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THE SENATE

Wednesday, April 10, 2019

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

Prayers.

SENATORS' STATEMENTS

VIMY RIDGE DAY

Hon. Joseph A. Day (Leader of the Senate Liberals): Honourable senators, yesterday marked the one hundred and second anniversary of the Battle of Vimy Ridge. Those who have had the opportunity to visit Vimy in the northeast corner of France will know how significant the area was to the allied cause and how magnificent the Vimy Memorial and monument are. Those who have not yet visited the Vimy Memorial, I do hope you take the time to do so. It helps you appreciate the tremendous contribution that Canada has made in the world.

On the morning of April 9, 1917, the first wave of Canadian Corps soldiers began their fight up Vimy Ridge. You can imagine the barbed wire and the mudholes and the bomb craters as they crawled up that hill. Most of Vimy was taken by the end of the day. By April 12, three days later, the Canadians had achieved all their objectives, captured 4,000 soldiers and taken the highest point in the north end of the ridge, which was the coveted area because you could see everywhere.

But the cost was incredible: 3,598 Canadians were killed and another 7,000 were severely wounded after the four-day battle.

To honour those who fell and who were wounded, commemorative ceremonies took place yesterday throughout Canada and overseas. At Legions, cenotaphs and war memorials in my home province of New Brunswick and across Canada, here in Ottawa at the National War Memorial and at the Canadian National Vimy Memorial in France, people gathered to pay tribute to those Canadians who fought so bravely. Together we remembered the sacrifice of those who served, especially those who made the ultimate sacrifice.

It has often been said that the Battle of Vimy Ridge defined us as a nation. It marked the first time that all four divisions of the Canadian Corps fought together. And together, they accomplished what the French and the British troops had been unable to do. The Canadians retook the ridge. That battle is an important chapter in our history.

Honourable senators, please join with me and all Canadians in recognizing the immense sacrifices made by our Canadian soldiers in their service to this great country.

Hon. Senators: Hear, hear!

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Lieutenant (Navy) James Mosher. He is the guest of the Honourable Senator Deacon (*Nova Scotia*).

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

Hon. Senators: Hear, hear!

[Translation]

SYLVIE BERNIER

Hon. Éric Forest: Honourable senators, we all remember the accomplishments of Sylvie Bernier, who won the gold medal in three-metre springboard diving at the 1984 Olympic Games in Los Angeles, but not many people know that she went through a heartbreaking tragedy in 2002. Her five-year-old nephew Raphaël drowned before her eyes on a canoe trip in Nouvelle, on the Gaspé Peninsula, during an event for which she had generously agreed to act as a spokesperson.

In spite of her grief and despair at being unable to save him, Ms. Bernier launched a public campaign to raise awareness of drowning risks. This week, a book and a TV documentary are being released to share her story and, above all, to urge greater oversight of white water rafting companies.

The industry is making efforts to self-regulate, but many companies don't follow any common standards. Voluntary oversight is not enough. Standards need to be established to make outdoor adventure activities safer. These standards should regulate equipment quality and maintenance, guide training, the implementation of emergency plans, and better funding for programs that teach our children the essential skills required to survive an unexpected fall into deep water or white water.

I want to thank and commend Sylvie Bernier for her initiative and her outstanding contribution to this cause. Ms. Bernier encourages an active lifestyle but also makes an eloquent plea for stronger boating and water safety. I hope her plea will be heard.

I'm sure you will join me in offering her our full support.

[English]

CAPE ST. MARY'S ECOLOGICAL RESERVE

Hon. Fabian Manning: Honourable senators, today I am pleased to present Chapter 53 of "Telling Our Story."

My home province of Newfoundland and Labrador is known far and wide for its beautiful scenery and natural beauty. There are not very many places in our world where you can stand on a windswept hill and watch a pod of whales play in the Atlantic Ocean, while at the same time cast your eyes to a gigantic iceberg floating by, surrounded by a flock of seagulls.

We have much to offer our visitors. I believe that one of our greatest treasures and main tourist attractions, indeed a jewel in our tourism crown, is The Cape St. Mary's Ecological Reserve. Located just a short 15-minute drive from my hometown of St. Bride's on the Cape Shore, this unique reserve welcomes thousands of tourists every year from all over the globe. "The Cape," as it is locally referred to, is the most accessible seabird colony in North America.

A large sea stack, aptly named "Bird Rock," juts 400 feet out of the ocean and is the summer home of tens of thousands of northern gannets, Black-legged kittiwakes, Common Murres and several other species of birds. Bird Rock is an absolute spectacle of the natural world. Amazingly, you can view these majestic birds from as close as 20 metres away. Few places in the world can claim to combine such a breathtaking beautiful landscape with such an awe-inspiring show of nature. It is a wonderland for birdwatchers, hikers and explorers.

The reserve boasts a beautiful state-of-the-art interpretation centre with very capable and knowledgeable ambassadors for our province. The Cape St. Mary's Performance Series, an annual concert event, presents local entertainers and storytellers who will warm your heart with song and stories of this special place.

The famous ornithologist Roger Tory Peterson once said of Cape St. Mary's: "The birds . . . swirl past the cliffs like a blizzard of snow." Believe you me, to see this up close can be overwhelming at times, but it can also be an extraordinary experience like no other.

A tourist from Calgary, Alberta, recently wrote:

It is still utterly astonishing to sit a stone's throw away from a sea stack covered with 20,000 gannets and watch them soar around you. One of the "must see" sights in a province of fantastic places.

As you would appreciate, much has been written about this beautiful place, including one of Newfoundland and Labrador's most famous songs "Let Me Fish Off Cape St. Mary's." The following verses say it all:

Take me back to my western boat Let me fish off Cape St. Mary's Where the hogdowns sail and the foghorn wails With my friends, the Browns and the Clearys Let me fish off Cape St. Mary's Let me feel my dory lift To the broad Atlantic combers Where the tide rips swirl and the Wild ducks whirl Where old Neptune calls the number 'Neath the broad Atlantic combers • (1410)

Colleagues, I promise you that reading about or hearing about this unique place will never do it justice. You must see it for yourself. So today, I extend an invitation to you to visit Newfoundland and Labrador, especially Cape St. Mary's Ecological Reserve. You will not be disappointed either way.

And in the words of the famous American poet Ralph Waldo Emerson: "Nature always wears the colors of the spirit."

Thank you.

[Translation]

VIMY RIDGE DAY

Hon. Josée Forest-Niesing: Honourable senators, as our colleague, Senator Day, pointed out, yesterday was the national day of remembrance of the Battle of Vimy Ridge. I was unable to speak to it yesterday, so I'd like to take this opportunity to draw your attention to the extraordinary victory Canadian soldiers won in that bloody but pivotal battle.

We've been commemorating Vimy Ridge Day since April 2003 thanks to a bill introduced by the then member for Algoma—Manitoulin—Kapuskasing, Brent St. Denis, a fellow francophone from northern Ontario. Mr. St. Denis was inspired by the words of Robert Manuel from Elliot Lake. Here in the Senate, the Honourable Marie Charette-Poulin, another prominent member of the Franco-Ontarian community, sponsored the bill. Like me, all of these champions are from northern Ontario.

It is no coincidence that this national day of remembrance was proposed by members of a minority community. After all, the Battle of Vimy Ridge exemplified the tremendous power of unity. Even then, Canadian soldiers who fought in the Battle of Vimy Ridge embodied our young nation's values of inclusivity and multiculturalism.

I'd like to share a quote from Sudbury high school student Joël Ralph's excellent description:

... the attack proved the Canadians to be the best army in the world and they accordingly would form the iron tip of the spearhead that would end the war in 1918.... The troops came from Nova Scotia to Montreal, Ottawa to Winnipeg, Regina to Vancouver, even the North West and everywhere else in between.... That morning when they set out to seize Vimy Ridge they were Commonwealth soldiers, but when they reached the summit they were Canadians.

I'd like to pay tribute to the Honourable Marie Charette-Poulin and former MP Brent St. Denis for launching this important initiative and seeing it through to completion.

I'd also like to pay tribute to all the veterans and their descendants for the courage and extraordinary dedication they demonstrated. Of the 100,000 Canadians who fought in the Battle

of Vimy Ridge, 3,600 made the ultimate sacrifice and another 10,000 suffered serious injuries. My own genealogical roots go back to northern France. Like many Canadians, I feel a strong connection to these important events from the last century. As a nation, it is crucial that we pass on to current and future generations our memory of the achievements, sacrifices and major unifying efforts made by previous generations, as these are what have made Canada what it is today, that is, a prosperous country that is admired around the world for its inclusive values and the multiculturalism that fundamentally defines it. Thank you.

