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(HANSARD)

Monday, June 10, 2019

The Honourable GEORGE J. FUREY,
Speaker

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THE SENATE

Monday, June 10, 2019

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

Prayers.

SENATORS' STATEMENTS

MULTIPLE SCLEROSIS AWARENESS MONTH

Hon. Pat Duncan: Honourable senators, I rise today to raise awareness of multiple sclerosis, or MS. Our colleague Senator Duffy has traditionally risen to make these remarks in the month of May, MS Awareness Month, and to congratulate the Atlantic Division of the MS Society on its awareness activities. The month of May has passed, but the need to raise awareness and applaud the efforts of the Atlantic division and all the chapters of the Multiple Sclerosis Society of Canada has not.

Canada has one of the highest rates of MS in the world. The global theme for 2019 for MS to raise awareness is #myinvisibleMS. Fifteen years ago, when I became more aware of MS, it was called the "unknown illness." Colleagues, it still is. We do know that MS is a chronic, often disabling disease of the central nervous system. MS can alter vision, memory, balance and mobility, becoming disabling. It is unknown how MS will affect any one person diagnosed.

Colleagues, we do not know the hard numbers of Canadians living with MS. In Atlantic Canada, it is believed that 7,000 maritimers live with MS. Saskatchewan is often believed to have among the highest incidence. Northern Canada is also believed to have a high per capita; however, governments in the territories have not traditionally collected and shared those sorts of health numbers for privacy reasons.

The MS Society of Canada states there are 77,000 Canadians living with MS. One in 11 Canadians is diagnosed every day. It is the most common neurological disease affecting young adults. Sixty per cent of adults diagnosed are between the ages of 20 and 49. Those Canadians diagnosed are supported by the MS Society of Canada.

The Canadian campaign to raise awareness this year is #lifewithMS. The campaign outlines four key policy priorities, stating it's time for Canada to improve life with MS. The MS Society of Canada asks in their campaign to accelerate the pace of MS breakthroughs and to improve policies, legislation and programs to empower people affected by MS to live their best lives.

Colleagues, your work, most especially the inclusion of "episodic" in the definition of disability in the Accessible Canada Act is one of their recommendations. A job well done to this chamber passing that legislation.

With this statement, I encourage all of us to recognize the other policy priorities and to raise awareness of MS and the MS Society of Canada. Thank you.

[*Translation*]

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Lucia Di Poi, Johnny Celestin and Magalie Noel Dresse. They are the guests of the Honourable Senator Coyle.

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

Hon. Senators: Hear, hear!

[*English*]

THE LATE ANDRE GEROLYMATOS

Hon. Leo Housakos: Honourable colleagues, I stand before you today in tribute of a dear friend and a great Canadian who was laid to rest last Thursday in Vancouver after losing his battle against an aggressive form of brain cancer. Only 68 years old, Professor Andre Gerolymatos was a highly respected historian and key member of our great nation's vibrant Hellenic community, who received his MA in Classics and PhD in History from McGill University. For the past 25 years, Dr. Gerolymatos lived in Vancouver where he held the Hellenic Canadian Congress of British Columbia Chair in Hellenic Studies at Simon Fraser University. He served as a director of the Stavros Niarchos Foundation Centre for Hellenic Studies at SFU.

Colleagues, Dr. Gerolymatos' professional achievements are far too numerous for me to give justice in a short statement. A prolific researcher and writer, he published hundreds of scholarly articles and books during his illustrious academic career that focused upon the history of modern Greece, the Balkans, foreign policy and diplomacy. He was a highly respected security expert, having served as co-director of the Terrorism, Risk, and Security Studies Professional Master's Program at SFU.

Honourable senators, this superb academic also used his expertise in the direct service of our country. His impressive résumé includes mandates as an advisor to the Minister of Heritage earlier in his career and, more recently, as a member of the National Security Advisory Council from 2010 to 2012.

As impressive as his scholarly achievements may be, everyone who knew Dr. Gerolymatos agreed that his exceptional work as an educator and community leader set him apart. He worked with thousands of students during a nearly 40-year career that began in Montreal, where he established the Hellenic Studies Centre at Dawson College. It was at Dawson that he began his service within the Hellenic community, acting as an advocate and working with the Hellenic Congress of Quebec as well as the Hellenic Canadian Congress on a wide range of issues, including the recognition of the fact that Macedonia of Alexander the Great was Hellenic, the horrors of the Pontic genocide and more. This was the work that eventually brought him to Simon Fraser

University, where, as chair, he worked with the world-renowned Stavros Niarchos Foundation to build the largest Hellenic study centre outside of Greece.

Colleagues, Dr. Gerolymatos was a great Canadian, who deserves recognition on many levels. I ask you to join me in offering condolences to his wonderful wife, Beverly, and their family and friends. He will be remembered as a pillar of our country's academic sector and a true leader of our Hellenic community.

God bless his soul. Dear friend, rest in peace.

NATIONAL BLOOD DONOR WEEK

Hon. Terry M. Mercer (Acting Leader of the Senate Liberals): Honourable senators, June 10 to 16 is National Blood Donor Week. Blood donors are a vital link in Canada's lifeline, because Canadians rely entirely on the generosity and commitment of donors to keep the lifeline going.

• (1810)

According to Canadian Blood Services, over 100,000 new donors are needed every year to help meet patient needs in Canada.

There are many reasons to join in this endeavour. Every 60 seconds, someone in Canada needs blood and donors are needed every single day of the year. It can take up to five donors to help a father through heart surgery, eight donors a week to help treat a child with leukemia, 50 donors to save a loved one from a car crash.

Unfortunately, honourable senators, less than 4 per cent of eligible donors sustain the blood system for all of Canada. More regular donors are needed to maintain the national inventory of blood and blood products.

I am fortunately the son of a blood donor who gave hundreds of pints of blood in his lifetime. I'm also a lucky recipient of several blood transfusions a number of years ago. Donating blood is one of the most direct ways you can help someone. Without the commitment of donors, Canada would not be able to meet the needs of patients.

During this National Blood Donor Week, I encourage you all, if you have not already, to consider becoming an active donor, but also to urge your friends and family to do the same. You never know when you, or they, will be in need of blood.

We also thank all the donors from across the country for giving of themselves in the fight to save Canadian lives.

Hon. Senators: Hear, hear.

NATIONAL CANCER WELLNESS AWARENESS DAY

Hon. Diane F. Griffin: Honourable senators, I rise today to speak to National Cancer Wellness Awareness Day, which will be celebrated for the first time on June 26, and calls upon us to remember that caring for folks with cancer isn't only about surgery, chemo and radiation. It's about treating the whole person, not just the disease.

One in two Canadians is expected to develop cancer in their lifetime. Cancer wellness programs can help folks with cancer to make concrete behavioural, spiritual and physical changes to improve health outcomes. These programs address the challenges of fatigue, diet and mental health that come with cancer and its treatment.

Organizations like the West Island Cancer Wellness Centre and the Ottawa Regional Cancer Foundation are helping those living with cancer meet these important challenges.

I know that cancer has touched the lives of most of us in this chamber. To tweak a phrase of Winston Churchill's, "If you're going through cancer, keep going."

Call on your family, friends and your community to support you, and take care of your mental and spiritual health as well as your physical health. I wish you well.

CANADIAN NATIONAL RAILWAY

ONE HUNDREDTH ANNIVERSARY

Hon. David Tkachuk: Honourable senators, last Thursday, the Canadian National Railway celebrated its one hundredth birthday. This is a significant accomplishment for any company. For Canadians, it is especially significant given railways have played such an important role in our history and the development of our country.

The creation of CN on June 6, 1919, was the amalgamation by the federal government of several bankrupt — or soon to be — smaller railway companies: The Canadian Northern Railway; the Intercolonial Railway of Canada; the Transcontinental Railway; and the Prince Edward Island Railway; and eventually the Grand Trunk Pacific Railway, some of whose histories in this country go back nearly 100 years before 1919.

I think I can safely say — and I don't think anybody here would dispute it — that without railways and CN there would not be a Canada as we know it. If you go to CN's website, they have a great graphic that consists of a picture of a railroad track that you can scroll along chronologically from 1822 to the present and beyond, and that shows you the prehistory, the history and 10 years into the future of CN. It helps you realize what a wide and varied company CN has been with businesses over the years in hotels, communications and marine transport.

In the end, of course, it has always been known as a railway company and quite an impressive one. I don't think I could describe it any better than they do in their own press release celebrating their one hundredth birthday.

> Through its evolution over the years — from a Federal Crown Corporation for 75 years to its privatization in 1995 — CN is the railway that uniquely spans North America from Eastern Canada to Western Canada to the Gulf of Mexico. For 100 years, CN has been serving Canada's economy, from building the country to now moving over $250 billion worth of its customers' goods annually. If you eat it, use it or drive it, chances are that CN moves it.

Honourable senators, I hope you join me in wishing Canadian National a very happy one hundredth birthday.

[*Translation*]

ROUTINE PROCEEDINGS

PARLIAMENTARY BUDGET OFFICER

ANALYSIS OF ACTIVE VERSUS PASSIVE MANAGEMENT OF CANADIAN PUBLIC PENSION PLANS—REPORT TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table, in both official languages, the report of the Office of the Parliamentary Budget Officer entitled *Analysis of Active versus Passive Management of Canadian Public Pension Plans*, pursuant to the *Parliament of Canada Act*, R.S.C. 1985, c. P-1, sbs. 79.2(2).

[*English*]

THE ESTIMATES, 2019-20

MAIN ESTIMATES—FORTIETH REPORT OF NATIONAL FINANCE COMMITTEE TABLED

Hon. Percy Mockler: Honourable senators, I have the honour to table, in both official languages, the fortieth report of the Standing Senate Committee on National Finance entitled *First Interim Report on the 2019-20 Main Estimates* and I move that the report be placed on the Orders of the Day for consideration at the next sitting of the Senate.

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

AGRICULTURE AND FORESTRY

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO DEPOSIT REPORT ON STUDY OF HOW THE VALUE-ADDED FOOD SECTOR CAN BE MORE COMPETITIVE IN GLOBAL MARKETS WITH CLERK DURING ADJOURNMENT OF THE SENATE

Hon. Diane F. Griffin: Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

> That the Standing Senate Committee on Agriculture and Forestry be permitted, notwithstanding usual practices, to deposit with the Clerk of the Senate, no later than July 26, 2019, a final report relating to its study on how the value-added food sector can be more competitive in global markets, if the Senate is not then sitting, and that the report be deemed to have been tabled in the Senate.

ABORIGINAL PEOPLES

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO MEET DURING SITTING OF THE SENATE

Hon. Lillian Eva Dyck: Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

> That the Standing Senate Committee on Aboriginal Peoples have the power to meet on Wednesday, June 12, 2019, for the purpose of its study of Bill C-92, An Act respecting First Nations, Inuit and Métis children, youth and families, even though the Senate may then be sitting, and that rule 12-18(1) be suspended in relation thereto.

LIFE OF GERALD CAMPBELL

NOTICE OF INQUIRY

Hon. Fabian Manning: Honourable senators, I give notice that, two days hence:

> I will call the attention of the Senate to the life of Gerald Campbell.

QUESTION PERIOD

FINANCE

TRANS MOUNTAIN PIPELINE

Hon. Larry W. Smith (Leader of the Opposition): Honourable senators, my question is for the Government Leader in the Senate.

Just over a year ago in May 2018, when the Minister of Finance announced that his government would buy the Trans Mountain Pipeline from Kinder Morgan with $4.5 billion in taxpayer money, there was no plan announced to get the expansion project built. At the time, Minister Morneau told Canadians that work on this project was ensured for the 2018 construction period.

• (1820)

As we all know, there were no shovels in the ground right away and about three months later the Federal Court of Appeal overturned the approval of the expansion.

Senator Harder, it has been announced that Minister Morneau will speak in Calgary the day after the government reveals its decision on Trans Mountain. After this project is given approval next week, will Minister Morneau also present a viable, credible plan to get work started immediately?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for his question and for the assistance from the Acting Leader of the Senate Liberals for my answer.

The senator will know that the government has made a commitment at the time the extension was made to June 18 to announce a decision as quickly as possible within that time frame. I anticipate that will be exactly what happens.

Senator Smith: That was a little bit longer than "yes." I appreciate your answer.

Earlier this year, the Parliamentary Budget Officer issued a report on this government's purchase of the Trans Mountain pipeline. The PBO report stated:

> . . . a delay in completing construction by one year would reduce the value of the TMEP by $693 million. Similarly, a 10 per cent increase in construction costs would lower its value by $453 million.

Senator Harder, we know that this project is already behind schedule. When the approval is given next week, will the government provide a date for when the pipeline is expected to be in service?

