that the Canadian guidelines have not been updated since 2010. This has prompted the regulatory colleges in several provinces — British Columbia, Nova Scotia and New Brunswick — to adopt the CDC guidelines in the absence of Canadian updates, as well as the obvious need for action in the face of this opioid crisis. British Columbia has actually made the CDC guidelines legally enforceable.

In any case, the addiction to opioids opened the door to organized crime to take advantage of the situation. This, in turn, led to the popularity of illegal fentanyl, which as we know, is 40 times more powerful than heroin and 100 times more powerful than morphine. Fentanyl is highly addictive and very lucrative for gangs to sell on the street. But in its illegal form, it is incredibly dangerous, even to addicts who have tolerance to heroin.

As Staff Sergeant Rod Klassen described to the Legal and Constitutional Affairs Committee, making fentanyl is like making chocolate chip cookies; you can never be sure how many chocolate chips are in each cookie. You never know how powerful the fentanyl pill is under these circumstances; overdosing is easy to do.

As an aside, I would like to point out that another problem linked to fentanyl is the use of pill presses, which can be purchased online for anywhere from \$3,000 to \$10,000. The Canadian Association of Chiefs of Police has been discussing this situation with Health Canada and Public Safety Canada in order to see these pill press machines regulated.

Alberta recently passed legislation that limits the purchase of pill presses, table machines, capsule filling machines and pharmaceutical mixers to pharmacists or individuals with a licence. This is a very positive move, but regulation at the federal level would enable the imposition of much larger fines for illegally having a pill press machine. As it stands even with this legislation, anyone can drive across the border from Alberta and purchase a machine and bring it back for illegal use in the province.

Federal legislation in this area, colleagues, would be a most welcome step.

The Standing Senate Committee on Legal and Constitutional Affairs reported back to this chamber on Friday, June 9. The report contained an amendment put forward by Senator Harder, which adds the salts of two of the listed substances, three more precursors and removes Aniline from the bill. These amendments were agreed to and the bill will be supported by the government.

Bill S-225 would be another tool for law enforcement to use in fighting the fentanyl epidemic. Simply by placing the ingredients used to make fentanyl on the list under Canada's Controlled Drugs and Substances Act, we can greatly assist in making it much more difficult to illegally produce fentanyl in Canada. Doing so would prevent the needless loss of life that is happening in this country today because of this dangerous and illegal manufacture of fentanyl. This is a bill that could, quite frankly, directly save and change lives.

So I salute Senator White for his timely work on this file. He has educated us, and I think he's doing the same for the Department of Health in our country. I thank you, senator, for this very important file.

Hon. Paul E. McIntyre: Honourable senators, I rise today to speak in support of Bill S-225.

First, I want to thank Senator White for sponsoring this bill. It is not my intention to echo all of the comments made by Senator White in his second and third readings of this bill.

That said, I just want to stress, as did Senator White, the importance of this legislation.

As we all heard, fentanyl is 100 times more toxic than morphine and 40 times more toxic than heroin. Lab analysis reveals that in some cases, illicitly obtained fentanyl has been mixed with low-quality heroin and in other cases it is cut with caffeine or some other type of animal tranquilizer.

It is important to note as well that due to its highly addictive qualities, and in order to support their addiction, fentanyl addicts turn to crime. These crimes are predominantly property, sex and drug related.

Fentanyl overdoses occur on a daily basis, as mentioned by Senator Moore, the majority of which are unreported to police. The profitability of illicitly sold fentanyl is at levels never before seen in the illicit drug trade.

Currently, fentanyl powder is easily imported into Canada through Internet purchases, the majority of which are sourced through China. In October 2015, the Chinese government passed legislation to regulate fentanyl and several fentanyl analogues. In light of the enforcement actions in China, the importation of powder will become more difficult. However, law enforcement officials believe that organized crime groups operating in Canada will turn to domestic production of fentanyl. Bill S-225 seeks to correct that situation through enforcement procedures.

Colleagues, I urge you to support Bill S-225.

Hon. George Baker: Honourable senators, I would strongly recommend we do third reading of this bill as soon as possible — today, right now — because I've never seen the Senate or the House of Commons take the initiative that Senator White took on this bill. He did something that has never been done before, that I know of, and I know the precursor regulations well. I remember doing them over the years as a legislator. For the first time, we had Senator White, Senator Moore and Senator Harder get together to do what is normally done by the Department of Health.