Hon. Senators: Hear, hear!

[English]

PARKINSON'S AWARENESS MONTH

Hon. Judith G. Seidman: Honourable senators, April is Parkinson's Awareness Month, a month that recognizes members of the Parkinson community across Canada.

Parkinson's disease is the fastest growing of all neurological disorders. Globally, the number of individuals with Parkinson's disease has more than doubled since 1990, increasing from 2.5 million to 6.1 million in 2016. There is no known cause; there is no known cure.

In Canada, an estimated 100,000 people live with this condition. As the population ages, we will continue to see an increase in the prevalence of Parkinson's disease. New research indicates that people with Parkinson's disease are six times more likely to develop dementia.

Parkinson's is a disease of the brain that affects every aspect of daily living, including tremors, slowness of movement, difficulty with balance and walking, mood, depression, speech, eating and drinking, sleep, and cognitive changes. Parkinson's disease worsens over time, resulting in a loss of independence and ultimately premature death.

Since 1965, Parkinson Canada has offered education, advocacy, public awareness and funds for research. Across the country, Parkinson Canada helps ensure that no one faces Parkinson's disease alone.

This April, during Parkinson's Awareness Month, Parkinson Canada wants Canadians to know that they can now access tools and resources to help manage their life with Parkinson's. They have launched their ACT on Time campaign, a campaign that includes ACT on Time kits with practical tools and information for those diagnosed, their care partners and the health professionals they will interact with.

Honourable senators, like me, it is likely you know someone living with Parkinson's disease and are aware of the challenges they and their caregivers face every day. Many are in need of support. It is essential that Canada continues to invest in research and that services and programs continue to be available, not only in acute care settings but in the community as well. Thank you.

[Translation]

ROUTINE PROCEEDINGS

OFFICE OF THE EXTRACTIVE SECTOR CORPORATE SOCIAL RESPONSIBILITY COUNSELLOR

2018 ANNUAL REPORT (JUNE 2017 TO MAY 2018) TABLED

Hon. Peter Harder (Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the report entitled "Office of the Extractive Sector, Corporate Social Responsibility (CSR) Counsellor — 2018 Annual Report to Parliament (June 2017 — May 2018)".

[English]

BILL TO AMEND CERTAIN ACTS AND REGULATIONS IN RELATION TO FIREARMS

TWENTY-FIRST REPORT OF NATIONAL SECURITY AND DEFENCE COMMITTEE PRESENTED

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

Wednesday, April 10, 2019

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

TWENTY-FIRST REPORT

Your committee, to which was referred Bill C-71, An Act to amend certain Acts and Regulations in relation to firearms, has, in obedience to the order of reference of December 11, 2018, examined the said bill and now reports the same with the following amendments:

- 1. Delete clause 1, pages 1 and 2.
- 2. *Clause 2, page 2*:
 - (a) Replace lines 4 to 10 with the following:

"2 (1) Subsection 5(2) of the Act is amended by strik-"; and

(b) replace line 32 with the following:

"(2)Section 5 of the Act is amended by adding the".

- 3. Delete clause 4, pages 6 and 7.
- 4. Delete clause 6, page 8.
- 5. Delete clause 8, page 9.
- 6. *New clause 11.1, page 10*: Add the following after line 21:

"11.1 The Act is amended by adding the following after section 94:

94.1 (1) The Commissioner shall provide to the Minister, no later than February 1 of each year, a written report for the immediately preceding calendar year that sets out the decisions and recommendations made by the Commissioner regarding whether a firearm is a prohibited firearm, a restricted firearm, or a non-restricted firearm, the reasons for those decisions or recommendations, and the actual or anticipated costs to firearms owners and businesses of those decisions and recommendations.

(2) The federal Minister shall cause each report received under subsection (1) to be tabled before each House of Parliament on any of the first 15 days on which that House is sitting after the federal Minister receives it.".

- 7. Delete clauses 15 and 16, page 11.
- 8. Delete clauses 18 to 21, page 12.

Your committee has also made certain observations, which are appended to this report.

Respectfully submitted,

GWEN BONIFACE Chair

(For text of observations, see today's Journals of the Senate, p. 4528.)

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

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

STUDY ON CANADIANS' VIEWS ABOUT MODERNIZING THE OFFICIAL LANGUAGES ACT

TWELFTH REPORT OF OFFICIAL LANGUAGES COMMITTEE TABLED

Hon. René Cormier: Honourable senators, I have the honour to table, in both official languages, the twelfth report (interim) of the Standing Senate Committee on Official Languages entitled *Modernizing the Official Languages Act: the Views of the Justice Sector.*

[Translation]

THE SENATE

NOTICE OF MOTION TO AFFECT QUESTION PERIOD ON APRIL 30, 2019

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, April 30, 2019, 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

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.

• (1420)

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 Tuesday, April 30, 2019, at 2 p.m.

[English]

CANADA-UNITED KINGDOM INTER-PARLIAMENTARY ASSOCIATION

BILATERAL VISIT TO LONDON, ENGLAND, UNITED KINGDOM AND BRUSSELS, BELGIUM, JANUARY 21-25, 2019—REPORT TABLED

Hon. Patricia Bovey: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian Delegation of the Canada–United Kingdom Inter-Parliamentary Association respecting its participation in a bilateral visit to London, England, United Kingdom and Brussels, Belgium, from January 21 to 25, 2019.

NATIONAL SECURITY AND DEFENCE

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO DEPOSIT REPORT ON STUDY OF NATIONAL SECURITY AND DEFENCE POLICIES, PRACTICES, CIRCUMSTANCES AND CAPABILITIES WITH CLERK DURING ADJOURNMENT OF THE SENATE

Hon. Gwen Boniface: Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That the Standing Senate Committee on National Security and Defence be permitted, notwithstanding usual practices, to deposit with the Clerk of the Senate, between April 29 and May 10, 2019, a report relating to its study on Canada's national security and defence policies, practices, circumstances and capabilities, if the Senate is not then sitting, and that the report be deemed to have been tabled in the Senate.

[Translation]

THE HONOURABLE GHISLAIN MALTAIS

NOTICE OF INQUIRY

Hon. Yonah Martin (Deputy Leader of the Opposition): Honourable senators, I give notice that, two days hence:

I will call the attention of the Senate to the career of the Honourable Senator Ghislain Maltais.

[English]

QUESTION PERIOD

PRIME MINISTER'S OFFICE

COMMENTS OF PRIME MINISTER

Hon. Larry W. Smith (Leader of the Opposition): Honourable senators, my question for the government leader concerns comments the Prime Minister made to reporters yesterday. He said:

You can't be lying to Canadians. . . . there are consequences, short term and long term, when politicians twist the truth. . . .

With respect to SNC-Lavalin, the Prime Minister said Ms. Wilson-Raybould did not come to him directly with her concerns. However, he admitted in the other place last week that she did just that in a meeting on September 17.

[Senator Bovey]

Beyond the current SNC-Lavalin scandal, Liberal election promises on home mail delivery, electoral reform, inclusion of the UN Declaration on the Rights of Indigenous Peoples, banning marketing and advertising of junk food to children and the so-called "modest" deficits have all been discarded by the Prime Minister and his government.

Senator Harder, how should Canadians view all these incidents where the Prime Minister has said or promised one thing and then said or done the opposite?

Hon. Peter Harder (Government Representative in the Senate): Again, I thank the honourable senator for his question. Let me repeat, as I did yesterday to a question similarly placed, that it is the view of the government — certainly the Prime Minister — that false and defamatory comments ought not go unheeded and unaddressed. That is the basis on which he took the action that he has.

FINANCE

BUDGET 2019

Hon. Larry W. Smith (Leader of the Opposition): Honourable senators, the Liberal Party promised Canadians a balanced budget by this year, 2019. Instead, projections released just before Christmas show the government does not expect to balance the budget until 2040, 21 years from now. In 2015, the Liberal Party condemned the use of omnibus legislation and promised to end its practice. Last Tuesday, Minister Morneau introduced yet another omnibus Budget Implementation Bill, which is 360 pages long.

I could go on, Senator Harder, but I think you get my point. What consequences does the Prime Minister expect for breaking the promises that we've outlined to Canadians?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for his question. It gives me the opportunity to respond to his first question relating to this year's budget.

With respect to the fiscal anchors of this government, for four years now, the government has been saying that their fiscal anchors were an ever-decreasing debt-to-GDP ratio and a declining net debt over years. I reference, in particular, page 20 of the budget where the government clearly outlines the consequences of its now four years of budgets, in which the net debt and debt-to-GDP ratios are exactly in conformity with the fiscal anchors of this government. That has led to not only a stronger economy but also lower unemployment rates, and indeed, the institution of programs that can begin to address the anxiety Canadians are feeling.