Senator Harder: I thank the honourable senator for his question. I can't predict what the government might announce next week. Let me remind the honourable senator of the commitment this government has made with respect to ensuring that this pipeline moves forward. Not only has the government, on behalf of the people of Canada, purchased the pipeline, but they have taken all of the steps necessary to move forward as quickly as possible. It is true, as the honourable senator referenced in his question, that the Federal Court of Appeal has given direction. The government has taken that direction, but this government is committed to the construction and completion of this important piece of infrastructure.

NATIONAL REVENUE

CARBON TAX

Hon. Yonah Martin (Deputy Leader of the Opposition): Honourable senators, my question is also for the Government Leader in the Senate.

On the weekend, the Canada Revenue Agency revealed that the average rebates provided for the Prime Minister's carbon tax is about one third less than what this government promised. For example, here in the province of Ontario the government said the average rebate would be $307. Instead, as of June 3, the average rebate was $203.

We recently learned that the government's awareness campaign for the carbon tax cost taxpayers about $3.4 million. As well, the Parliamentary Budget Officer has found between now and fiscal year 2021-22 the administration of the carbon tax will cost taxpayers $174.5 million.

Senator, some large industrial polluters have received a special exemption on the carbon tax, all while families are forced to pay and the rebate amount is less than they were promised. How is this tax fairness?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for her question. In adopting a price on pollution, the Parliament of Canada determined a system in which those provinces that have plans consistent with the national framework, their plans are respected. The government is also indicating that the tax rebates which are envisaged are effective immediately and, indeed, a number of Canadians have applied for and been granted that rebate.

As to the particular breakdown by province, I'll seek information and report back.

Senator Martin: Consistently across Canada, I think the rebates are lower. It wasn't as advertised is what I understand. As I've mentioned before, carbon taxes and the lack of pipeline capacity have led to high gas prices across Canada, including in my province of British Columbia. Recently, when the new provincial government in Alberta repealed the province's carbon tax, gas prices came down.

Senator, does your government recognize that its carbon tax and the lower than expected rebates are hurting Canadian families and small businesses already struggling to make ends meet?

Senator Harder: I thank the honourable senator for her question. It's the question that the honourable senator asked last week, in which I reminded the honourable senator that the gas pricing across the country has a number of factors that determine the price of gas, not only actions by the Government of Canada in terms of taxation of gasoline but also provinces and public policies that are in place by other orders of government.

The volatility of the gasoline pricing regime is one that successive governments have dealt with. It would be, I think, rather incongruous to suggest that the lack of a pipeline which has failed to be built over how many decades has contributed to gasoline price spikes in B.C.

PUBLIC SAFETY AND EMERGENCY PREPAREDNESS

SOCIAL MEDIA

Hon. Leo Housakos: Honourable senators, my question is for the Government Leader in the Senate.

Senator Harder, three weeks ago your government announced that it would be launching a digital charter. It was rather short on actual details but your government promised strong enforcement of companies who break the law. It's all part of your government strategy to police the Internet leading up to the election. But I'm not so sure your government are the ones who should be doing the policing, Senator Harder. I say that for reasons too numerous to get into in this juncture so let's just focus on the most recent one.

Late last week we learned that the Liberal Party of Canada, as well as the Prime Minister himself, used Facebook to solicit financial donations from outside of Canada, specifically from people living in the U.S. and the U.K.

Senator Harder, as your government knows well, it is illegal for political parties in Canada to collect donations from anyone who is not either a citizen or a permanent resident of this country.

My question to you is this: Instead of worrying about policing others' use of the Internet, why doesn't your government focus on making sure that your government and your party follow the rules? Why is it always so difficult for your government — and particularly Prime Minister Trudeau — to hold itself to the same standard it sets for everyone else? Who is policing your government in regard to the misuse and abuse of the web?

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for his question. Let me try to unravel the pieces that he's trying to tie together.

The commitments the Government of Canada has made with respect to concerns over social media and the platforms are ones that are broadly shared by a number of Liberal democratic countries, which are seeking to have the appropriate balance of freedom of expression while ensuring that social media and the platforms are not inadvertently, or otherwise, used for the promotion of hate and to undermine or advance civil discourse or, indeed, organized crime and sedition. The linking of this to whatever parties might do on the web in terms of raising funds is chalk and cheese.

Last fall, this Senate and the Parliament of Canada passed an elections reform bill that governs exactly how election spending can proceed.

Senator Housakos: Government Leader, this isn't a hypothetical question. The Prime Minister and the Liberal Party of Canada broke fundraising rules. It's not hypothetical.

Also late last week your government Minister of Democratic Institutions put on a display that was anything but democratic when she refused to rule out the possibility of this government — your government — shutting down Twitter in the lead-up to the election.

And by the way, Senator Harder, I challenge you to name any liberal democracies around the world that are threatening to shut down social media and other platforms — more hypocrisy and double standards from this government.

I will ask you the same question I asked you last week. How far is your government willing to go to shut down opposition voices in this country? Do we have a commitment from this government that you're not willing to go as far as countries like China, North Korea and Iran in shutting down Twitter and other social platforms?

Senator Harder: I find the question preposterous.

[*Translation*]

PRIME MINISTER'S OFFICE

VICE-ADMIRAL MARK NORMAN

Hon. Jean-Guy Dagenais: Since last week ended on a question, let's get this one started with another. A number of political commentators across the country have been mocking your Prime Minister's tears at the memorial for the seventy-fifth anniversary of the Normandy landing. Although such a ceremony does call for some emotion, many thought that this event was not the right place for the kind of theatrics we've gotten used to since his election.

Leader, could you explain to us how the Prime Minister can get so emotional over Canadian soldiers who died in battle when he has yet to publicly apologize to one of our great career soldiers, the very much alive Vice-Admiral Mark Norman, whose career was blighted by groundless, politically motivated accusations?

• (1830)

[*English*]

Hon. Peter Harder (Government Representative in the Senate): I thank the honourable senator for his entertaining question. Let me simply say that I was proud of the Prime Minister's participation in the events of last week. I know that Senator Black was there as a parliamentarian. He can speak for

himself. Canada was well represented by participants, including provincial participants, and the Governor General, obviously. I would suggest that the occasion of celebrating the seventy-fifth anniversary of Normandy is not one to bring partisanship to in Question Period tonight.

PUBLIC SAFETY AND EMERGENCY PREPAREDNESS

SOCIAL MEDIA

Hon. Leo Housakos: Honourable senators, I have a supplementary question, Your Honour.

Government leader, in response to my question a few minutes ago, all you had to say is that it's preposterous. Is it my question that is preposterous or the fact that your Minister of Democratic Institutions is threatening to shut down Twitter and a social media platform? Which one of the two is preposterous to you, government leader?

Senator Harder: The former.

[*Translation*]

ORDERS OF THE DAY

ENDING THE CAPTIVITY OF WHALES AND DOLPHINS BILL

BILL TO AMEND—MESSAGE FROM COMMONS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-203, An Act to amend the Criminal Code and other Acts (ending the captivity of whales and dolphins), and acquainting the Senate that they had passed this bill without amendment.

BUSINESS OF THE SENATE

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate): Honourable senators, pursuant to rule 4-13(3), I would like to inform the Senate that as we proceed with Government Business, the Senate will address the items in the following order: second reading of Bill C-92, followed by second reading of Bill C-97, followed by second reading of Bill C-93, followed by third reading of Bill C-48, followed by all remaining items in the order that they appear on the Order Paper.

[*English*]

BILL RESPECTING FIRST NATIONS, INUIT AND MÉTIS CHILDREN, YOUTH AND FAMILIES

SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator LaBoucane-Benson, seconded by the Honourable Senator Simons, for the second reading of Bill C-92, An Act respecting First Nations, Inuit and Métis children, youth and families.

Hon. Paula Simons: Honourable senators, I rise today to speak at second reading of Bill C-92, An Act respecting First Nations, Inuit and Métis children, youth and families.

[*Translation*]

This is an extremely important bill, and I'm proud to be here this evening discussing such a timely issue.

[*English*]

There can be no doubt that Canada's child welfare system is broken, most especially when it comes to the issue of Indigenous children, who make up the vast majority of those who are in care or receiving child protection services.

In my home province of Alberta, almost 70 per cent of the kids who are part of the child welfare system are First Nations, Metis or Inuit, even though Indigenous children and teens represent only 10 per cent of Alberta's total youth population.

The province's troubled track record in the care of these children has been deeply disturbing, especially when it comes to the deaths of children and youth who were supposed to be receiving protective services.

Between 1999 and 2013, a total of 741 young clients of Alberta's child welfare system died while in the care or under the watch of the province. The vast majority of those who died were Aboriginal.

That number is shocking for two reasons. First, it represents the snuffing out of 741 young lives that were meant to be in our care.

What makes it worse is that successive Alberta governments covered up those deaths for years and years.

Between 1999 and 2013, only 56 of those 741 deaths were ever reported or recorded publicly. It took a multi-year investigation and legal battle by my former newspaper, the *Edmonton Journal*, to force the government to admit that the total number of fatalities was actually 741.

Since then, almost 200 more children in care have lost their lives — an average of 22 deaths a year.

Some of those deaths, of course, were unpreventable. Some of those children died of natural causes — everything from childhood leukemia to complications after heart surgery. Others died in what you might call blameless accidents — a car accident, say, where the caregiver was absolutely in no way at fault or responsible.

But far too many of Alberta's lost children died because of the negligence or, frankly, the malice of their caregivers, whether those caregivers were foster parents, biological parents or family members providing guardianship through what is known as kinship care.

Alberta is the province whose sad child welfare history I know best because I spent decades as a reporter covering this very difficult file, working hard with my colleagues to uncover stories that governments wanted to keep hidden. But I fear there is no province in Canada that has a stellar track record when it comes to the protection and care of Aboriginal children. Our status quo is woefully, fatally broken.

For that reason, I am cautiously — very cautiously — optimistic about the promise of Bill C-92, which holds forth the promise of a new paradigm for the delivery of child welfare services, one that puts agency back into the hands of Indigenous families and communities.

For far too long in this country, Indigenous children have been removed from their homes and communities and placed into care without overmuch regard for their culture and sense of identity. Once, we did it through residential schools. Now, we do it through foster care.

Not everyone would be comfortable with calling the results cultural genocide, but it is surely beyond debate that taking children from their families to be raised in non-Native foster homes and group homes has all too often had the effect of depriving children of the chance to grow up with their traditions, their languages, their spirituality, their pride in their roots and their history.

About 20 years ago, Alberta began to grant delegated authority to some First Nations to run their own child welfare systems. The experiment had some difficult and sometimes tragic outcomes, especially in the beginning. Some of those delegated child welfare authorities were, to be blunt, set up by government to fail. They were underfunded; they were under-resourced; they didn't have the trained and experienced staff nor the practical capacity to deal with their complicated and demanding caseloads — and children died as a result.

One of the chronic issues, which persists 20 years later, is that Ottawa has always funded child welfare services on reserve, and not the province. In Alberta, that creates a significant funding differential. Band welfare agencies for decades have received less money to do the same front-line work. Worse yet, they have been particularly shorted when it came to funding for preventative services — the front-end social supports that might have allowed struggling parents to retain custody of their children and helped families to thrive, healthy and intact.

When I first read Bill C-92, I was hopeful that this new framework, which would give even more direct jurisdiction to First Nations, Metis and Inuit communities to run their own child welfare agencies, would right that balance and give those communities the resources they need and deserve to care for their own — the resources, in fact, which the Canadian Human Rights Tribunal has previously ordered that they have — and hence the cautious nature of my optimism.

When this bill goes to committee, I believe it is essential that the committee make clear that if there is no firm promise of funding, then this new framework will remain just that: an empty frame; a flimsy, false-front building without walls, floors or ceilings. We can't just promise Indigenous Canadians self-governance of their own child welfare systems without guaranteeing unto them the money and other resources necessary to do that job.

This can't just be a form of words. A framework without an explicit funding commitment attached would be the most irresponsible of false promises.

[*Translation*]

That being said, there's another specific concern that came up in committee that I'd like to raise. Bill C-92 puts a lot of emphasis on the principle of the best interests of the child. It goes without saying that the best interests of the child should be the foundation of every child welfare policy and every custody or guardianship decision.

[*English*]

But Bill C-92 puts particular emphasis on keeping children within their extended families and within First Nations communities whenever possible. In fact, it validates and privileges one very particular form of family-based foster care, known as kinship care, above all other care models.

Yet, if I may be blunt, sometimes kinship care is not in the best interests of a particular individual child. When it works, it can be a terrific method of care, an ideal way of minimizing disruption and dislocation in the life of a child. We can see that intuitively from our own family experience.

• (1840)

To be frank, I worry that if we make kinship care the most favoured, default model of care, we could inadvertently put some children in jeopardy.