Precursors are in various sections of the precursor regulations, and they are under section 6 of the Controlled Drugs and Substances Act. Some of these precursors are in everyday use, such as in food, cleaning liquids and so on. There is a process that has to be gone through to have them registered and listed. Because of the crisis in this country with the illegal use of this drug, Senator White took it upon himself to add these precursors to the regulations and to the Controlled Drugs and Substances Act. It's never been done before, that I know of, and I know the act and the regulations pretty well.

What happened was the Department of Health cooperated with him. Then the government — the Department of Justice — turned around, through Senator Harder's efforts, and had the complete list of precursors.

• (1730)

Senator White had five precursors listed, removed one, left four and added three more. We had the regulators from the Department of Health before the committee and they were happy that this was happening because it brought everything together and short circuited it.

The trafficking of this drug is in a crisis situation in Canada; 275 people died just in Alberta last year overdosing on this drug.

By the way, the street name is green apples, green beans, shady 80s; greenies and fake oxy. These are the street names of this particular drug.

I take my hat off. I think we should all congratulate Senator White.

Hon. Senators: Hear, hear!

Senator Baker: Each person in the Senate is extraordinary in their own right in a particular field of endeavour. Senator White, of course, is a former Assistant Commissioner of the RCMP; first in the RCMP in Newfoundland to use palm evidence to prosecute somebody. He served up North. We know him from the Ottawa Police Force here as well.

This has been a remarkable effort on the part of the Senate. The Department of Health is perfectly happy with it and they are thanking the Senate for doing it. The Department of Justice is thanking the Senate for doing it. We owe our thanks to

Senator White. With the cooperation of Senator Moore and Senator Harder, the Senate has done something that the departments couldn't do. We have done it in a short period of time. Thank you.

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

Hon. Senators: Question.

The Hon. the Speaker: It is moved by the Honourable Senator White, seconded by the Honourable Senator Ngo, that Bill S-225, as amended, be read the third time.

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

Hon. Senators: Agreed.

(Motion agreed to and bill, as amended, read third time and passed.)

LA CAPITALE FINANCIAL SECURITY INSURANCE COMPANY

PRIVATE BILL—MESSAGE FROM COMMONS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-1001, An Act to authorize La Capitale Financial Security Insurance Company to apply to be continued as a body corporate under the laws of the Province of Quebec, and acquainting the Senate that they had passed this bill without amendment.

CRIMINAL CODE

BILL TO AMEND—MESSAGE FROM COMMONS—AGREEMENT WITH CERTAIN SENATE AMENDMENTS, AMENDMENTS AND DISAGREEMENT WITH CERTAIN SENATE AMENDMENTS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that a message has been received from the House of Commons which reads as follows:

Thursday, June 16, 2016

ORDERED,—That a Message be sent to the Senate to acquaint their Honours that this House:

agrees with amendments numbered 1, 2(d), 2(e), 4, and 5 made by the Senate to Bill C-14, An Act to amend the Criminal Code and to make related amendments to other Acts (medical assistance in dying);

proposes that amendment 2(c)(i) be amended by replacing the text of the amendment with the following text “sistance in dying after having been informed of the means that are available to relieve their suffering, including palliative care.”;

proposes that amendment 3 be amended in paragraph (b) by adding after the words “make regulations” the words “that he or she considers necessary”;

respectfully disagrees with amendment 2(a) because requiring that a person who assists to be free from any material benefit arising from the patient's death would eliminate from participation the family members or friends most likely to be present at the patient's express wish, and this would violate patient autonomy in a fundamental and unacceptable manner; and

respectfully disagrees with amendments 2(b), 2(c)(ii) and 2(c)(iii) because they would undermine objectives in Bill C-14 to recognize the significant and continuing public health issue of suicide, to guard against death being seen as a solution to all forms of suffering, and to counter negative perceptions about the quality of life of persons who are elderly, ill or disabled, and because the House is of the view that C-14 strikes the right balance for Canadians between protection of vulnerable individuals and choice for those whose medical circumstances cause enduring and intolerable suffering as they approach death.

ATTEST

MARC BOSC

The Acting Clerk of the House of Commons

Honourable senators, when shall this message be taken into consideration?

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

(The Senate adjourned until tomorrow at 9 a.m.)

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