It is certainly the view of this government that this budget, along with the three predecessor budgets, are a platform on which to engage Canadians in a choice they will have to make this fall.

Senator Batters: Bring it on.

VETERANS AFFAIRS

SUPPORT FOR VETERANS

Hon. Yonah Martin (Deputy Leader of the Opposition): Honourable senators, my question for the government leader is also in light of the Prime Minister's comments yesterday about not lying to Canadians. The 2015 Liberal election platform states:

Veterans and their families have earned our respect and gratitude. It's time our government lived up to its sacred obligation to them. Our plan . . . will ensure that no veteran has to fight the government for the support and compensation they have earned.

Despite this clear promise, leader, we learned in 2018 that the federal government spent at least \$37 million over a two-year period in legal proceedings involving our veterans. This is \$37 million in taxpayer money that the Liberal Party promised to support our veterans and all Canadians — not to fight veterans in court. What possible justification can the Prime Minister have for breaking this promise to veterans?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question. She will know because there have been a number of occasions on which ministers responsible for Veterans Affairs and indeed questions to me have been addressed with regard to this government's record in support of veterans. Let me begin by restating, as I always do, the priority this government attaches to veterans and appropriate support to our veterans. That is why not only have disability waiting times been reduced; the government at a one of its early initiatives, restored the network of offices that had been closed to ensure that services for veterans could be delivered.

In addition, the honourable senator will know that with respect to the waiting times, close to \$50 million has been allocated over the budgets of 2018-19 to support reducing the waiting times.

In addition to that, there have been a number of initiatives, including pension benefits, that have been restored and strengthened.

Senator Martin: Senator Harder, there's so much we could talk about in terms of how the Trudeau government has failed to support our veterans, in fact. With changes in the ministry — I think four ministers to date — there have been many things missed as a result.

I'll get back to the question I asked. Would you please make inquiries and let us know how much more money, in addition to the \$37 million, the Liberal government has spent on legal proceedings fighting our veterans in court since the spring of 2018?

Senator Harder: I'm always happy to bring to the attention of the minister questions from the honourable senator.

Senator Martin: Thank you.

• (1430)

[Translation]

EMPLOYMENT, WORKFORCE DEVELOPMENT AND LABOUR

CANADA POST

Hon. Lucie Moncion: My question is for the Government Representative in the Senate and concerns Bill C-89. The role of the mediator-arbitrator appointed under the Postal Services Resumption and Continuation Act, Bill C-89, is governed in part by guiding principles. Subsection 11(3) of the act lists the guiding principles by which the mediator-arbitrator is to be guided in rendering a decision or selecting a final offer made by a bargaining agent. The guiding principles are to ensure that the health and safety of the employees is protected; to ensure that the employees receive equal pay for work of equal value; to ensure the fair treatment of temporary or part-time employees, and other employees in non-standard employment, as compared to full-time, permanent employee; to create a culture of collaborative labour-management relations; and to have the employer provide high-quality service at a reasonable price to Canadians.

Could the Government Representative in the Senate update Canadians and the Senate on the progress in the labour dispute between Canada Post employees and the government and, more specifically, tell us how the guiding principles in section 11 are being promoted by the government's efforts in resolving this dispute?

[English]

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question and I would be happy to bring it to the attention of the minister and report back in detail.

PUBLIC SAFETY

HUMAN RIGHTS OF INCARCERATED PERSONS

Hon. Kim Pate: Honourable senators, my question is for the Government Representative in the Senate. This month marks the twenty-fifth anniversary of the denial of Charter and human rights, including unlawful stripping and shackling of women by men and the subsequent imprisonment in segregation for an extended period of time at the Prison for Women in Kingston. Louise Arbour, a former Supreme Court of Canada justice, was commissioned to conduct an inquiry into those events. In addition to finding an absence of the rule of law in corrections, she recommended judicial oversight of the Correctional Service of Canada's decision-making with respect to the segregation. She found that this measure was necessary in order to uphold the rule of law by corrections and ensure the protection of prisoners' human rights. She also recommended that where correctional treatment of prisoners breaches human rights — for example, as a result of segregation, overclassification, lack of access to

programs or where other conditions of confinement amount to correctional interference in the administration of the lawful sanction or sentence imposed by a judge — then prisoners should be able to have their sentence reviewed by a judge and possibly shortened, ended or otherwise remedied.

Leaving aside Bill C-83 which, as we know, does not provide for judicial oversight of CSC decision-making, what concrete steps is Public Safety Canada and this government taking to implement these long overdue measures?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question. It's difficult for me to answer without reference to Bill C-83 because it is such a significant step forward — at least in the government's views, and we'll have the opportunity to debate it in this chamber — to provide a more humane intervention capacity in our prison system. It is an issue on which I know a number of senators will have views and will want to engage in those issues and hear from the ministers directly.

With regard to the specific question that is being asked, I would be happy to make inquiries and report back.

Senator Pate: Thank you for that, government representative.

I would also ask that you investigate as to what it would take to implement judicial oversight and ensure that discretionary decisions made behind prison walls do not make a sentence harsher than that to which a judge sentenced someone and that a judge be determined to be fit and fair.

Senator Harder: I would be happy to do so.

PRIME MINISTER'S OFFICE

SNC-LAVALIN

Hon. Linda Frum: Honourable senators, my question is for the Leader of the Government in the Senate. Recently, the OECD announced that it was subjecting Canada to a special review in the wake of the SNC-Lavalin allegations because Canada may be in breach of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. The Chair of the OECD Working Group on Bribery said that the decision to prosecute SNC-Lavalin or not should be an autonomous decision of the prosecutor and should not be influenced by anybody. "This is the point of our concern," he told the *Toronto Star* in a telephone interview. He also said that the was concerned about jobs at SNC-Lavalin, was not a legitimate justification.

Senator Harder, did the Prime Minister or other members of his team receive any briefings on the impact of this treaty on their decision to pressure the former Attorney General on granting SNC-Lavalin a DPA?

[Senator Pate]

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question. It is similar to questions that have been asked over the last eight or nine weeks with regard to this matter.

The honourable senator will know from questions answered here and in the other place that the government is strongly of the view that no such breach of OECD guidelines has taken place, but, of course, it is the prerogative of the OECD to conduct whatever investigation it wishes to do.

[Translation]

Hon. Pierre-Hugues Boisvenu: Honourable senators, my question is also for the Leader of the Government in the Senate.

Last week, I asked you if you could confirm whether one or more lawyers from the law firm Torys LLP, out of Toronto, where a Liberal Party fundraiser was held in 2016, played a key role in SNC-Lavalin's defence team during the scandal that the company is embroiled in.

Senator Harder, what have you found out about that? Could you also confirm whether Grant Worden from that firm is indeed one of the Liberal donors who participated in that fundraising campaign?

[English]

Senator Harder: As the honourable senator's question indicates, this was a question that was recently posed to me. I undertook to make inquiries and they are under way.

[Translation]

Senator Boisvenu: If you continue to look into this, could you also let me know whether he is indeed the same lawyer and Liberal Party donor who was part of SNC-Lavalin's legal team before the Federal Court?

[English]

Senator Harder: I will add that to my inquiries.

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

ONE CHINA POLICY

Hon. Thanh Hai Ngo: Honourable senators, my question is for the Leader of the Government in the Senate. Canada's foreign policy with China has inexorably and relentlessly been led by the One China policy since 1970, often to the detriment of our national interest.

This 50-year-old policy remains unrevised, unchallenged and strategically leveraged by Chinese officials in Canada to thwart our support for human rights in Tibet and Hong Kong, our support for Taiwan's vibrant democracy, our stand on the South China Sea dispute, and even a private company like Air Canada or Marriott Hotels. Senator Harder, Global Affairs offered no official statement of clear definitions of the One China policy. Yet our officials in Canada and abroad consistently refer and abide by an outdated foreign policy that is more clearly defined by the Chinese embassy in Canada. Canadians who are affected by this developing crisis with China need to have access to this policy in order to defend our democracy against China-imposed political views.

Can you clarify Canada's official definition of the One China policy and inquire to make sure it is made available to Canadians on the public record?

Hon. Peter Harder (Government Representative in the Senate): As the honourable senator will know and as his question implies, the so-called One China policy has been part of our engagement with the People's Republic of China since diplomatic relations were established and respected by successive governments, each of which understood what that meant and have exercised their responsibilities accordingly.