Kinship care only works if there are proper checks and balances in place, if kinship care providers are properly screened and trained and supported. Too often, I have written about cases where children were placed in kinship care because it was cheaper and faster than finding qualified, licensed foster parents, be they Indigenous or non-Indigenous. Or where the philosophical imperative to keep children with family members, including their parents, at all cost actually cost the children in question their lives.

I've covered cases that ended in truly horrific neglect, abuse and death, because kinship care providers didn't get the appropriate background checks or the necessary resources. And I've covered cases where children placed in kinship care died because social workers didn't follow up or even closed their files and walked away.

That's not to say kinship care can't work. If the caregiving family members are properly prepared and get the ongoing support they need, it can indeed be the very best model, a paradigm for care that keeps families united and children in touch with their relatives and their roots. It can reduce social and cultural alienation and give kids a badly needed sense of emotional stability.

Real robust ongoing support is essential and thus I would ask the committee members to consider the practical life and sometimes death consequences of defining kinship care as the automatic first-best option. Sometimes because of intergenerational trauma, there is no one in a child's birth family who is able to provide the care that child desperately needs.

And sometimes a child who has been in care has bonded already with a foster family and moving that child would deny them the security of remaining with the only adult caregivers they know, remember or love.

Let me be very clear. I would be the last person to say that the model of plucking Indigenous kids from their reserves, Metis settlements or neighbourhoods and putting them into non-Aboriginal foster homes and group homes is a good one. And while I've covered horrific cases of children who died in kinship care, or after being returned to their parents, I've covered many cases of children who died at the hands of non-Indigenous foster parents, many of whom were also not adequately screened, trained, supported or monitored.

As I've said, the system we have now is fatally defective. We need a new and better model for caring for children at risk and for caring for Indigenous families.

[*Translation*]

I wholeheartedly believe in giving Indigenous communities the fundamental rights that they never should have lost, namely the right to administer their own child welfare system and to care for their own children.

Those rights should have been restored at least a century ago. I definitely agree that it will take frameworks and effort to achieve this kind of self-governance, but let's ensure that Indigenous, Metis and Inuit communities get the resources they need to guarantee their successful self-governance.

[*English*]

Let me lean on the framework metaphor yet again. When you lay down rebar, when you frame a house, you have to start with a solid foundation. You can't cheap out on your materials.

Let's get this framework properly built. Let's ensure that the best interests of children really are put before the jurisdictional squabblings of politicians and government agencies. Let's make sure that we do everything we can to give the next generation the start it needs. I ask us to do so in the names of Korvette Crier, J'lyn Cardinal, Traezlin Starlight, Shalaina Arcand, Serenity R., Caleb Merchant, Jay Johnson, and all the hundreds of Indigenous children who have died because the care we and the status quo provided fatally failed them. Thank you.

Hon. Mary Jane McCallum: One of the major concerns that the Assembly of Manitoba Chiefs and I have with this bill is the negative and absent relationship with the province. I met with them this weekend and saw all the children that they had repatriated with their families.

Can you guarantee that this bill will force the province to hand the programs to the First Nations and provide the appropriate required funding? As you know, if not, it will put First Nations, Metis and Inuit children in jeopardy.

When we look at the resources, it's the human resources to run the programs. It's the funding. It's the kinship. It's the homes and people in those urban areas.

I really am concerned about this bill, and I have been. I just need some of the questions — we keep asking the MP and we are getting no response. I don't understand the response he has given. It's not a response.

Senator Simons: I thank the senator very much for her question. I'm so glad you asked it because I share many of those concerns.

I'm not the sponsor of the bill. I'm speaking to raise some of the very concerns that you're raising. This has to work as all the jurisdictions working together — federal, provincial, the First Nations and other Indigenous agencies. Otherwise, it will just devolve into more jurisdictional squabbling. I agree with you absolutely that if the funding isn't attached, then it's an empty framework.

I can't speak in defence of the bill. I'm so glad you asked the question because I think it's a question that badly needs to be asked and answered.

Hon. Marty Klyne: Honourable senators, I begin by acknowledging that we are on the unceded Algonquin Anishinabek territory.

To understand this necessary legislation, we first need to understand that we are all treaty people.

The history that has led this chamber to the consideration of Bill C-92, An Act respecting First Nations, Inuit and Métis children, youth and families, is due directly to neglected treaty rights along with broken promises and human rights abuses of Indigenous children.

I am a Cree Metis from Treaty 4 territory and homeland of the Metis in Saskatchewan. On September 14, 1874, during the Treaty 4 negotiations, a prophetic question was asked and presented by Chief Kamooses to the government representative, Manitoba Lieutenant-Governor Alexander Morris.

Kamooses asked Morris this:

> Is it true that my child will not be troubled for what you are bringing him?

Morris replied:

> The Queen's power will be around him.

This exchange was as visionary as it was frightening. For Kamooses and all the leaders present during these negotiations, it was apparent that there were potential negative effects the treaty agreement could have on their children.

Colleagues, what should we take away from Kamooses' question?

More than a century ago, our elders were aware treaties could work against the best interests of their children and families, yet they accepted the guarantees from the Crown in good faith.

It would take only two years following the signing of Treaty 4 for the question posed by Kamooses to be answered with the federal government's introduction of the Indian Act in 1876.

The Indian Act was and continues to be a framework explicitly drafted to separate children from their families to achieve cultural genocide, also known by its politically correct code word "assimilation."

The act accomplished this in a number of ways. I will focus on the sex-based discrimination under section 6.1.

Under this section, a First Nations woman who left her reserve and married a non-status or non-treaty status man automatically revoked her and their children's treaty status. She and her children were then no longer deemed a member of their First Nation community.

This meant that women who grew up on reserves with their mothers, fathers, brothers, sisters, cousins, uncles, aunts and elders were no longer allowed access to their community's inherent treaty rights, not to mention that their children and generations that followed also lost their treaty status and, hence, inherent rights.

• (1850)

The Crown did this to deliberately carve apart families to ensure their children were unable to access their cultural heritage, as well as their treaty rights, ensuring a nation-to-nation relationship.

During the debate of Bill S-3 in June 2017, a bill that sought to remove sex-based discrimination within the Indian Act, Senator Dyck summarized the results of section 6.1 when she said:

> Without status, these women and their children had to and continue to have to leave their communities.

Honourable colleagues, the history does not end with the introduction of the Indian Act, as further efforts to separate children from families occurred through the introduction of residential schools in the 1870s. Sir John A. Macdonald stated that the purposes of the residential schools were to deliberately separate children from their families — culturally, emotionally and physically. This is quite apparent when he stated that:

> When the school is on reserve, the child lives with its parents, who are savages. . . . and though he may learn to read and write, his habits and training and mode of thought are Indian. . . . It has been strongly impressed upon myself, as head of the department, that Indian children should be withdrawn as much as possible from parental influence . . . .

Honourable colleagues, residential schools were mandatory in 1969 and the last one closed in 1996. Their sole purpose again was cultural genocide, by targeting an estimated 150,000 First Nations, Metis and Inuit children. But the history does not end there.

In 1959, the introduction of section 88 to the Indian Act provided the legislative capability for the provinces to take over any areas that were not covered by treaty, which included child welfare for Indigenous communities. This opened the possibility for provinces to become directly implemented in the relationship between Indigenous Canadians and the Crown, which resulted in what we now refer to as the Sixties Scoop.

The results of adding section 88 are unsettling because provinces were provided with their chance to contribute and accelerate the genocide. Provinces were given the power to apprehend children and separate them from their families. Consequently, to this day, there are Aboriginal Canadians who do not know who their mother and father were, nor do they know their brothers or sisters or any other family members, and some of those who were scooped continue to search for the family they lost.

In 1959, the proportion of Aboriginal youth and children in the child welfare system was 1 per cent, but this increased at an exponential rate until it was estimated that, by the end of the 1960s, only a decade later, Aboriginal youth and children made up 30 to 40 per cent of that system. The estimated total number of youth taken from their families ballooned to nearly 20,000.

Most provinces used their existing child and welfare legislation as a means for justifying the removal of thousands of children from their families. In Saskatchewan in 1967, the province implemented the Adopt Indian Métis program, or AIM, which was one of the only programs in Canada with the express mandate to remove First Nations and Metis children, taking them from their families and placing them in foster care to await adoption in Canada.

The Saskatchewan government offered incentives for those who operated AIM. In a CBC article addressing AIM, posted on March 20, 2018, there are examples of advertisements for First Nation and Metis children and a memo from the director of AIM dated September 25, 1973, to a supervisor declaring that the staff member for the program in North Battleford should be given "Salesperson of the Year Award" for their success at apprehending so many First Nations and Metis children.

The AIM program was efficient and effective in reaching its targets. According to the government, the result was such that by 1969, while Aboriginal people made up only 7.5 per cent of Saskatchewan's population, Aboriginal children made up 41.9 per cent of all children in foster homes. These numbers have not changed much to this day, with First Nation, Metis and Inuit children making up 8 per cent of the Canadian population, while 52 per cent of children in foster homes are Aboriginal.

Bill C-92 is introduced at a time in our history when First Nations, Metis, Inuit and their communities have been told the relationship will change, yet the proportion of apprehended children remains unacceptably high.

This legislation addresses child welfare recommendation 1(ii) of the Truth and Reconciliation Commission, which asks that the federal government provide:

> . . . adequate resources to enable Aboriginal communities and child-welfare organizations to keep Aboriginal families together where it is safe to do so, and to keep children in culturally appropriate environments, regardless of where they reside.

Bill C-92 also addresses recommendation 4(i) of the Truth and Reconciliation Commission, which asks the federal government to:

> Affirm the right of Aboriginal governments to establish and maintain their own child-welfare agencies.

I share the concerns outlined in the seventeenth report of the Standing Senate Committee on Aboriginal Peoples, including the issues raised already, specifically that there are no legislated funding supports proposed within this legislation.

The federal government is instead giving their words in the preamble to Bill C-92, which outlines that:

> . . . the Government of Canada acknowledges the ongoing call for funding for child and family services that is predictable, stable, sustainable, needs-based and consistent with the principle of substantive equality in order to secure long-term positive outcomes for Indigenous children, families and their communities . . .

But as we have learned from history, Indigenous Canadians and their children were nearly obliterated for having taken the federal government at their word. The communities do not need acknowledgment; they need actions that outline specific financial commitments.

Honourable colleagues, our system is still broken. It continues to deliberately target our children, and it will take sustained efforts for Aboriginal Canadians to realize the same rights enjoyed by non-Aboriginal Canadians.

It took more than a century to build this system, a system that has been used to disenfranchise Indigenous peoples in Canada. This disenfranchisement will linger until the political will exists to abolish the Indian Act and the federal government assumes the role representative of the Crown, upholding the obligations contractually signed during treaty settlements.

We should make no mistake: The First Nations, Metis and Inuit people are resilient. Past governments and decision makers have tried to completely extinguish our culture, customs, beliefs and languages, erase our history and put a stop to the telling of and passing down of stories and teachings from one generation to the next. In part they were successful, but not fully. There has been positive change and there have been efforts to redress the wrongs. I have personally witnessed the power of creating our own opportunity for self-governance and economic independence and the positive strides made by countless communities.

First Nations, Metis and Inuit Canadians are industrious when barriers are removed and they are given the chance to take charge of their own destinies. Our children are our future, and they not only acquire traditional teachings and skills, but they are also benefiting from contemporary skills, training and education, enabling them to participate actively in the mainstream economy, making valued contributions to Canada's economy and concurrently moving from dependency to self-sufficiency.

• (1900)

Honourable colleagues, Bill C-92 is a positive step to removing barriers from some 40,000 children in non-Aboriginal welfare, welfare care or foster care homes and returning them to their communities and have the chance to be all that they can be so that they may make their valued contributions to Canada.

Senators, I ask you to please join me in supporting this legislation. Thank you.

The Hon. the Speaker: On debate, Senator Patterson.

Hon. Dennis Glen Patterson: Honourable senators, I rise to speak to you on Bill C-92, An Act respecting First Nations, Inuit and Métis children, youth and families.

While I have been named the critic of this bill and will point out areas that I think should be considered for amendment, I want to begin by saying that, in principle, I agree with the intent of this significant bill.

In reviewing the bill, I was impressed with a legal opinion on Bill C-92 which was developed by Mary Ellen Turpel-Lafond for the Assembly of First Nations. She's a former representative for children and youth for British Columbia and a well-respected Aboriginal rights lawyer. She said that Bill C-92 will shift child welfare by affirming the space for First Nations laws and policies and practices. First Nations, she said, will be free to determine if they wish to occupy this jurisdiction for children and families, and if they do so, the rules and policies that apply to their

children and families in Canada will no longer be the provincial legislation and rules exclusively, and recognition of First Nations laws, practices and a fully developed system for children and families will emerge and develop in that space over time.

This is an appealing and laudable goal.

Bill C-92, as Ms. Turpel-Lafond also noted, takes a further step in First Nations jurisdiction by providing that First Nation the option to request a coordination agreement with the federal or provincial government. After the expected reasonable efforts, and perhaps the exercise of a dispute resolution mechanism that's in place, when there is no agreement, the laws of the First Nation will take precedence over provincial or federal laws after 12 months. This is unprecedented in federal legislation, she noted.

In this sense, Bill C-92 is providing a pathway to change with First Nations in the lead, if they so choose. The provision in the bill to allow a review in five years will be an important opportunity to see how that option actually works out and whether the appropriate regulatory, policy and funding frameworks will have been put in place to achieve the lofty goals as set out in the preamble.

There will also be a strong onus on First Nations who wish to exercise their right to govern respecting the well-being of their children to be prepared for the challenge — the operational challenges of governance, including building capacity, organizational structures, and systems.

We all know that there are serious problems with Indigenous child welfare in this country. Last Thursday, Senator LaBoucane-Benson gave a moving speech on the reasons why we need this bill. She talked about Canada's residential schools and discriminatory colonial policies that resulted in many children being separated from their Indigenous families and assimilated by force, thus losing their sense of belonging and their connection to their roots.

The senator spoke eloquently about the disruptive and painful effect that this had on children and their futures, and gave us hope that this bill could help to change the devastating picture of isolation, hopelessness, powerlessness, despair and shame of their Indigenous identity caused by the failed social policies of the federal and provincial governments over many generations.

Last week, the final report of the National Inquiry into Missing and Murdered Indigenous Women and Girls was released. It has further revealed how serious deficiencies in some of our child welfare systems are linked to violence against Indigenous women and girls.

In the words of Katherine Whitecloud, a mother, grandmother and a community leader and knowledge keeper from Wipazoka Wakpa Dakota Nation:

> There is a direct correlation between all of those past government policy impacts — residential schools, sixties scoop, child welfare — and other government policies that removed our children from our communities and our families. It is especially the women and the girls who have been directly impacted. They have suffered, and are missing and have been murdered because of their experiences and their parental experiences through all of those policies that I mentioned.

According to Cindy Blackstock, Executive Director of the First Nations Child and Family Caring Society of Canada, between 1989 and 2012, First Nations, Metis and Inuit youth have spent more than 66 million nights in the child welfare system. This is an equivalent of 187,000 years.

Issues with the child welfare system are not only an element of the past, they are ongoing and some of our Indigenous children continue to suffer. Indigenous children remain vastly overrepresented in the child welfare system. This has been pointed out by other speakers, but it deserves to be emphasized. According to Statistics Canada, in 2016, Indigenous youth accounted for approximately 8 per cent of all children aged 0 to 4 in Canada; however, they accounted for more than half, 51.2 per cent, of all foster children in this age group. Today, there are more Indigenous children in the child welfare system than during the height of the residential schools period.

Being removed from their homes, their parents and their families and placed into government care is not the only tragedy for Indigenous children. This removal results in many children losing all ties to their family, culture and community.

Bill C-92 is an important step forward. I support the primary objective of a bill that recognizes and affirms the right to self-determination of Indigenous peoples, including the inherent right of self-government, which includes jurisdiction in relation to child and family services.

This bill has the potential to improve how child and family services are provided to Indigenous people, and to reduce the number of children being removed from their families and communities and placed in non-Indigenous environments.

I agree that the bill and the principles that it tries to promote are in the best interests of the child. It is hoped that with the passage of this legislation these principles will be given effect so as to ensure that Indigenous children and families are treated with dignity and that their rights will be upheld.

• (1910)

However, more can and should be done to ensure that this bill is strengthened. I was pleased to support a pre-study of this important bill in the Standing Senate Committee on Aboriginal Peoples so that we could be prepared to receive and, in a timely manner, deal with Bill C-92 when it reached the Senate.

However, from what we heard during the pre-study, concerns were raised about significant gaps in this bill, which remain to be addressed. Our committee was privileged to hear from more than 30 witnesses and received many detailed briefs on Bill C-92. The opinions of these witnesses are important and should be recognized.

In the spirit of working together and ensuring the well-being and health of our Indigenous children, I encourage the government to listen to the concerns raised and accept or make appropriate amendments to this bill.

The first issue that I want to highlight is the absence of funding principles in the bill. Many witnesses pointed out that Bill C-92 contains no guaranteed funding to enable First Nations jurisdiction.

According to the brief submitted by Carrier Sekani Family Services on April 8, 2019:

> At present, Bill C-92 contains no substantive provisions relating to, one, the mechanism or, two, level of funding which is to be provided. This is of great concern because, as presently drafted, an Indigenous community could conceivably obtain jurisdiction over child and family services under sections 20 and 21 of the bill, but would be left without the funding necessary to exercise that jurisdiction. While it is true that Bill C-92 contemplates "fiscal arrangements" associated with negotiated coordination agreements, there is no requirement on the federal, provincial or territorial governments to fund child and family services delivered by an Indigenous governing body to its members, or at any particular level.

Many witnesses declared that without funding, Indigenous communities will not be assured of being able to fully exercise jurisdiction. Consequently, their fear was that nothing will change for Indigenous children and families.

A funding commitment needs to be included in the bill. As the Senate pre-study report stated:

> This commitment needs to go beyond the reference to funding in the non-binding preamble and the reference to fiscal arrangements that could form part of a coordination agreement.

Colleagues, this is the same issue that we had with Bill C-91, an Act respecting Indigenous languages. That bill was also lacking a mandatory funding commitment. Similar to the bill before us, funding was included as an objective with no secure commitment or plan. We requested that the government include a Royal Recommendation in the bill, ensuring that, instead of being constrained to work only with money that already exists in different funding envelopes, the minister can access new money.

Since we are unable to include a Royal Recommendation in this chamber, the absence of a Royal Recommendation makes it imperative that we include strong principles for funding, as requested by numerous witnesses.

Including principles to guide funding would ensure that funding is long-term, sustainable, predictable, stable, needs-based and consistent with the principle of substantive equality, principles that were called for by the witnesses who appeared before us.

According to Francyne Joe, president of the Native Women's Association of Canada, who spoke before the committee on April 9, 2019:

> Without clear, stable, structured funding required by law, the aims stated in the preamble are lost.
>
> Many communities have long suffered from chronic underfunding. Communities cannot rely on unwritten promises of funding when it comes to caring for children and families. We can only assume that the federal government intends to deal with this in the coordination agreements, but this also is not made clear in the bill, which means no future government representatives would be held or bound to that intention.
>
> This funding cannot be structured like contribution agreements, which would still amount to federal and provincial governments controlling the ways in which Indigenous governing bodies use the money. This is not self-government.
>
> Bill C-92 requires a clear inclusion of funding structures that will directly benefit children, families and the communities in which they reside, whether on or off reserve, urban, rural or remote. Stable funding promotes Indigenous self-government.

The committee heard that there should be an explicit reference to Jordan's Principle in Bill C-92. Including an explicit reference to this legal principle would affirm a commitment to continuing to serve First Nations children, ensuring that there are no gaps in government services and not permitting jurisdictional disputes to become a barrier to the provision of needed services and supports to children. Furthermore, including an explicit reference would further recognize that First Nations children may need services beyond the normative standard of care to ensure substantive equality.

According to Jennifer Cox, a Nova Scotia Mi'kmaq lawyer with an extensive background in the area of child and family services:

> Jordan's Principle has been a huge relief to our communities and made a big difference in terms of the development of services, the ability to do preventive and placement options. It's a big deal. It should be mentioned specifically not just referred to.

Including an explicit reference to Jordan's Principle is in line with the Truth and Reconciliation Commission of Canada's Call to Action 3:

> We call upon all levels of government to fully implement Jordan's Principle.

Another concern we heard is that there is a very narrow definition of child and family services in the bill. The existing provincial and territorial legislation that governs this issue includes varying and oftentimes vague definitions of child and family welfare services. Having virtually no clear definition of the range of services may result in limitations to the types of services that First Nations may choose to exercise jurisdiction

over, and could lead to delays and denials of vital services for Indigenous children and families, as was pointed out by the brief submitted by Carrier Sekani Family Services:

> . . . Bill C-92 leaves out guardianship services for children in care, post-majority care and adoption (including custom adoption) ... it is vital to protect the range of services a First Nation may choose to include in their child and family services program. For greater clarity, the exclusion of these services creates increased jurisdictional and funding uncertainty for First Nation wanting to assert laws.

Professor Blackstock, well respected in this field, also pointed out that the definition of child and family services doesn't include post-majority care, guardianship or adoption, both custom and otherwise. She stated:

> How are we to forestall the tragedy of the Sixties Scoop if First Nations don't have any kind of jurisdiction over adoption? That doesn't make any sense.

• (1920)

Hearing witnesses repeat the same point makes it clear: The definition of child and family services should be amended and expanded.

According to the brief submitted by Jason LeBlanc, executive director of Tungasuvvingat Inuit:

> There are no definitions for: child, parent(s), types of maltreatment that could trigger non-voluntary CFS involvement, post-majority care or other key elements like cultural continuity and substantive equality. Definitions that are presented in this section are all vague and ambiguous. This leaves interpretation of points, the bill and all points between open and subjective to the person (or body) interpreting the bill. This does not ensure safeguards are in place, dilutes the uniqueness of the various Indigenous cultures, more importantly, the current construct of the bill has left Inuit living out of Inuit Nunangat as invisible in the minds of Canadians.
>
> There is no clarity in the Bill as to what courts will interpret these principles and determine if Indigenous legislation is compliant with them. This likely means that any conflicts between Inuit laws and provincial/territorial and federal laws will be resolved in Canadian courts. Courts that are reflective of and built upon western views.

The Assembly of Nova Scotia Mi'kmaq Chiefs identified an important issue with the definition of "care provider." In their brief they stated:

> The definition of care provider as it is currently defined in Bill C-92 could result in allowing non-Indigenous foster parents to become a party to a proceeding pursuant to section 13 which could further delay or complicate matters and we do not believe this is the intention of the definition.

Definitional clarity is important. We need to ensure that the range of services provided and definitions are clear. We need to ensure that there is no jurisdictional and funding uncertainty that results from unclear drafting of this piece of legislation.

On the topic of jurisdiction, some of the witnesses who spoke before the committee expressed their concern that this bill will encroach upon provincial or territorial jurisdiction.

I want to make special mention of the Government of Nunavut in this connection. I know that there certainly has been some criticism of governments at the provincial level in the examination of this bill. The bill's underlying premise is that First Nations governments should have the right to enact their own laws and basically usurp the provincial laws if reasonable efforts do not lead to a coordination agreement.

Let us not lump Nunavut in with provincial governments. The Government of Nunavut came about as a result of the Nunavut Land Claims Agreement, as spelled out in Article 4 of that constitutionally protected agreement.

Although it is a public government, the Government of Nunavut represents a people 86 per cent of whom are Inuit. The bulk of its M.L.A.s and all of its cabinet ministers and the Minister of Child and Family Services for Nunavut are all Inuit.

There are also no signs that Nunavut Tunngavik, the designated overall Inuit organization in Nunavut is aspiring to take over jurisdiction.

Furthermore, the Government of Nunavut carefully developed a made-in-Nunavut Child and Family Services Act that I believe reflects Nunavut's unique demography and circumstances.

This is a tough job. It is particularly difficult because of the many negative social and health indicators in Nunavut.

The Government of Nunavut is making serious efforts to train and employ Inuit social workers, but that is a challenge given the extended family connections in our small population. The concern is about protecting the Government of Nunavut's jurisdiction. Indeed, some provisions in Nunavut's Child and Family Services Act meet and exceed the minimum standards set out in Bill C-92.

I say "apparently" because, first of all, it is unclear whether this bill establishes minimum standards. If yes, there is an outstanding question regarding what happens in the case where provincial and territorial standards exceed the criteria set out in the bill.

The Honourable Elisapee Sheutiapik, Minister of Family Services and Government House Leader for the Government of Nunavut, who spoke before the committee on April 30, identified a concern that Bill C-92 would undermine the work that has gone into creating carefully crafted Nunavut-specific legislation.

In her testimony before the committee she stated:

> . . . when there is any conflict between Nunavut's Child and Family Services Act and the bill, even if that conflict occurs because territorial provisions meet or exceed what is required in the bill, those provisions will be overwritten by Bill C-92. While the heading of clause 4 of the bill refers to 'minimum standards,' the language of clause 4 itself, a binding part of the law, does not.