Senator Ngo: If you think that this development would have happened in this year alone, I don't know what to tell you: the hostage taking of Michael Kovrig and Michael Spavor, the sentencing of Robert Schellenberg, the arrest of Huawei CFO Meng Wanzhou, the blockade of close to \$3 billion of canola exports, and so on. This one-way consultation policy is also utilized in Canada to question our support for our democracy partner, Taiwan.

Yesterday, Minister Freeland testified before the Standing Senate Committee on Foreign Affairs and International Trade and answered a question regarding our relationship with Taiwan by stating:

. . . we continue to have strong and growing people-topeople ties with Taiwan within the framework of Canada's One China policy.

Since we are currently working with a one-sided understanding of this policy, can you reassure us that the Government of Canada will support Taiwan's involvement in the upcoming World Health Assembly taking place at the end of next May?

• (1440)

Senator Harder: Again, I thank the honourable senator for his question. He will know, from the testimony by the Minister of Foreign Affairs yesterday to which he referred, that the minister articulated well the view of the Government of Canada with respect to the bilateral relationship with the People's Republic of China and the depth of that relationship, even though we are facing, as all honourable senators will know, a challenging period on a number of files, including those raised in this chamber with regard to consulate issues, canola or other issues of concern.

That doesn't mean that we don't value and promote our diplomatic and economic relations that benefit Canadians and Canadian enterprises in the bilateral relationship. It also doesn't mean that we don't strengthen and are not devoted to our relationship with Taiwan. Those are referenced and, as the minister made clear, take place within the framework of our overall relationship with a One China policy. Canada has supported, where appropriate, Taiwan participation in international organizations and will continue to do so.

[Translation]

ORDERS OF THE DAY

SPEAKER'S STATEMENT

The Hon. the Speaker: Honourable senators, yesterday evening we considered a question of privilege raised by Senator Plett. I have since received a request from him to allow further consideration of the matter. Although not common, this is not unprecedented, and I will, somewhat exceptionally, allow this in the current case.

Therefore, at the start of Orders of the Day tomorrow, I will hear further new arguments on the question of privilege. But honourable senators, let me be clear that I understand the extensive arguments raised yesterday quite well, and do not want to hear them repeated. So I wish to hear new information only, and I would ask senators to please be brief in their interventions.

[English]

INVESTMENT CANADA ACT

BILL TO AMEND—SECOND READING— DEBATE ADJOURNED

Hon. Thanh Hai Ngo moved second reading of Bill S-257, An Act to amend the Investment Canada Act (mandatory national security review of investments by foreign state-owned enterprises).

He said: Honourable senators, it is my great honour to speak to my Senate public bill entitled An Act to amend the Investment Canada Act (mandatory national security review of investments by foreign state-owned enterprises).

I introduced Bill S-257 inspired by the rising global investments presented by foreign state-owned enterprises in Canada and troubled by the real threat they present to our key resource sectors, our critical infrastructure, sensitive technologies and ultimately our national security. This increase of extensive foreign interests in our companies and their assets, and their evolving security implications, begs us to consider whether full-scale security reviews of proposed investments in Canada by foreign state-owned enterprises should be mandatory rather than discretionary, and whether foreign countries should have a tremendous stake in our economic growth.

Two thirds of investment in Canada's key economic sectors, such as energy, emerging technology, sensitive data, metals and minerals, entertainment, real estate, and consumer products and services, have been presented by state-owned enterprises, leaving the government dangerously open to a panoply of security risks

Why the government assesses investment through a net-benefit test and from a basic security perspective pursuant to the Investment Canada Act, the highest level of security screening, known as the national security review, exclusively remains subject to cabinet discretion and is sparingly applied with stateowned enterprises.

as it fails to consistently perform its due diligence.

When a foreign state-owned enterprise presents an investment under the set of rules set by the act, Canadians must wait for the Minister of Innovation, Science and Economic Development to consult with the Minister of Public Safety and Emergency Preparedness to decide if the potentially injurious foreign investment should be referred to the Governor-in-Council before a proposition may be ordered to be reviewed under a national security standpoint.

Following the review, which I will explain soon, the Minister of Innovation, Science and Economic Development would again consult the Minister of Public Safety and Emergency Preparedness to either refer the investment to the Governor-in-Council along with a report on the review and recommendation, or, if satisfied that the investment would not be injurious to national security, notify the foreign investor that no further action would be taken.

Based on the recommendations and findings of the high-level review, the Governor-in-Council has the authority to decide to authorize investment with or without conditions, disallow the investment, or require the investor to divest control of the Canadian business or its investment in an entity.

• (1450)

Honourable senators, Bill S-257 proposes a technical change to the Investment Canada Act that would ensure that the Governorin-Council would no longer have the discretion but, rather, the duty to scrutinize all foreign state-sponsored enterprise investments from a national security standpoint before reaching a decision.

Under the act, these reviews would include, but are not be limited to, the national security factors outlined through the national security guidelines, such as the potential effects of the investments in Canada defence capabilities and interests; potential effects of the investments on the transfer of sensitive technologies or the know-how outside of Canada; involvement in the research, manufacture or sale of goods and technology identified in section 35 of the Defence Production Act; potential impacts of the investments on the security of Canada's critical infrastructure; the potential impact of the investment on the supply of critical goods and services to Canadians or the supply of goods and services to the people of Canada; the potential of the investment to enable foreign surveillance or espionage; the potential of the investment to hinder current or future intelligence or law enforcement operations; and the potential impact of the investment of Canada's international interests, including foreign relationships and the potential of the investment to involve or facilitate the activities of illicit actors, such as terrorists, terrorist organizations or organized crime.

These thriving sectors are increasingly considered to be a matter of national security. We can and really should also debate what constitutes sensitive technology. However, I will limit my remarks at second reading to the principle of the bill, which recommends a realistic change to strengthen our investment review process against threats caused by state-owned enterprises without removing the final decision-making power of the Governor-in-Council.

This bill proposes assessing every new proposed investment by a state-owned enterprise under the national security provision of the act to ensure that the nature of the assets or business activities and the parties, including the potential for a third-party influence, involved in the transaction automatically receive the due consideration required to ensure that foreign governments are not exploiting an investment deal through the guise of their stateowned enterprise to the detriment of our security.

This provision would ensure that only common state-owned enterprises would be compulsorily vetted by our national security review process, supported by Public Safety Canada, the Canada Security and Intelligence Service and other investigative bodies prescribed in the regulations before the Governor-in-Council makes an informed decision.

This bill would, therefore, impose necessary checks and balances on a mandatory basis to guard our economic growth against potentially threatening investments.

[Translation]

Honourable senators, I think this bill will be an important tool for the government, since it will help identify potential issues in advance and address them proactively, when necessary. The bill will help solve problems and avoid delays, especially with respect to investments made by state-owned enterprises. These investments can involve the transfer of dual-purpose technologies, sensitive data or know-how; can have a negative impact on the provision of essential services to Canadians or the government; or can allow a foreign country to conduct surveillance or espionage.

The Investment Canada Act already clearly defines a stateowned enterprise as:

(a) the government of a foreign state, whether federal, state or local, or an agency of such a government;

(b) an entity that is controlled or influenced, directly or indirectly, by a government or agency referred to in paragraph (a); or

(c) an individual who is acting under the direction of a government or agency referred to in paragraph (a) or who is acting under the influence, directly or indirectly, of such a government or agency.

Honourable senators, unfortunately, the existing wording of the act, which I just read, requires several successive administrative steps for matters of national security before cabinet can determine whether or not a proposed investment by a state-owned enterprise in a key sector of our economy must be subject to a thorough security check.

It is high time that Canada's foreign investment policy reflect strict national security principles. Bill S-257 proposes a specific and effective screening measure that would ensure that direct investment by foreign state-owned enterprises will continue to be a part of our national wealth.

I'd like to repeat the following statement for clarity: Direct foreign investment, including by foreign state-owned enterprises, plays an important role in national research in Canada and economic prosperity. However, we must remember that our economic prosperity and our national security are intertwined. For that reason, this bill seeks to provide future governments with useful tools to guarantee the security of our investment climate. Consequently, the bill would implement a mandatory, non-discriminatory and predictable security review of investments by foreign state-owned enterprises in Canada.

[English]

Foreign governments are developing and deploying a growing range of capabilities to leverage, manipulate and advance their own facilities to their own national security interests through the guise of their state-owned enterprises. For instance, some countries use their state-owned enterprises to exert their country's ideology and political interests through their techniques and are stealing intellectual property, influencing other nations' domestic politics, conducting cyber espionage and even developing cyber weapons. These legal commercial entities in Canada can provide foreign governments with a strategic advance to inflict damage on our infrastructure, steal our sensitive data and even influence our democratic process if they are not properly vetted.

As I mentioned, the current government's effort and riskaverse approach to encourage foreign investment represents a notable shift from previous governments.

Several lessons drawn from experience with Chinese stateowned enterprises clearly indicate that our investment policy needs to be updated and optimized for the world of today and tomorrow.

Hytera's takeover of Norsat was a high-profile example of Canada's approach to investment from China. Norsat, based in Vancouver, produces satellite equipment and transceivers, including those for military applications. This private firm proposed a friendly takeover, and despite considerable criticism from security experts, including the United States, the transaction was approved by the Canadian government. The approval was granted without a full national security review.

The lack of a full national security review, particularly in light of the government's past hesitation in allowing Chinese investors to acquire access to sensitive industries, was a surprise development and the subject of considerable criticism from the media in Canada and even in the United States.

• (1500)

While the government's approach to investment from China continues to evolve and there continues to be certain types of investments that would be expected to attract a high level of scrutiny, the government's response to the Norsat acquisition suggested the kick-off of an extremely risky level of comfort with investment from China in a sensitive economic sector of importance to our security and our allies.

Several other high-profile transactions from Chinese investors were reviewed and approved by the government in 2017.

One of these was Anbang Insurance's takeover of Retirement Concepts, which operates retirement homes in British Columbia, Calgary and Montreal. Anbang, which was privately owned and one of China's largest insurers, has faced questions in the United States relating to its ownership structure and obvious ties to the Government of China. The Canadian government approved the transaction as being of a net benefit to the Canadian economy, without any question.

In another notable development relating to the review of investment from China in sensitive Canadian industries on national security grounds, the government revisited an approved Hong Kong-based O-Net Communications' takeover of Montreal-based ITF Technologies, despite the previous Conservative government's rejection of the same transaction in 2015. This approval was still granted despite O-Net being 25 per cent owned by China Electronics Corporation, a well-known Chinese state-owned enterprise.

Thankfully, Aecon's acquisition by Chinese state-owned enterprise China Communications Construction Company was blocked in May of last year after an extensive national security review.

However, Huawei's ongoing bid to build the next generation of our Internet is still going through a very necessary process. As we are still considering Huawei's bid under our national security review threshold, Australia, the U.S., Japan, Germany, France, Poland and the Czech Republic have all concluded that Huawei's expansion would put the next-generation communications infrastructure at risk.

Honourable senators, this government — and any future government, for that matter — should be running full-fledged national security reviews when foreign governments are investing in key sectors of our economy, especially when these are from countries that have high rates of corruption, poor transparency standards, and keep threatening the international rules-based order.

This bill would ensure that Canada does not simply carry out routine national security analysis when foreign state-owned enterprises from China, Iran, Russia and other countries with questionable backgrounds, dire human rights records, zero accountability, cultures of impunity, and remarkable rates of corruption seek to purchase our companies. This is all too important in an era of advanced technology and artificial intelligence, where emerging state-owned multinationals continue to occupy an important place in regional and global markets that can harm our economy and security.

Honourable senators, this issue of investment screening is relevant not only to our economy and national security but also to our fundamental foreign relations. This bill does not make reference to China, Russia or any country of special concern, as I mentioned in my examples. It is clear this provision is coherent if we turn our attention to the countries that represent a risk to our national security.

Many other countries understand that such safeguards are entirely justifiable, considering the increased threats posed by state-owned enterprises, which prey on all manner of technology and data, some with overlapping military and civilian uses, making our security and surveillance concerns global about such investments.

Germany's government indicated that it would increase its power to block foreign direct investment.

China itself says it is tightening up on foreign investors.

Great Britain is doing likewise, and the European Union is developing an overarching screening framework for its members.

Australia and Japan both expanded their scrutiny last year.

The United States adopted a bill last year to expand the scope of the Committee on Foreign Investment in the United States, an inter-agency body able to block deals that may threaten national security and ultimately protect itself from any further bank fraud, technology theft, obstruction of justice and money laundering.

According to FBI directors, and our own former and current CSIS directors, Canada is not, nor will be, exempt from these types of threats. It is time for Canada to take a stronger approach to protect our national security — to respond to situations that are becoming increasingly challenging for our real estate, banking, critical infrastructure, universities and especially emerging technologies and sensitive data.

This bill therefore proposes a more thorough investment screening process to deal with the backdrop of potential threats to national security posed by new and emerging technologies, a rising suspicion of the motivations behind foreign investment by strategic competitors, and a global economic environment characterized by increased tensions and tit-for-tat retaliation. According to Statistics Canada, foreign direct investment in Canada in 2017 increased 1.9 per cent to \$824 billion from the previous year.

According to the *Investment Monitor 2017* report, state-owned investments in Canada equalled 24 per cent of the number of deals from 2003 to 2016, and constituted 72 per cent of the total value of foreign investment. This is due to the fact that the bulk of state-owned enterprise investment in Canada is concentrated in a few large deals pertaining to the resource sector and critical infrastructure. However, the report also notes that investments from state-owned enterprises consistently elicit concerns over ownership and appropriation of national resources.

The definition of "state-owned" in the act I highlighted earlier was changed to include individuals acting under the direction of a foreign government or enterprises either directly or indirectly influenced by a foreign enterprise.

In addition, whereas previous investment from state-owned enterprise above \$330 million triggered a review — but not at the national security review scale.

According to data compiled by the China Institute of the University of Alberta, the top sectors for Chinese direct investment in Canada are energy, metals and minerals, entertainment, real estate and consumer products and services that are related to our critical infrastructure. Moreover, approximately two thirds of such investments are from state-owned enterprises located mainly in British Columbia, followed by Ontario and Alberta.

Honourable senators, something that seems innocuous today, like such types of significant unreviewed investments, can readily turn into a vulnerability for our security of tomorrow. Take a look at the Chinese ban on canola, for instance.

A conference report published by the Canadian Security Intelligence Service in May 2018 called *Rethinking Security: China and the Age of Strategic Rivalry*, warned it is irrelevant whether a Chinese company doing business with a Canadian partner is a state-owned enterprise or not.

• (1510)

According to the report, all Chinese companies "have close and increasingly explicit ties to the [Chinese Communist Party]." The report further states that:

Unless trade agreements [and investments] are carefully vetted for national security implications, [the Chinese Communist Party] will use its commercial position to gain access to businesses, technologies and infrastructure that can be exploited for intelligence objectives, or to potentially compromise a partner's security. I think this resonates all too well with the consequences of ongoing diplomatic rifts with China, especially at a time when our direct foreign investment from China into Canada increased by 190 per cent between 2008 and 2017. It has almost tripled, according to Statistics Canada. This should not come as a surprise. The Chinese economy is centrally planned and led by a balance of 150,000 state-owned enterprises owned by both the central and local governments, controlled by the CPP, which preys on all manner of technology and data — and some overlapping military and civilian uses, making our security and civilian concerns of such investments grow.

Albeit continuous research, I remain unable to obtain information about the total level and value of investments made in Canada by foreign non-Chinese state enterprises.

However, I am able to provide the following key example. In 2007, statewide ASA from Norway took over the North American Oil Sands Corporation. In 2008, Abu Dhabi National Energy Corporation, also known as TAQA, took over PrimeWest Energy Trust. In 2009, Korean National Oil Corp took over Harvest Energy Trust. In 2011, PTT Exploration and Production PLC initiated a 40 per cent purchase of Canadian-based Statoil. In 2012, Petronas, a company from Malaysia, took over Progress Energy Resource Corporation. In 2015 was the acquisition of 50.1 per cent of the Canadian Wheat Board by Global Grain Group, a joint venture between U.S. food company Bunge Ltd. and a unit of the Saudi Agriculture and Livestock Investment Corporation. It is now with the public investment fund, a wealth fund owned by Saudi Arabia, that controls 75 per cent of this joint venture.

In the Asia Pacific Foundation 2016 national opinion poll, the survey results showed that Canadians are more likely to favour private investments than state-sponsored investments from the Asia-Pacific economy. Canadians are correct to be generally wary of investments from state-owned enterprises. This should be an important signal for us, since Canada opened us to high-profile foreign investments between 2016 and 2017, which notably included significant investment from China, which outpaced investment from the U.S. in valued assets, according to the investment review division statistic for the 2017 fiscal year.