> For an example of how problematic this is, consider the use of plan-of-care agreements under Child and Family Services Act. These are collaborative agreements between families and government to ensure the safety and well-being of children. The provisions in these agreements could conflict with Bill C-92's strict rehousing priority list in subclause 16(1). It could be argued that the collaborative approach of a plan-of-care agreement is as good or better at satisfying the best interests of the child. However, despite meeting or exceeding the minimum standards of Bill C-92, the result would be the rehousing provisions of Bill C-92, overwriting the plan-of-care agreements of the Child and Family Services Act.

I believe that the bill as it is currently drafted could benefit from amendments aimed at addressing the minister's concerns in order to avoid jurisdictional and constitutional issues arising.

Furthermore, on the question of consultation with provinces, territories and Indigenous groups, some witnesses certainly called into question the adequacy of consultations with provincial and territorial governments and Indigenous groups.

According to the brief submitted to the committee by the Chiefs of Ontario:

> The federal government is claiming that Bill C-92 was "co-developed". We disagree. Bill C-92 was not co-developed in any legitimate sense of the word.
>
> The initial stage was "engagement sessions" held with various First Nations representatives in summer and fall of 2018. This was a weak or at least routine form of consultation. General input was gathered but Canada made all the final decisions.
>
> The drafting stage, from December 2018 - February 2019, was exclusive, rushed and secretive. Chiefs of Ontario participated in the Legislative Working Group that Canada convened at that time, but we were excluded from any actual drafting. Our representatives had the opportunity to review and comment on one draft, in an extremely short time-frame in January. When we saw the bill introduced on February 28th , we saw that our comments had been mostly ignored.
>
> If any of our First Nation members claimed to have "co-developed" a document with Canada in this way, surely the Government of Canada would beg to differ.
>
> Words like "co-development" suggest **equal partnership** and **consent**. Before using that kind of language, or supporting its use, there should be agreement on the process and its outcome.

• (1930)

It is disappointing that the government seems to be failing to properly work with Indigenous groups and to listen to their representatives. We heard that complaint more than once.

Honourable senators, I'm also disappointed with the fact that this bill was introduced by the current government so late in the session. The House of Commons did not have a lot of time to give this legislation the type of scrutiny and attention it deserves. The Indigenous and Northern Affairs Committee on the other side only had a couple of weeks to discuss this bill.

Our Indigenous children deserve better and this important bill should not have been left until the last minute. However, in the words of Cindy Blackstock:

> . . . we are not here to be right. We are here to do right.

Indigenous children should have the same rights, access to services and opportunities as every other Canadian child.

Bill C-92 is an important bill and has a lot of potential. I think we can do more for Indigenous children by amending this bill and making it better. Thank you.

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

Senator Patterson: Yes.

Senator Dyck: Thank you very much for your speech, Senator Patterson. As a critic you've done a very thorough job. I just have two questions for you, one to do with funding and the second concerning the Assembly of Manitoba Chiefs.

You talked a lot about funding. The bill doesn't guarantee funding. My question relates to whether you're talking about the original bill or the amended bill.

Originally, under coordination agreements, the bill stated, and I'll actually read it into the record:

> . . . fiscal arrangements related to the effective exercise of the legislative authority . . . .

That's with the agreements between the Indigenous organization or governing body and the federal governments, which is pretty vague.

It was amended in the House of Commons to read:

> . . . fiscal arrangements, relating to the provision of child and family services by the Indigenous governing body, that are sustainable, needs-based and consistent with the principle of substantive equality in order to secure long-term positive outcomes for Indigenous children, families and communities and to support the capacity of the Indigenous group, community or people to exercise the legislative authority effectively . . . .

My question would be: Are you saying that the amended version is still not adequate?

Senator Patterson: We need strong principles for funding, as requested by numerous witnesses. I do believe that the amendments you speak of are an improvement in this connection.

Senator Dyck: My second question relates to the concerns brought forward by the Assembly of Manitoba Chiefs. You may have dealt with them. I might have missed it.

We heard that the Assembly of Manitoba Chiefs was very concerned that they'd been negotiating with the Province of Manitoba for some time and had not been able to either get the province to the table or to reach an agreement. Our committee recommended that there be a provision that clarifies that where an Indigenous governing body has tried to work with the provincial or territorial government, that time should be recognized. They shouldn't have to start all over and then take another year.

Are you proposing some kind of amendment that would satisfy the concerns of the Assembly of Manitoba Chiefs?

Senator Patterson: I thank the honourable senator for the question. Yes, we all agreed when we heard from the Assembly of Manitoba Chiefs that when they had started in good faith on an existing arrangement that was moving along well, there should be a recognition of that situation in the bill and they should not be required start all over again.

I didn't address that in my speech but I think it should be addressed at committee. I will even go so far as to say our committee members were quite sympathetic to the position of the Manitoba chiefs when presented to us.

They're ahead and have made progress on an Indigenous-led, Indigenous-developed system in keeping with a good faith agreement that they entered into with Canada. They shouldn't be prejudiced. I agree. We should try to fix that.

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 LaBoucane-Benson, seconded by the Honourable Senator Simons, that this bill be read the second time.

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

Some Hon. Senators: Agreed.

An Hon. Senator: On division.

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

REFERRED TO COMMITTEE

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

(On motion of Senator LaBoucane-Benson, bill referred to the Standing Senate Committee on Aboriginal Peoples.)

BUDGET IMPLEMENTATION BILL, 2019, NO. 1

SECOND READING

Hon. Peter M. Boehm moved second reading of Bill C-97, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2019 and other measures.

He said: Honourable senators, it is my great pleasure to rise today to speak to Bill C-97, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2019 and other measures.

In preparing my remarks for today, I benefited from being able to use as a resource some of the previous budget implementation speeches given during this Parliament. To paraphrase our colleague Senator Pratte in his second reading speech for Bill C-86 on December 4, 2018, what is before us is a long bill, so this will be a long speech. Make yourselves comfortable.

Yes, this is an omnibus bill but, as was also explained by Senator Pratte, budget implementation acts are by their very nature omnibus bills.

Honourable senators, I will start by saying frankly that this is a good piece of legislation. Of course, I am the sponsor so my words should not come as a surprise, but I do genuinely see this as a strong budget. It is not perfect but no bill ever has been nor ever will be.

My belief is strengthened by the fact that on top of sponsoring this legislation, I am also a member of the National Finance Committee, one of nine Senate committees that participated in the pre-study.

During the National Finance pre-study of Bill C-97 alone, we heard from witnesses from across government as well as stakeholders over 12 meetings before we even received the bill last Thursday. In short, I have thought about this legislation a great deal, as I know many of you have.

[*Translation*]

Bill C-97 includes key measures that were announced in the government's most recent budget. The government has also outlined the next phase of its plan to grow the economy by investing in the middle class, which means that it is providing more support to those who need it most.

Some measures are especially noteworthy, including the Poverty Reduction Act, improvements to seniors' retirement security, incentives for first-time homebuyers, support for veterans in their transition to civilian life after military service, the Canada training benefit and changes to student loans, the part of the bill entitled "Climate Action Support" and issues affecting Indigenous peoples that also affect all Canadians.

• (1940)

These are the themes on which I will focus, but I will also discuss the provisions that have proven to be more controversial: those formalizing the creation of the Departments of Indigenous Services and Crown-Indigenous Relations and Northern Affairs after the dissolution in 2017 of the Department of Indigenous and Northern Affairs, the provisions concerning journalism, and the proposed changes to the Immigration and Refugee Protection Act.

[*English*]

What I intend to do, colleagues, quite simply is to explain why this bill deserves your consideration and support.

First, I would like to offer some points on a matter which always elicits much comment in election platforms and campaigns and during budget time, especially when it does not happen. I speak, of course, about balanced budgets.

The battle always seems to be between balancing the budget or engaging in deficit spending to support economic growth, as if one could not strike, well, a balance between the two. It is no secret that this budget is not a balanced one. Much has been made about that, harkening back to a promise to balance the books, made during the election campaign of 2015, by the end of the government's first mandate. The previous federal government promised, and attempted, to achieve the same goal over its decade in power but, through a combination of external and internal factors, this became elusive.

Think, colleagues, about the worldwide sovereign debt crisis of 2008 to 2009. Since then, we have witnessed the impact of lower commodity prices and sudden changes in the global trading system. There are always stresses on our fiscal framework. Bill C-97 introduces just under $23 billion in new spending over six years. The rationale behind the plan for deficit spending is to stimulate the Canadian economy where growth may be cooling.

Honourable senators, the decision by the government to spend money in this budget and to thus not pursue fiscal balance was done out of necessity, not mismanagement or irresponsibility.

I witnessed and participated in the previous government's very capable handling of the global financial crisis of 2008-09 from Berlin where I engaged with the European Central Bank. These matters are not easy, and they are not easy for a country like Canada. As the old saying goes, "You need to spend money to make money." This is not about spending tax dollars on fancy, big-ticket items. This is about the economic need to make smart investments in Canada's future and middle class over paying down the debt. We must do so, however, responsibly, to ensure that future generations benefit from world class services and education today so that they can succeed tomorrow.

Across a number of important metrics, the fact of the matter is that the Canadian economy is sound. It continues to be supported by solid fundamentals including high levels of consumer confidence and a growing labour market. More than 1 million jobs have been created since 2015 and the national unemployment rate is at its lowest levels in more than four decades.

Of course, despite the generally good news in this area, we cannot forget that there are regions of this country that have been hurting. Canada's national unemployment rate currently stands at 5.7 per cent. The four provinces of Atlantic Canada, however, have long faced higher-than-average unemployment. This has largely been due to the predominance in that region of seasonal work and more reliable, higher-paying opportunities in other parts of Canada.

These realities have both pushed and pulled skilled workers from New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. Many Atlantic Canadians, in years past, made their way west, especially to Alberta, for high-paying jobs in that province's energy sector. That is no longer the case at the same level.

Our friends in Alberta have been facing a severe economic downturn since it began in 2014, made worse in 2015 when the price of oil plummeted. We know the effect it has had not only provincially, but nationally. Saskatchewan has also been impacted by lower commodity prices, particularly of oil and uranium.

It also goes beyond pure economics, when we take into account the negative impact on real people, given the stress that such uncertainty in making ends meet can have on one's mental health.

While the economic downturn ended in 2016 and things began looking up, Alberta is still facing unemployment higher than the national rate, at 6.7 per cent in April — this according to the most recent monthly labour force survey carried out by Statistics Canada. That is an improvement, albeit a slight one, over the rate for March. Hopefully this trend will continue and bring some more relief to a province that has long been a key economic engine for our country.

Despite the struggles faced, especially by Alberta and Atlantic Canada but also Saskatchewan, Canada's overall economy is strong.

[*Translation*]

Our success is also recognized beyond our borders. The Organisation for Economic Co-operation and Development and the International Monetary Fund expect Canada to be, after the United States, the second-fastest growing economy in the G7, on average, over this year and next.

As a former ambassador to one of our closest G7 allies, Germany, and having been a deputy minister a few times, including for last year's G7 summit in Charlevoix, I can tell you just how important this statistic is. What this means in practice is that our federal debt-to-GDP ratio, the debt relative to our economy, is not just decreasing but is on track to reach close to its lowest level in almost 40 years.

Colleagues, this does not get enough attention domestically. I can promise you, though, that this impressive fact is very much envied by many of our friends in the developed world. A low debt-to-GDP ratio is a critical indicator of fiscal health.

[*English*]

In the same vein, our deficit-to-GDP ratio is projected to reach a low of 0.4 per cent by 2023-24. That is in comparison to another of our G7 partners, the United States, where the federal government deficit-to-GDP ratio was 3.9 per cent in the last fiscal year and could reach almost 5 per cent in the coming years.

Another important point is that Canada is also the only G7 country that has free trade agreements with every other G7 nation. Once the new NAFTA — or CUSMA as we call it now — makes its way through Parliament, we will be in an even better position. You will get to hear from me again on that point, colleagues.

Budget 2019 demonstrates continued investment in people and a strategy to grow the economy for the long term in a fiscally responsible way. Investments the government has made over the last year to support households and to promote export development and business investment are expected to promote growth now and into the future. This has helped to make Canada one of only 10 countries that continues to receive a AAA credit rating, with a stable outlook from all three of the world's biggest credit rating agencies: Standard & Poor's, Fitch and Moody's.

In order to provide support to Canada's hard-working entrepreneurs, the government cut the small business tax from 10 per cent to 9 per cent at the start of this year. This represents the second cut made to the small business tax rate in just over a year. For small businesses, this will mean up to $7,500 in federal tax savings each year compared to 2017 — savings they can reinvest to purchase new equipment, develop new products or create new jobs.

With measures introduced to accelerate business investment in the 2018 Fall Economic Statement, the average overall tax rate on new business investment in 2018 was almost 5 percentage points lower than in the United States and the lowest among G7 members.

Colleagues, the long-term dedication to strengthening Canada's economy and promoting investment should triumph over short-termism. I'm sure the coming election campaign will no doubt tell the tale.