[Translation]

Honourable senators, China's national growth and its international expansion now depend on the advancement of what is referred to as the new silk road or the "One Belt, One Road" initiative. This major development strategy is growing at an unprecedented rate. Huge investments have been made in strategic industries in over 152 countries, including infrastructure, construction, mining, artificial intelligence, agriculture, sensitive technologies, telecommunications, health care, culture, banking and energy.

It is therefore not surprising that parallels are being drawn between these investments and previous proposals from state-owned enterprises that were approved in recent years without undergoing a thorough examination and security review. Although Canada conducts a careful security review of all proposed investments, including those that do not result in a change in ownership, review power related to national security is still rarely used, as demonstrated by the 2017 statistics on the national security review process.

Honourable senators, let me be very clear. Bill S-257 was drafted in a spirit of caution, not protectionism. This bill would help to dispel growing national security concerns when it comes to foreign state-sponsored enterprise investments.

[English]

Honourable senators, some of you might recall March 2017, when the Chinese ambassador to Canada, Lu Shaye, laid out tough conditions for a bilateral free-trade agreement. During an exclusive interview with *The Globe and Mail*, he said:

Beijing will seek unfettered access for Chinese stateowned firms to all key sectors of the Canadian economy during free trade talks, including an end to restrictions barring those enterprises from investing in the oil sands.

Canada needs to be able to function in an open investment climate but not to the detriment of our national security. We are clearly in the area where state-enterprise investments are receiving special attention in the context of the application of national benefit and national security tests under our national investment law. This is why this bill would prevent any risktolerant policy shifts from putting the safety of Canadians in harm's way. Given the potential challenges posed to national security as a result of such investment, it is incumbent on Canada to have a legal framework that addresses such proposed investments in a realistic manner.

Honourable senators, any investment restrictions should be done for our security. We need to be careful not to circumscribe too much and to make sure that we do not overreach. But I also believe that foreign transactions involving Canadian companies should only be approved if the transaction is in the best interests of Canadians and our national security. This is why Bill S-257 proposes realistic checks and balances that would scrutinize harmful investments and threats that emerge from state-sponsored enterprises.

Many in the private sector might not appreciate what is at stake in this bill. All stakeholders who care about trade and the necessary checks and balances should remain engaged.

Honourable colleagues, as I say, Bill S-257 is about prudence, not protectionism. This bill is deserving of your support and attention. It will provide Canadians, and all potential foreign investors, for that matter, with timely and predictable reassurance the Canadian government will review all investments proposed by state-owned enterprises from a national security standpoint in a manner that does not discourage investment, economic growth or employment opportunities in Canada.

I end my remarks with President Reagan's famous quote, "Trust but verify." That is all too accurate in this area, where the free flow across borders strengthens innovation and economic growth but should also strengthen our national security. Thank you. Hon. Peter Harder (Government Representative in the Senate): Would the honourable senator take a question?

Senator Ngo: I'll try my best.

Senator Harder: It seems only fair; you ask me.

Senator, I know the prominent role you play in your caucus and on these issues. I'd like to know whether this bill has the support of your leader.

Senator Ngo: This bill is a private member's bill. I presented it to the Conservative caucus. As I say, we are all independent in this era. They all decide to support or not support, but when I present, I present with the caucus, and we have the support of the caucus as well.

• (1520)

Senator Harder: As a supplementary question, does this include the support of Mr. Scheer?

Senator Ngo: The question I would like to answer is — if you think this bill is targeting China; it is not.

Senator Harder: Answer the question.

Senator Ngo: I'm trying to answer your question. The quick answer is, no, it does not directly target China but it targets all state-owned enterprise. You have Norway, Thailand, Malaysia, Korea and so on. The question here is every state-owned enterprise must be carefully vetted for our national security.

Senator Harder: If I could ask one final time: Can I expect this will be part of the platform of the Conservative Party?

Some Hon. Senators: It's a private member's bill.

Senator Ngo: Well, I speak for myself. This is my view. This is my bill. It has the support of Conservatives in the Senate. So this is the view of all of us.

As I say, this bill is not targeting China. This bill is about prudence and not protectionism. This bill is to identify potential issues in advance where it is appropriate for government to look at it on the basis of national security.

Hon. Yuen Pau Woo: Senator Ngo, thank you for your presentation. I look forward to the opportunity to debate it in more detail, but a question for now on the role of SOEs in the oil and gas sector. You gave a list of companies that have invested in the oil patch in recent years. I thank you for the reference to the

Asia Pacific Foundation of Canada, which did a lot of work in that area. In fact, I might draw a conclusion that if it weren't for SOEs investing and buying assets in the oil patch in the last few years, the oil and gas industry in this country would be in a lot worse shape.

You also paint a grim and scary picture of how SOE investment in the oil and gas sector can be a national security threat. I would like you to paint that scenario for us. In what way would a state-owned enterprise owning an oil sands asset — a pipeline, an LNG facility — what is the story you're trying to tell here about an SOE owning one of these oil and gas assets, which are helping the industry, how do you see that playing out as a national security threat for Canadians?

Senator Ngo: As I say, oil is our natural resource, and it is very important for us. Some of the state-owned enterprises may use that leverage and push forward. I can use the example of many companies.

For example, if we can just focus on only one country to do trade, we might be bullied by that country because if you don't listen to us, we will stop buying from you.

If all our infrastructure is owned by the state-owned enterprise, that government will have the leverage toward the Canadian government.

Senator Woo: If you could elaborate; I still don't understand how the threat plays out. This is a real scenario: A state-owned enterprise partners with some Canadians, some Americans, and other companies, in building billions of dollars of facilities say LNG, an oil sands facility, a pipeline — and what is it they do? They sabotage their own project in the interest of government asking them to do so — is that what you're saying? Is that the scenario you're painting for us?

Senator Ngo: I don't think it's what you say, the state-owned enterprise buying the oil company from Canada and sabotaging its own company, I don't think that's the right one.

Senator Woo: What is the scenario you would paint for us to help us to understand why this sector is particularly vulnerable to national security threats coming from SOEs?

Senator Ngo: Well, as I say, oil is one of our natural resources. If a state-owned enterprise, SOE, owned all of our oil, they own exactly our natural resource, our exports, and they can use that as leverage, as I say, toward Canadian foreign policy.

Hon. Frances Lankin: Will the honourable senator take another question?

Senator Ngo: Sure.

Senator Lankin: Thank you very much. I appreciated the thoughtfulness of your presentation and how you have delved into the issues.

The area I want to question is the specifics of how you feel government approach to foreign state-owned enterprises currently fails to take into consideration national security. We're certainly well aware of issues around Huawei and a number of others, and the investment in the oil patch.

It seems to me there is a complete review that is done that includes national security, but perhaps I'm wrong. Could you expand on that and explain what is lacking? I will take the time to thoroughly read your bill, but what is lacking in the current process, in your opinion?

Senator Ngo: Thank you for your question. As I say, with the present act, the Canadian government doesn't have to go through every acquisition from foreign SOEs, for example, to a national security review. They don't have to.

With this bill, we say the government has to review all SOEs. There is no discretion whatsoever. Every SOE that acquires a company in Canada, an investment in Canada, they have to go through the national security review.

The act we have now, the government doesn't have to do it. I don't know what criteria they have decided, but the government can say, "Well, it's okay; we don't have to review. Okay, this one is fine, but this company is not." It's up to them.

With this bill, the government will have to review every acquisition and then decide. It will no longer be at the discretion of the government. That's what this bill is about.

Senator Lankin: I have a supplementary question. Thank you for that answer. Could you give us a real example of a situation of a state-owned enterprise investing or purchasing assets in Canada where the Canadian government in the past, of any political stripe, has failed to consider national security? Some people say if you see an obvious problem and a situation of failure, then a legislative response is fine.

If there isn't a problem — as in the colloquialism, "If it isn't broke" — what are we trying to fix? I appreciate how you have described that, but could you give me the example of where Canadian governments in the past have failed to consider national security interests?

Senator Ngo: Thank you for your question. The problem is I'm not in the government; so I don't know what criteria they verify or if they review a particular company in order to say that they are adequate or there is no security breach whatsoever.

For acquisitions, we can take the example of AECON. With that project, the SOEs would like to buy the project, but because there are so many voices raised in concern, even the opinion of the former CSIS director and so on, this is basically the reason why the government has to go and review it again instead of at their own discretion, instead of having to go back to a national security review, and they decided not to allow the SOE to acquire the AECON company.

• (1530)

The Hon. the Speaker: Senator Ngo, your time is about to expire but I saw two other senators rising. Are you asking for five more minutes to answer questions?

Senator Ngo: Yes.

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

Hon. Senators: Agreed.