[*Translation*]

In order to reduce poverty, in the fall of 2018, the government introduced the Poverty Reduction Act. This is a cause our colleague, Senator Miville-Dechêne, was the first to champion in the Senate. The Poverty Reduction Act proposes to codify ambitious and concrete poverty reduction targets. In particular, based on the 2015 levels, the act aims to reduce poverty by 20 per cent over five years and by 50 per cent over 15 years.

Also, for the first time in Canada's history, Bill C-97 proposes an official poverty line. This market-based measure focuses on the cost of buying basic goods and services such as clothing, shelter, food and transportation.

The act will also establish the National Advisory Council on Poverty, which will be mandated to undertake consultations with the public, including people with personal experience with poverty, and subject matter experts. The council will provide advice to the minister responsible for overseeing the Poverty Reduction Act with regard to ways in which to reduce poverty and will also be required to submit an annual progress report.

• (1950)

[*English*]

Since 2015, $22 billion has been invested in measures to support poverty reduction. These measures include the Canada Child Benefit, the Guaranteed Income Supplement, the National Housing Strategy, the Canada Workers Benefit and the Indigenous Skills and Employment Training Program.

Due in part to recent investments, the government surpassed its 2020 target three years ahead of time, with over 825,000 individuals helped out of poverty between 2015 and 2017.

This is part of why the plan to invest, thereby running modest deficits, instead of balancing the budget is so important. Helping Canadians handle the costs of living is a key component of supporting the middle class. You can see that in the way Bill C-97 seeks to support seniors.

On that subject, many seniors choose to remain active and continue to work after retirement — I'm looking all around me; there are a few of us here — for a variety of reasons. Unfortunately, some working seniors are being penalized for staying in or returning to the workforce.

They face significant reductions in their Guaranteed Income Supplement or Allowance benefits for every dollar of income they earn above the existing $3,500 annual GIS earnings exemption.

Part of the problem is that self-employment income is not eligible at all for this exemption. This means that seniors lose out on their hard-earned income.

This is something the Budget Implementation Act seeks to remedy. Beginning in July 2020, Bill C-97 proposes to help seniors keep more of their GIS or Allowance benefits and income by enhancing the GIS earnings exemption.

Doing so will accomplish three things: extend eligibility for the earnings exemption to include self-employment income; allow for an increase in the fully exempt annual amount from $3,500 to $5,000; and introduce a partial exemption of 50 per cent on up to $10,000 of annual employment and self-employment income beyond the initial $5,000.

Essentially, eligible seniors would be able to fully or at least partially exempt up to $15,000 of income. This means seniors who wish to continue working after retirement will be able to

keep more of the money they earn. Bill C-97 would also ensure that all Canadian workers receive the full value of their earned benefits.

The proposal here is to proactively enroll, starting in 2020, CPP contributors who are age 70 or older but who have not yet applied to receive their retirement benefit.

While the number of people who do not apply for their pensions is relatively low — an estimated 1,600 in 2020 — it is still significant.

The effect of this measure is important. Approximately 40,000 more Canadians would begin to receive the CPP retirement pension to which they are entitled.

Of note, two thirds of these currently unenrolled seniors are women. The average monthly pension payment will be around $300, which could be of huge benefit to many senior citizens.

[*Translation*]

Whether you're a senior or a young person fresh out of school, one thing we all must think about is where we'll live and how we'll pay for our home. Adequate housing is, after all, a right recognized under international law to which all human beings are entitled. Budget 2019 announced a number of new initiatives to make it more affordable for Canadians to rent or buy a home. It builds on the government's plan to address issues surrounding housing affordability, an issue that concerns adults of all ages and many middle-class families.

Every Canadian wants, and deserves, a safe and affordable place to call home. However, that's not easily attainable for too many people. High house prices in some of Canada's largest cities mean that many Canadians still struggle to find, maintain and afford a good, safe place in which to live.

[*English*]

To help, Bill C-97 will put in place a new first-time home buyer incentive. This would allow first-time homebuyers who save their minimum 5 per cent down payment to finance a portion of their home purchase through a shared equity mortgage with the help of the Canada Mortgage and Housing Corporation.

Through the CMHC, qualified first-time homebuyers would be eligible for a 10 per cent shared equity mortgage for a newly built home or a 5 per cent shared equity mortgage for an existing home.

It is expected that about 100,000 first-time homebuyers will be able to benefit from the incentive over the next three years.

With this extra help, Canadians can lower their monthly mortgage payments, making homeownership more affordable and attainable.

Bill C-97 will also increase the Home Buyers' Plan withdrawal limit from $25,000 to $35,000, providing first-time homebuyers with greater access to their RRSP savings to buy a home.

There will also be new investments to increase the supply of homes to buy or rent. This is the best way to alleviate high prices and cool what has become a very hot housing market.

[*Translation*]

Dealing with finding affordable housing is not easy at the best of times and can make the transition to civilian life for members of the Canadian Armed Forces that much more challenging. The reality is that becoming a civilian after years and sometimes decades of loyal military service can be challenging for some members. This is especially true for those who must leave the forces due to illness or injury. To make post-military life easier, Budget 2019 proposes a number of initiatives, such as ensuring veterans receive personalized support services and enhanced training on transitioning to civilian life.

In addition, Bill C-97 proposes to expand eligibility for the education and training benefit to supplementary reservists. This benefit already provides veterans who were regular members of the forces with up to $80,000 for education. Now supplementary reservists will also have access to this support.

[*English*]

The value of education and training, after all, cannot be understated. It is critical to building and maintaining a strong and engaged workforce. As we know well, the world is changing rapidly in many ways. In recognition of that, Budget 2019 will help students and workers of all ages find and keep good jobs today and into the future.

This is crucial, because the jobs of the future may look nothing like the jobs of today. The evolving nature of work means that people may change jobs many times over the course of their working lives. I think, as most of us know, young people today already do this much more frequently than did previous generations.

Budget 2019 introduces a new personalized, portable tool to help all Canadians get the skills they need to find and keep good jobs, the Canada training benefit.

Bill C-97 would implement an important part of the benefit, the Canada training credit. This credit will provide working Canadians between ages 25 and 64 with up to $5,000 over the course of their careers to pay for up to 50 per cent of eligible training fees.

In addition, Budget 2019 announced the Employment Insurance training support benefit, which will provide up to four weeks of paid leave every four years for workers to pursue training.

One of the best good-news stories of this Budget Implementation Act is the amendments to the Canada Student Financial Assistance Act. The purpose of the changes is to relieve some of the substantial financial pressures faced by students who must take out loans.

The amendments will ensure that new graduates do not need to worry about interest on their student loans accumulating immediately after completing their studies, as is currently the case.

With this measure, student loans will no longer accumulate any interest during the six-month non-repayment period — the grace period, as it's called — after a student borrower leaves school.

These changes, which would come into effect in November of this year, in combination with the commitment in Budget 2019 to lower the interest rate for student loans, will result in savings of about $2,000 on student loan costs for the average borrower.

Budget 2019 also proposed an ambitious target: Within 10 years, every young Canadian who wants a work-integrated learning opportunity would get one. To support this goal, Budget 2019 proposes to provide funding to support up to 40,000 student work-integrated learning opportunities per year by 2023-24.

In addition, Budget 2019 also proposes to provide funding to the Business/Higher Education Roundtable to match these placements by 2021.

In total, this means that the government will support up to 84,000 new job placements per year by 2023-24.

Many of these positions, and those in the broader workforce, will be ones that focus on the transition to a green economy — and ones that deal directly with the stark reality of a changing climate.

As we all know, climate action in general is, quite literally, a hot topic. Whether you believe that climate change is a real and present danger or that it is exaggerated or even a hoax, the fact is that our planet is in trouble.

Humans caused the dire environmental crisis afflicting the earth, but humans can also reverse it. Action can be taken, but it must be done quickly and effectively.

[*Translation*]

Bill C-97 seeks to protect the environment and Canadians and reverse some of the damaging effects of climate change through some important measures.

• (2000)

The first measure provides support to increase the number of energy efficient residential, commercial, and multi-unit buildings all while lowering energy costs. This is an investment that will support activities like home energy retrofits that can help lower Canadians' monthly energy bills and reduce energy consumption.

Second, the Budget Implementation Act would provide a one-time municipal infrastructure top-up investment in order to build new cleaner and healthier communities. This commitment will double the funds available to municipalities and help communities fund their infrastructure priorities, including public transit, water, and green energy projects. This puts in place a plan to protect the health of Canadians today and into the future, all while growing our economy in a sustainable way. The health of our economy is largely connected to the health of our land, both of which are central to our nation-to-nation relationship with Indigenous peoples.

[*English*]

A critical part of advancing reconciliation and self-determination, and thus strengthening this most important relationship, is ensuring that Indigenous peoples are able to fully contribute to and share in Canada's economic success, to which I referred at the beginning of this speech.

Budget 2019 proposes significant investments in Indigenous economic development. Investments such as these are important because they generate revenue for Indigenous communities, which tend to be reinvested into skills, health and social services.

Some of the investments proposed in Budget 2019 include supporting Indigenous entrepreneurs and economic development in First Nations and Inuit communities through the Community Opportunity Readiness Program; enhancing the funding of Metis capital corporations to support the start-up and expansion of Metis small- and medium-sized businesses; supporting the Indigenous Growth Fund to allow Aboriginal financial institutions, including Metis capital corporations and others, to support both more Indigenous entrepreneurs and more ambitious projects; and increasing targeted support to the next generation of Indigenous entrepreneurs through Futurpreneur Canada.

Further, Budget 2019 also takes action to help communities reclaim, revitalize, maintain and strengthen Indigenous languages and to sustain important cultural traditions and histories.

As I said at the outset, while this is a budget of positive measures, there are three that have elicited particular attention and some criticism: formalizing the creation of the Department of Indigenous Services and the Department of Crown-Indigenous Relations and Northern Affairs; changes to the Income Tax Act to support journalism, specifically the independent panel established by the government to make recommendations on the eligibility criteria for the tax measures proposed in Bill C-97; and amendments to the Immigration and Refugee Protection Act.

Bill C-97 will officially create the Department of Indigenous Services, which will work collaboratively with partners to improve access to high-quality services for First Nations, Inuit and Metis. One of the most important reasons for the creation of this department is to ensure we effectively work toward services and programs for Indigenous peoples being delivered by Indigenous peoples. Reaching this goal, over time, will also be a main criterion against which the success of the department will be measured.

This legislation will also formally establish the Department of Crown-Indigenous Relations and Northern Affairs. Its mandate has, and will continue to be, to renew nation-to-nation, Inuit-Crown and government-to-government relationships between Canada and First Nations, Inuit and Metis.

The relationship between Canada and Indigenous peoples is vitally important to ensuring the strength and prosperity, now and for generations to come, of our Confederation. This relationship must be properly nurtured and respected in order to work toward reconciliation from which we will all benefit.

There have been concerns expressed, including from some honourable senators, about these provisions in the budget implementation act. Of course, concerns over the departmental split have also been officially expressed by our Standing Senate Committee on Aboriginal Peoples through its report to the Senate.

In particular, clarity has been sought regarding some of the language used in the legislation. Given the importance of getting these particular measures right, the government worked with its partners, including the Assembly of First Nations, on amendments that better reflect the unique concerns of Indigenous peoples.

A number of amendments based on these discussions were introduced to the bill in the House of Commons before we received it in the Senate. As with most legislation, this provision may be revisited in the future, as circumstances may warrant.

On the path toward reconciliation and self-determination, we must acknowledge that things can evolve over time. The Standing Senate Committee on Aboriginal Peoples has recommended that Division 25 of Part 4 be removed altogether from Bill C-97 and reintroduced as its own legislation.

I must stress, colleagues, as a final point — for now — on this issue, that this provision is not coming out of the blue. The split of the Department of Indigenous and Northern Affairs into the Department of Indigenous Services and the Department of Crown-Indigenous Relations and Northern Affairs was announced almost two years ago and recommended more than 20 years ago.

In August 2017, when the creation of these two departments was announced, the government was implementing a recommendation made by the Royal Commission on Aboriginal Peoples in 1996. These two departments have been fully functional and doing good work for nearly two years. Bill C-97 simply formalizes the establishment of the two departments, especially their individual roles and responsibilities. These departments are in full flight, with a minister and deputy minister assigned to each, along with the budgets, staff and officials to match as a result of an order-in-council designating Indigenous Services as a department in November 2017.

We cannot and should not simply undo all of that.

While the names of the recommended departments have changed in 23 years, the purpose of today's proposal is, in fact, the same as yesterday's: to improve the delivery of vital services to Indigenous peoples so that we may work toward real reconciliation and the advancement of our most important relationship.

The second area that has received attention and some criticism surrounds changes to the Income Tax Act regarding journalism. The government has chosen associations representing Canadian journalism to serve on an independent panel of experts that has been set up to make recommendations on the eligibility criteria for the tax measures proposed in Bill C-97. Doubts have been expressed by those concerned about how "independent" this panel could be. This provision has been especially contentious in committees in both the Senate, at National Finance, and indeed the other place. The overarching criticism is that this measure will lead us down the slippery slope toward reduced press freedom.

Colleagues, like many of you, I worked in countries where press freedom is not only lacking, it is non-existent. There are many countries around the world where journalists work bravely under the very real threat of violence or even death. For too many, threats turned into action.

That is not to say that journalists in Canada do not have need to worry, but critical stories of big business and government here are not met with violent retaliation. What journalists here — and everyone who cares about a free press — do worry about is the decreasing number of daily and regional newspapers.

[*Translation*]

Since 2008, 250 of Canada's daily news outlets have closed down due in large part to low advertising revenues and the rise of online news and social media. In just one day in November 2017, in a deal between Postmedia Network and Torstar, 36 news outlets went out of business. Three hundred people lost their jobs that day. When print media, and their digital partners, go bankrupt in big cities, that is bad enough. When it happens to small papers in rural areas, that is devastating.

A number of you here in the Senate have been journalists in your previous lives. You understand better than anyone how fundamentally important journalism, and a free press more generally, is to democracy. Journalists uncover and share information with citizens that helps to ensure governments and corporations are held to account. This makes our democracy, and our country, stronger, but journalists cannot do their jobs if they don't have proper funding.

The fact is that the newspaper business is struggling, as I briefly outlined. That is why the government introduced provisions in Bill C-97, based on its commitments in the 2018 Fall Economic Statement and Budget 2019, to provide additional relief and support to independent news media. I'm confident the proposed measures will bolster our news outlets nation wide and enhance, rather than hinder, press freedom in Canada.

• (2010)

[*English*]

Finally, I wish to highlight the concerns raised about proposed changes in Bill C-97 to Canada's asylum rules. Our colleague Senator Omidvar has been especially vocal in sharing the valid concerns of her and others. Our country's system for assessing refugees and asylum-seekers is envied around the world. In Senator Omidvar's own words, it is "the gold standard," and I think she is right about that. It is a huge part of why Canada is seen, rightly so, as an open, welcoming and compassionate society.

In my former life in the foreign service, my first posting abroad was at our embassy in Cuba, where one of the many hats I wore was visa officer. I was responsible for issuing visas to Cubans and others wishing to visit Canada. Many of them decided to stay.

For every reason you can think of, from all corners of the world, people want to come to our country, whether to see the unparalleled beauty of our land or seek safety from violence and persecution, Canada is viewed as a beacon of hope and acceptance for the world's most vulnerable people.

The amendments proposed in Bill C-97 will not change that. Essentially, the budget implementation act proposes that asylum and refugee claimants would be ineligible for protection in Canada if they had already made a claim in a country with which we have agreements to share intelligence and biometrics. These countries being our Five Eyes partners: Australia, New Zealand, the United Kingdom and the United States. The goal of this measure is to deter irregular migration — to reduce numbers that began to rise in 2017 — and to encourage people genuinely in need of protection to make their claim in the first country to which they arrive that has a mature asylum system rather than making claims in multiple countries. All of our Five Eyes partners have such robust systems in their own countries.

Concerns with this have centred mainly around the feeling that Canada is turning its back on its global reputation as a safe haven for asylum-seekers and on its international obligations. Neither of these is the case. Even the Canadian office of the UNHCR here in Ottawa supports the proposed changes to our asylum laws. For balance, Amnesty International and the Canadian Association of Refugee Lawyers do not.

Canada is not trying to deter migrants from coming here. It is not trying to deter refugees and asylum-seekers. Canada is trying to deter irregular migrants. It is proposing doing so in a way that still respects our domestic and international obligations.

To help allay concerns, however, the government amended Bill C-97 in the other place regarding oral hearings. Specifically, Bill C-97 has been strengthened to explicitly state in the legislation that the right to an oral hearing is guaranteed. Nobody claiming refugee status or seeking asylum will be turned away without having an opportunity to plead their case. If it is determined that a claimant would be at serious risk of harm or persecution if returned to the country from which they fled, they would remain in Canada under our protection.

Ultimately, the government is trying to better manage the flow of migrants, making it more efficient and to bring finality to claims, all while respecting our obligations and history as an open, welcoming and compassionate country.

[*Translation*]

Honourable colleagues, I promise that I'm coming to the end of my speech.

I hope to have succeeded in my goal of outlining what are the main reasons why I believe Bill C-97 contains strong, positive measures.

I hope to have also alleviated the concerns that were raised about some of the bill's provisions.

I've been a senator for only eight months, and this is the first time I've shepherded a piece of legislation through the Senate, whether a government bill or otherwise.

[*English*]

There has been a great deal to learn. It is always made that much easier when you have strong support. I thank my more experienced colleagues from all groups in this chamber who have offered their help and guidance. I also appreciate the excellent engagement at committees that participated in the pre-study. In particular, thank you to my fellow members of the Standing Senate Committee on National Finance, especially our chair, Senator Mockler. I also wish to express my appreciation to the clerk of the committee, Gaëtane Lemay, and our analysts, Alex Smith and Shaowei Pu.

We are all in this together, and of course, work on this bill is not yet complete.

Honourable senators, we all know how important budget implementation acts are. This one is no different. I hope that having concluded a thorough and thoughtful pre-study of the bill, you will join me in supporting Bill C-97 at second reading and that it may reach Royal Assent as expeditiously as possible. I thank you for your patience and attention.

The Hon. the Speaker pro tempore: Senator Boehm, would you take some questions?

Senator Boehm: Of course.

Hon. Dennis Glen Patterson: Thank you, and congratulations on your speech, senator.

You talked about the creation of two departments in that large chapter in Bill C-97 — Crown-Indigenous Relations and Northern Affairs Canada and Indigenous Services Canada — but the bill also allows for the creation of a ministry of Northern Affairs as an option for the Prime Minister.

You said the order-in-council that created these changes, which included the establishment of a Northern Affairs minister portfolio, which was first held by Minister LeBlanc and is now by Minister Bennett, has been working well for two years. Do

you think it's fair that the future of the ministry of Northern Affairs should be left to the discretion of the Prime Minister, or should it be mandatory?

Senator Boehm: Thank you for the question, Senator Patterson. Quite frankly, I'm aware of that provision, but I can't really comment on whether it should be left to the Prime Minister.

Based on my experience — and I was still in the Public Service at that point as the split occurred and resource transfers occurred — my understanding was that there was still some consideration that there was more to do. When I said in my remarks that it is up and running, it is up and running, but there is a lot more running to do. I would submit that what you have suggested about a possible third branch or department is part of the thinking.

As I understand it from briefings I've received on Bill C-97, the idea was simply to formalize, de jure, this creation of the two departments two years ago.

Hon. Frances Lankin: Senator Boehm, thank you for your presentation. It was very thorough and informative. For those of us who weren't engaged with the committee in the pre-study, I think it's very helpful. You covered a lot of ground.

Of course, I'm going to ask a question on something you didn't speak about. Trust me to do that. A lot of organizations have been calling on government for major reforms and overhaul of pension legislation, most particularly to deal with bankruptcy situations, and the order of creditors and the protection of pensioners. This budget implementation act does not do that, but it makes some small movements with respect to pensions.

I'm wondering if the committee studied that area, and if they made any comment or if you have any information you can share with us.

Senator Boehm: Thanks, Senator Lankin. I don't have any details, but the answer is "yes." There are lessons to be drawn from both the Nortel and Sears experiences of the past. There are provisions in there. It was the subject of some discussion that we had in committee.

I can't give you the details right now; they're not in my head.

Hon. Ratna Omidvar: Congratulations, Senator Boehm. It was an excellent speech, especially for those of us who do not sit on the National Finance Committee. I noted with some delight, I must say, when you talked about 40,000 work-integrated learning opportunities for students. Could you unpack that a little for us, or is that parliamentary-speak for internships, which I understand completely?

Senator Boehm: Thank you, Senator Omidvar. You're putting me on the spot. This is a very comprehensive thing. There are a number of provisions in the bill related to support for student and training opportunities. I'd be happy to get more of that information to you. I just don't have it to hand.

The Hon. the Speaker pro tempore: Senator Martin, are you rising to ask a question?

Hon. Yonah Martin (Deputy Leader of the Opposition): Yes, I am.

Thank you, Senator Boehm, for your speech. Toward the end you talked about Division 16, the amendments to the Immigration and Refugee Protection Act. I note that the government does not address the safe third country agreement as part of this change. I had an opportunity to look at some of the numbers related to what has happened at our southern border and I was wondering if you could talk a bit about the financial cost of how we'll deal with the backlog and what is happening. Would you detail what's in the budget related to that issue?

• (2020)

Senator Boehm: Thank you, Senator Martin. I probably have that in one of the three binders under my chair, but I don't have the details. I know there are measures that have been taken and I'd be happy to provide those later on.

The Hon. the Speaker pro tempore: Senator Patterson, you have a second question?

Senator Patterson: Yes, if I may, Your Honour.

Senator, you referred to the Chapter 75 reorganizing the Department of Indigenous Services, or the Department of Indian Affairs as it was formerly known. Are you aware that the Aboriginal Peoples Committee received a recommendation from Grand Chief Perry Bellegarde of the Assembly of First Nations, in a letter written to the committee, and he said there was no consultation whatsoever on these major changes to the Indian Act, which impacts First Nations on a daily basis, with the organization representing First Nations across Canada, the Assembly of First Nations?

Grand Chief Bellegarde asked that the chapter be excised from the bill altogether because the principles of the United Nations declaration that everyone is speaking about these days calls for their involvement, prior involvement and informed consent. The Aboriginal Peoples Committee simply recognized that there had been no opportunity for consultation with the Assembly of First Nations and recommended that this chapter therefore be made into a separate bill so that consultation could take place.

Now, you've dismissed that by saying, "Well, everything's working fine and it has been in place for two years."

The Hon. the Speaker pro tempore: Senator Patterson, Senator Boehm's time is up.

Are you requesting five more minutes, Senator Boehm?

Senator Boehm: Sure.

The Hon. the Speaker pro tempore: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Senator Patterson: I was just about to ask my question, Your Honour. Thank you very much.

Wouldn't you say that we should not ignore an urgent letter from the Grand Chief of the Assembly of First Nations, telling us to excise the chapter due to lack of consultation? Are you saying that we should proceed with his voice, saying that his people have been left out of the development of this bill altogether? Isn't it important that they be given a chance to give their opinion on this major reorganization of this important department before it becomes finalized?

Senator Boehm: Thank you, Senator Patterson, for the question. I am aware of the letter by the National Chief. In fact, I've read it. I'm also aware of the letter that went from Ministers Bennett and O'Regan to National Chief Bellegarde as well. My impression — and maybe you can correct me on this — is they somehow crossed and I gather there were some discussions that have taken place. This weekend, I also carefully read the report of the Aboriginal Peoples Committee.

When I mentioned that the departments were operational and rolling along, I did not want to give the impression that work wasn't under way or that it was all fine. Obviously, when you establish new departments or change old ones — and I went through one of those exercises as a deputy minister myself — it's not easy, but just to say you have the two entities that have been set up, they are financed, they've moved personnel around, they've divided their full-time equivalents as we say in the bureaucracy, so that work is going ahead. Should more be done? Absolutely. I agree with you. I do not know the status of those letters and how they crossed and whether there was some entente developed.

Hon. Elizabeth Marshall: Thank you very much for your speech, Senator Boehm. I'm the critic for Bill C-97. I'll be giving you the other side of the story on some of the issues raised by Senator Boehm, including the one Senator Patterson just addressed.

Honourable senators, before I speak to the specifics of Budget 2019 and Bill C-97, I would like to reflect on the four budgets of this government. As you know, one of the primary objectives of this government was to grow the middle class. In fact, Budget 2016 was titled: *Growing the Middle Class*. This was followed by Budget 2017: *Building a Strong Middle Class*, then Budget 2018: *Equality and Growth for a Strong Middle Class*, and now Budget 2019: *Investing in the Middle Class*.

Over the past four years, Minister Morneau was asked on many occasions to define the "middle class." After all, how can the government determine if the middle class has grown if it doesn't know who is in it? Minister Morneau never did define the middle class.

Earlier this year, the OECD, Organisation for Economic Co-operation and Development, of which Canada is a member and Senator Boehm has referred to earlier, issued a report on the middle class. According to the OECD, the middle class in its 36-member countries is actually shrinking. Middle class shrinkage was sharper in Canada than the OECD average. After four budgets focused on the middle class, it's disappointing that a government committed to measuring results has never reported on whether they were able to actually grow the middle class.