Hon. Percy Downe: Thank you, Senator Ngo, for introducing this important and interesting topic. Have you studied what the Australians are doing? They have recently become concerned about state-owned enterprises. I appreciate that your bill is not all about China, but most of the Australian concern is about China and one of things the federal government in Australia recently rejected was Chinese companies trying to buy the New South Wales electricity distribution network on the grounds of national security. That purchase was rejected. Have you done any study on what Australia and New Zealand are doing in this area?

Senator Ngo: No, I don't have any studies on that one, but I looked at SOEs from other countries such as Norway, Kuwait and Korea. They have acquired, and the government is accepting their acquisitions.

Again, at that time, it is at the government's discretion. I don't know whether or not they go through the national security review, but they were accepted and the government gave the green light, so they were acquired. It was the same thing with Norsat.

What my bill is trying to do is to say instead of at the discretion of the government or the Governor-in-Council, every acquisition of an SOE has to go through a national security review, and then they decide. That basically gives them another tool to look at it and then to have a proper decision for the security of Canada.

(On motion of Senator Omidvar, debate adjourned.)

NATIONAL LOCAL FOOD DAY BILL

SECOND READING-DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Cormier, seconded by the Honourable Senator Hartling, for the second reading of Bill C-281, An Act to establish a National Local Food Day.

Hon. Éric Forest: Honourable senators, I am pleased to rise today to speak to Bill C-281, which is basically about designating the Friday before Thanksgiving as national local food day.

I should mention from the outset that I sometimes get exasperated at the proliferation of bills designating a day to celebrate a specific issue.

[English]

However, I am particularly enthusiastic about creating a national local food day since it meets the day-to-day concerns of citizens.

[Translation]

Consumers are increasingly curious about what's on their plate. There are numerous TV shows, websites and blogs dedicated to teaching consumers about food. We can see that consumers are embracing that knowledge by opting for local food. They recognize the many benefits that local food offers for them and their environment.

Eating local is all about pleasure. Eating local food is, quite simply, a pleasurable experience. If you want to understand why short food supply chains are better, just compare the taste of strawberries grown in Quebec to strawberries imported from California, which are chosen more for their ability to tolerate long-distance transportation than their taste.

It is fascinating to see how interest in heirloom seeds has grown over the past few years, driven by consumers' eagerness to discover tasty foods and forgotten flavours. When I think of a local food day, I think of the hundreds of artisans patiently working to recreate the flavours of the past.

They include Yves Gagnon from the Jardins du Grand-Portage, the Jardin de Julie in Bic, and the Kamouraska plant society, which are working to promote amazingly delicious varieties that fell out of favour for commercial reasons. Thanks to people like them, we are rediscovering the Montreal melon, garlic from the garden of the Jesuit House, Laurentian rutabaga, Gaspé flint corn, and hundreds of tomato varieties that were once locally renowned.

If not for the hundreds of people working to preserve our heritage in our rural and suburban communities, many pieces of our history would now be lost and our biodiversity much reduced. Recently, the Food and Agriculture Organization of the United Nations sounded the alarm with respect to the risk of food shortages due to the disturbing reduction in agricultural biodiversity. Allow me to quote an alarming excerpt from the report:

Of 6,000 plant species that have been cultivated for food, 9 account for 66 per cent of total crop production.

Promoting local food helps support the cultivation of more species and ensures greater resilience in response to potential disruptions caused by disease or climate change.

Choosing local food is also healthier. Products destined for local consumption are not shipped long distances and tend to be more nutritious because they are harvested when ripe. We are learning more and more about the negative impact of a global food supply on our health.

For example, the epidemic of diabetes and pre-diabetes affecting 11 million Canadians is probably aggravated by dietary changes. We consume more processed foods and more fructose because fruits are now available in North America all year long. Carbohydrates have now overtaken fats as the main source of energy. In less than a generation, globalization has led to major changes in our diets. We're starting to understand that our metabolism hasn't adapted. Our foods are sourced globally, but our bodies remain calibrated to local foods.

[English]

The phenomenon I am describing is particularly prevalent among First Nations, who have seen their eating habits turned upside down in a few decades and are now suffering from staggering diabetes rates.

[Translation]

Eating local food has many health benefits and supports the local economy. Having a local food day would remind us all that eating locally supports our farmers and our local economy.

According to Quebec's agriculture department, if we replaced \$30 worth of imported products with \$30 worth of local products every week, in Quebec alone, that would add \$1 billion to the local economy over five years.

That being said, promoting local food requires better support for existing structures in order to promote local production and marketing. I have three examples to share with you.

We know, for example, that most farmers' markets in Quebec have a hard time covering their costs. We have to find a way to ensure their viability and create innovative business plans. By the way, I'm proud to say that the farmers' market we set up in Rimouski in 2008, has been growing; its sales have increased 7 per cent this year. It is a place of business, but more than that it is a central place for our community to learn and socialize.

As far as community sponsored agriculture is concerned, the famous organic baskets have become more popular in Quebec thanks to the Équiterre network of family farms. We have similar networks even in large areas like Gaspé. The Baie des saveurs organization is a group of a dozen or so organic food producers and processors that sells directly to the people of Chaleur Bay.

• (1540)

That said, there is still very little distribution during the winter, although it is entirely possible. Since 2015, an organic vegetable farm called Saveurs Mitis has been offering vegetable baskets made up of preserves during the winter. We need to find ways to replicate this model and develop winter markets.

Lastly, we need to provide greater support for the entire ecosystem, which promotes research and cooperation in the biofood sector in order to develop products that meet the needs of consumers and create jobs in the regions. I would be remiss if I failed to emphasize the important role in eastern Quebec played by the Table de concertation bioalimentaire du Bas-Saint-Laurent, the Institut de technologie agroalimentaire de La Pocatière and the various stakeholders in the Technopole maritime du Québec.

In closing, supporting local food also means protecting our environment. When you consider the fact that most of the food in our grocery stores has travelled an average of 2,500 kilometres, which is quite far, it does not take long to grasp the environmental cost of our choices in terms of fuel consumption and greenhouse gas emissions.

Reducing the carbon footprint of our food choices will help in the fight against climate change.

[English]

Let's hope that a national local food day supported by education campaigns will remind us that consuming locally grown and seasonal produce is a good way to reduce our ecological footprint.

[Translation]

A national, but local, day. In conclusion, I want to give a little caveat for this bill, which I think is relevant. We must avoid taking a one-size-fits-all approach. As a staunch regionalist, I would like for this day, although national, to reflect our food — local, diverse, rooted in tradition — while still accounting for the realities of each community.

Hon. Senators: Hear, hear!

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

[English]

SENATE MODERNIZATION

THIRTEENTH REPORT OF SPECIAL COMMITTEE AND REQUEST FOR GOVERNMENT RESPONSE—DEBATE

The Senate proceeded to consideration of the thirteenth report (interim) of the Special Senate Committee on Senate Modernization, entitled *Reflecting the New Reality of the Senate*, presented in the Senate on December 11, 2018.

Hon. Stephen Greene moved:

That the thirteenth report of the Special Senate Committee on Senate Modernization entitled *Reflecting the New Reality of the Senate*, presented in the Senate on December 11, 2018, be adopted and that, pursuant to rule 12-24(1), the Senate request a complete and detailed response from the government, with the Minister of Democratic Institutions being identified as the minister responsible for responding to the report.

He said: Honourable senators, if you have the report in front of you — and I'm sure you travel with it constantly — you will note that it is relatively brief at only 20 pages. In fact, the substance of the report and its recommendations are only six pages. But fear not, my friends, my speech will not be brief.

Ladies and gentlemen, the Modernization Committee was created to determine ways to make the Senate more effective within the current constitutional framework. The first report under the very able chairmanship of Senator McInnis, which contained nine sub reports, brought forward recommendations on how to accommodate the growing number of unaffiliated senators.

The applicable principle in the first report was the equality of senators regardless of whether they were members of a recognized caucus, group or not.

The results of that work were formal changes to the *Rules of the Senate* to accommodate the creation of parliamentary groups and changes to the Senate Administrative Rules which ensured office allocation and funding for unaffiliated senators to enable them to carry out their duties.

As well, less formal or temporary changes, if you will, were made such as the increased size of committees and changes to ex officio status that was done by order of the Senate and are set to expire at the end of this Parliament.

The committee's penultimate report examined the Westminster system as it has evolved in Canada and elsewhere to meet local conditions and changing needs.

While it was tabled here for information purposes as opposed to being presented for adoption, it demonstrates there is an inherent flexibility within the Westminster system to accommodate changing circumstances, local conditions and requirements. It was with that in mind that the committee turned its attention to the study presented in this report. With the principle of equality established for senators and the flexibility of the Westminster system noted, what remained was confirming the principle of equality for whatever Senate groups or caucus a senator might wish to join. It stands to reason that equality should be applied to senators and their groupings, whether you call them a party, a caucus or parliamentary group. The reality in the Senate today is that not all groups are equal.

As an example, the largest group of senators, the Independent Senators Group, need not be included in the consultation regarding time allocation or when it comes to a discussion of what length of time the bells to summon senators for a vote are to ring. There is no formal input from either the ISG or the independent Senate Liberal caucus. In other words, over the half senators currently have no voice on these issues. There are other examples contained in the report. We, as senators in the Senate, have the power to make these changes.

Our first recommendation is that the Senate mandate the Rules Committee to come back to the Senate with specific recommendations on changes to the rules of the Senate to fix these inequalities to better reflect the new Senate reality.

Our second recommendation is for the Internal Economy Committee as it relates to potential amendments to the Senate Administrative Rules, such as ensuring office space near the Senate chamber for the various leadership teams.

The third and final recommendation relates to amendments to the Parliament of Canada Act. As some senators have said, changes to the Senate begin and end with the government. It was the current Prime Minister, when he was leader of the third party in the other place, who cut loose several Liberal senators from their party and national caucus. It was the Prime Minister who, in the last campaign, promised to appoint only independent senators and who since his election has by and large done so.

Two changes to the Parliament of Canada Act and other acts as they relate to restrictions on the royal prerogative or requiring the spending of money must be introduced by the government in the other place.

Changes like these should include requiring consultation with all recognized groupings in the Senate on the appointment of positions like the Senate Ethics Officer or the Auditor General. Changes like these should also include salaries for those who play leadership roles in groups other the three government representatives, who perhaps should be paid a different way, such as by the government and not by the Senate, as is the case now.

• (1550)

Of the three recognized groups, only one, the Conservative caucus, receives extra leadership pay. I say "three groups" because, technically speaking, Senator Harder and his team are not a recognized party or parliamentary group under the *Rules of the Senate*, but they nevertheless receive additional pay, courtesy of the Parliament of Canada Act. Thus, the leaderships of the ISG and Independent Senate Liberals do not receive extra pay.

Ladies and gentlemen, have we not heard of equal pay for equal work? How can we fix this inequality? Should we, for example, ask Senators Harder and Smith to share some of their extra pay with Senators Day and Woo? Maybe Senators Bellemare and Martin should share their extra salary with Senators Omidvar and Mercer; and Senators Mitchell and Plett, whom we all know to be fair-minded, should they not volunteer to go sharsies with Senators Gold and Downe?

Of course, on the ground of equality or equity, I would also support that nobody should receive extra pay. After all, if the leadership of the Independent Senate Liberals and the ISG can get along without extra pay all these years, I'm sure the others could, too. Wouldn't Canadian taxpayers be happy?

I make light of this, but shouldn't we all work to fix this? Perhaps we should hold a tag day for Senators Woo and Day, and their teams.

Seriously, though, these inequalities surrounding remuneration symbolize the inequities and inequalities in the rules and practices throughout the Senate chamber operations. It is rather shameful we have allowed this to persist. We pride ourselves as being an example of best practices for Canadians to follow, yet in our rules of operation we are rather slipshod.

A burning question is: To what degree will the Senate get involved in such amendments? During his testimony to the committee last May, Senator Harder indicated it is not for the government to unilaterally come forward with amendments. This was reinforced later by the Minister of Democratic Institutions, who said in Question Period last fall that it was up to honourable senators to decide how the act should be updated.

These comments were made prior to December 2018, when the Modernization Committee presented its report. We should have moved quickly, perhaps — or perhaps more quickly — to take up this openness to an amendment, but we were slow. Now the Prime Minister has said in a year-end interview with The Canadian Press that the government is looking at ways to put changes made to the Senate in legislation before the next election. It's hardly likely that will happen.

Based on the testimony on public record at the time of the committee's deliberation, and not knowing of the government's new intentions for legislation, the Modernization Committee recommended that the Rules Committee be tasked with an examination of the Parliament of Canada Act and, if necessary, recommend specific amendments to the act and other acts as they relate to the Senate.

If there is a potential that the government intends to unilaterally introduce amendments to the Parliament of Canada Act, I would reluctantly support that, because changes have to be made. My preference, however, would be for the Senate to be consulted and included in the drafting of such legislation. Either way, the time has come to act. I encourage the quick adoption of the report.

While I have you here, I want to offer a few thoughts on the future of modernization as a concept. For most of our existence, we used the model that distinguished only the government and recognized opposition. This has led to a Senate Chamber that seldom amended and was generally seen as a copycat of the Commons. As a result, it was regarded by the general public as irrelevant and a waste of money.

The influx of unaligned senators has shown that opposition can come from anywhere. We were a bipolar house once upon a time, but we are presently multipolar. The result is we have become more relevant. We amend more, and the cries for abolition have receded. But we need a set of rules that recognizes our multipolar nature and that encourages opposition from any corner of the Senate to form around any piece of legislation.

Second, we must keep in mind that we are usually the final step before Royal Assent. We have a serious job that really does require sober second thought. To me, this means that the various caucuses and parliamentary groups should not be beholden to partisan or group interests. Being a partisan is not a bad thing. I am one. Political parties, after all, are a way for like-minded people to coalesce in a political institution. The Senate, as a parliamentary chamber, is certainly a political institution.

Every senator has their individual beliefs, biases and ideological leanings, but being whipped, as they say, is a bad thing that makes senators beholden to self-serving partisan interests, as opposed to using the facts to assess the business before the Senate on its own merits. Perhaps the Rules Committee may want to look at ways in future to modernize the role of caucus whips to reflect this.

To that end, a number of other ideas should be entertained and examined as we proceed, including the notion of perils of groupthink, because that's almost, if not more, dangerous to us these days than overt partisan whipping. I define groupthink as occurring when individuals in a group make decisions mainly for the sake of harmony, friendship or team playing as opposed to forming their own opinions after weighing the facts, based on personal beliefs and experiences.

Last, I believe that a caucus or group with a Senate majority is a danger to the independence of all senators. No matter how benign, recognized majorities have the potential to limit or restrict the rights of minorities. Potentially, such majorities could limit our ability to have sober second actions as well as thoughts.

A counterweight to this could be operational rules that encourage the existence of more than two recognized caucuses or groups, and would prevent the dominance of a single group.

Finally, I wish to thank all senators past and present who contributed time and effort to the modernization efforts that predate the Modernization Committee. Those senators especially include the following: Senators Nolin, Eggleton, Ringuette, Verner, Bellemare, Lankin, Tardif, Wallace, McCoy, Joyal, Campbell, Tannas, Kirby, Segal and last but not least, Senator Massicotte.

Thank you very much.

Hon. Donald Neil Plett: Would Senator Greene take a question?

Senator Greene: Of course.

Senator Plett: Thank you.

I know we all want to do the Christian thing and share with others. Have you given any thought — on that side, you are a group of 58, as we are always told here — or told on a regular basis. Has any thought been given by your group to modernize the way things we do here, and each of you contribute \$3,000 into a pot? That would give you about \$175,000, I believe. You could pass that around, and your leadership could be paid even more money than Senators Martin, Bellemare, me or Mitchell?

Senator Greene: That's a fantastic idea. I will consult the caucus about that.

Hon. Donna Dasko: Would you accept a question?

The Hon. the Speaker: We have one minute for the question, if Senator Greene accepts it. At four o'clock, I'm required to adjourn the Senate.

Senator Dasko: It's clear that Canadians are very supportive of the emerging independent Senate. According to a public opinion survey I released this morning, 77 per cent of Canadians want any future government to continue the changes in the appointment process that were begun in 2016.

From the research that you have done, what do you think of all the ideas that you've put forward? What do you think is the very quickest, best and most efficient way to achieve change? Thank you.

• (1600)

Senator Greene: That's a tough one. The most efficient way to achieve change I think would be to have a week-long conference, multiparty, multi-group involving the entire Senate, which would over the course of a week try to come to an agreement with respect to the operational *Rules of the Senate*.

The Modernization Committee itself was a good idea at the time, but it proved to be unworkable after a while as it became partisan-driven, dysfunctional and very difficult to achieve any results. I think an open chamber approach might be the best way.

(At 4 p.m., pursuant to the order adopted by the Senate on February 4, 2016, the Senate adjourned until 1:30 p.m., tomorrow.)

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