Honourable senators, the last comprehensive review of Canada's tax system was carved out in the 1960s, more than 50 years ago, and I can actually remember that time. Since then, our tax system has accumulated a patchwork of credits, incentives and other changes, many of them major. It has created a complex and inefficient system.

Many organizations have called for a comprehensive review of our tax system, including the OECD, the International Monetary Fund, the Business Council of Canada, the Chartered Professional Accountants of Canada, the Canadian Chamber of Commerce and so on. Even the government's own Advisory Council on Economic Growth, headed by Dominic Barton, in 2017, recommended a targeted review of our tax system, noting it has been decades since the last significant review.

Canada is falling behind other jurisdictions, including the U.S., the U.K., New Zealand and Japan, in keeping our tax system competitive. The tax system is fundamental to creating a competitive environment, encouraging business to invest and expand. It creates quality jobs, encourages innovation and produces revenue to fund government programs and services.

Honourable senators, the Standing Senate Committee on National Finance met with representatives of CPA Canada and the Canadian Chamber of Commerce to discuss several aspects of Budget 2019. The Chartered Professional Accountants of Canada indicated that it supports the measures to accelerate business investment, but more needs to be done to bolster competitiveness in the long term and a comprehensive review of the tax system is needed. Such a review would help make the tax system simpler, fairer and more competitive. In the absence of such an announcement in the budget, CPA Canada noted that this was a squandered opportunity. There is a groundswell of support for a full-scale tax review in Canada and a much-needed assessment would pave the way for an improved system that best positions the country for economic and social growth.

The Chartered Professional Accountants of Canada is one of the largest national accounting organizations in the world, representing more than 210,000 members. In February of this year, it commissioned a public opinion survey on Canada's tax system, which was conducted by Nanos Research. The survey reported several interesting findings. It found that almost half of Canadians — 47 per cent — say the tax system has become more complex than it was 10 years ago, while 37 per cent say it has stayed the same. Only 5 per cent feel that the tax system is less complex.

The public opinion survey also found that 81 per cent of Canadians see a comprehensive tax review as a priority for the federal government. Of those, more than one in three, or 35 per cent, say it should be a high priority — an impressive number for a topic such as tax reform.

• (2030)

Honourable senators, many of our country's leading tax experts are members of CPA Canada. Based on their knowledge and that of other CPA members, CPA Canada has issued two reports supporting a review of our tax system.

The first report looked at how other countries have approached tax reforms and reviews. The second report addresses why Canada's tax system needs an urgent overhaul. The final report will explore how an independent tax system can be designed to maximize the benefits.

Honourable senators, when Minister Morneau appeared before our Finance Committee last Wednesday, several senators asked him why he has not undertaken a comprehensive review of our tax system. While Minister Morneau indicated it is always important to listen to people, he said, "A complete overhaul of the tax code is not currently something on our agenda," to which one senator responded, "Who are you listening to? If not the 80 per cent who is looking for a tax review, it must be the 20 per cent that says we don't need it."

Honourable senators, Budget 2019 includes the government's debt management strategy for 2019-20 and sets out the government's objectives, strategy and borrowing plans for next year. Borrowing activities include the ongoing refinancing of government debt coming to maturity, the implementation of the budget plan and the financial operations of the government.

As honourable senators may recall, the Liberal government, as part of its 2015 election platform, promised modest deficits of $10 billion a year, with a return to a balanced budget by this year, 2019-20. However, in its first budget, the government abandoned its promise to run smaller deficits, along with its promise to balance the budget by this year.

Since its election, the federal government has incurred deficits of $17 billion in 2016-17, $19 billion in 2017-18, $15 billion in 2018-19, along with a projected deficit of $19 billion for this year. There is no plan ever to return to a balanced budget, as promised. I think I did see something about the 2040s, but that's so far off.

While there has been much emphasis on Canada's market debt, which is projected to reach $754 billion at the end of this year, the debt of its Crown corporations is often ignored. The total liabilities of these Crown corporations do not appear in the market debt of the Government of Canada, nor in the consolidated financial statements of the Government of Canada. However, as agents of the Crown, the government is ultimately legally liable for their actions and for their liabilities.

It is estimated that the debt of these Crown corporations will reach $316 billion by the end of this fiscal year. In recognition of this reality, government, in enacting the Borrowing Authority Act in 2017, included the debt of these Crown corporations as a component of the new legislation.

If we look at Canada's debt over the years, we can see that government debt, including that of Crown corporations, was $918 billion at the end of the 2014-15 fiscal year, just before the current government was elected. In its 2019 budget, the government indicates that its debt, including Crown corporations debt, will reach $1.07 trillion. In other words, the current government, since its election in 2015, will have increased Canada's debt by $152 billion.

Honourable senators, there is a cost to carrying debt. This year, public debt charges are expected to be $26 billion, up from $23 billion last year and $21 billion the previous year.

Projections for public debt charges for the next four years also indicate an increase: $28 billion in 2020-21, $30 billion in 2021-22, $31 billion in 2022-23, and $33 billion in 2023-24.

Past debt charges and projected debt charges clearly indicate that debt charges have already increased significantly over the past four years and will continue to increase in the future. As our debt increases, and if interest rates increase, so will the cost of servicing our debt. As public debt charges increase, there will be less funding for other government programs.

Honourable senators, I would be remiss if I did not provide further comments on debt and interest rates.

CMHC recently indicated that Canadian household debt reached a record high at the end of 2018, even as mortgage activity slowed, as Canadians continued to take on more non-mortgage debt.

The Bank of Canada, in its Financial System Review last month, identified the main vulnerabilities and risk to financial stability in Canada, indicating that:

> The vulnerabilities associated with high household debt and imbalances in the housing market have declined modestly but remain significant.

The Bank of Canada continued on to say that:

> Despite this progress, we need to remain vigilant as the overall level of indebtedness continues to be high, with a large portion of that debt held by indebted households.

Also included in the Bank of Canada's Financial System Review is a reference that fragile corporate debt funding is emerging as a vulnerability.

Honourable senators, we should not think that the Government of Canada, which has assumed a significant amount of debt over the past four years, is immune to risk.

The Bank of Canada, in its financial review, continued on to say that:

> The overall risk to the Canadian financial system has increased slightly since our last assessment in June 2018 . . . caused in part by global trade policy uncertainty, last year's oil price decline, ongoing difficulties in the energy sector and expanded risk taking in global financial markets.

The International Monetary Fund has also provided commentary on Canada's economy. Every year, the International Monetary Fund sends a team of economists to most of its 189 member countries to assess the state of their economies.

Last month, the International Monetary Fund released its preliminary findings of its most recent consultation with Canada. The report indicated that risks are evolving as the federal election approaches.

As stated in the preliminary report:

> The global economy is slowing, low oil prices, aggravated by domestic pipeline constraints, have dampened exports and business investment, while private consumption and residential investment — important contributors of Canada's recent rapid growth have decelerated in line with the slowdown in the housing market, rising interest rates, and slower real income growth. While the deal to overhaul NAFTA was signed, the new USMCA awaits legislative approval, and trade tensions between the U.S. and its major trading partners continue to cast a shadow over [Canada's] economic outlook.

The Canadian Chamber of Commerce, in its testimony at the Finance Committee, indicated that the federal debt and deficit, with increasing debt and continuing deficits, presents challenges. Canada's fiscal flexibility is extremely limited, and there is no clear plan for returning to balance. They said this is a terrible long-term policy, and failure to get our fiscal house in order increases Canada's vulnerability whenever the next economic downturn occurs.

CPA Canada also stated that while the government has continued its commitment to reduce Canada's debt-to-GDP ratio, the government has provided no target for elimination of the deficit.

CPA Canada further stated that Canada needs a plan for fiscal stability, one that establishes a target date for a return to a balanced budget over the medium term. The government must demonstrate that it has a plan to rein in spending and address the persistent deficits. This would greatly assist in creating business confidence and minimize the burden on future generations.

Even Kevin Page, our former Parliamentary Budget Officer, commented in a recent article that:

> The increase in federal debt and associated interest on the public debt will raise legitimate concerns about the government's capacity as a fiscal manager.

He goes on to say:

> If the economy slides into a recession between now and the election, the government will look seriously unprepared.

Honourable senators, Budget 2019 expands the Rental Construction Financing Initiative, which was first introduced in Budget 2017. It provides low-cost loans to encourage the construction of rental housing across Canada. Projects must meet certain criteria to qualify. The program was enhanced in Budget 2018 to build 14,000 new rental units over the life of the program.

Budget 2019 proposes to further expand the program, with an additional $10 billion over nine years. With this increase, it is estimated that the program would support 42,500 new rental units across Canada.

Budget 2019 indicates that five projects, representing 500 rental units, have been announced.

• (2040)

Senators questioned why there were only five projects representing 500 units for a program announced two years ago. CMHC officials indicated that they still expect to meet the targets and that it takes time to build a rental building. Their explanation was:

> . . . so there is a bit of a lag between when we start the program and take applications and fund it.

I must say, to take two years and to only have 500 units announced was very disappointing with regard to that program.

Budget 2019 also proposes to introduce the first-time home buyer incentive program, and Senator Boehm has commented on that. This program was referred to the Senate Social Affairs Committee. However, the CEO and President of CMHC testified at our Senate Finance Committee and discussed this budget initiative.

Under this program, an incentive of 5 per cent or 10 per cent of the home purchase price would be provided by CMHC; 5 per cent would be provided for an existing home and 10 per cent would be provided for a newly constructed home. The 10 per cent shared equity mortgage for newly constructed homes is intended to help encourage new home construction in areas that have housing supply shortages.

To qualify, the participant must be a first-time homeowner, household income must be less than $120,000 a year and the insured mortgage plus the incentive cannot exceed four times the household income. The incentive would allow eligible first-time home buyers who have the minimum down payment for an insured mortgage to apply to finance a portion of their home purchase through a shared equity mortgage with CMHC. It is expected that approximately 100,000 first-time home buyers would be able to benefit from the incentive over the next three years.

The government has committed a significant amount of funding to this program. In fact, $1.25 billion over three years: $250 million this year, half a billion dollars next year and half a billion dollars the following year. The government has indicated that the program will be implemented September of this year.

The first-time home buyer incentive will be a shared equity mortgage that is to be repaid when the participant sells their home. Further details on the program will be needed to understand how the program will actually work. For example, if a home is sold for less than the outstanding mortgage, how will CMHC recoup its investment? The formula under which CMHC will recoup its investment has yet to be disclosed.

However, as much as the plan has been promoted, it is not without its critics. Critics say the plan will increase demand for houses. It will also increase supply, but while the new homes are being built, house prices most likely will increase. In markets where prices have stabilized or declined, it could reverse improved affordability. However, CMHC officials indicated that they were confident the program will essentially have no impact on housing prices.

The biggest and most visible threat to Canada's economic stability is record-high household debt tilted heavily toward mortgages. In fact, Canadians have the highest debt load in the Group of Seven economies, so this program will encourage more people on the margins to take on more debt, while contributing to higher housing costs that got Canadians into their current debt problems.

In fact, our own Bank of Canada says that Canada's high household debt is the central bank's top domestic financial vulnerability. In addition, the International Monetary Fund has warned Canada about its high debt levels and the pressure on Canadian households to pay down their debt.

CPA Canada, in its testimony, commented on the proposed first-time home buyer incentive, citing several concerns. First, they said that the proposed program implies that CMHC is taking on direct exposure to the mortgage market at a time of record household indebtedness and rising interest rates.

Second, CMHC taking on part of a buyer's mortgage simply allows the borrower to leverage further. CPA Canada went on to say that in a supply-constrained housing market that already has sufficient demand, pushing more buyers into a higher level of debt is unlikely to impact supply in isolation.

Mortgage Professionals Canada also expressed concerns regarding the first-time home buyers incentive program. The difficulty they have with the program is that it doesn't assist anyone to qualify to purchase a home that wouldn't already have qualified.

They also indicated that the program limits the mortgage size to four times the actual household income, whereas a family with reasonable credit would generally qualify for a traditional insured mortgage of around 4.7 or 4.8 times their household income.

Mortgage Professionals Canada also indicated that, to their knowledge, the program was conceived and announced without significant industry consultation.

The House of Commons Finance Committee also met on the first-time home buyer incentive program. I'm summarizing some of their discussions that provide insight into the program.

MPs indicated that at recent Public Accounts Committee meetings, nobody seemed to know the details of the program. The head of CMHC said the board of CMHC only found out about the program on the night of the budget. MPs at the House of Commons Finance Committee indicated that the program is intended to help 100,000 first-time home buyers, but they could not determine where that number came from.

Other information on the program was not available from CMHC, including the application process, the terms and conditions of the program, what happens in the event of a mortgage default, the repayment terms and amounts and the undertaking by CMHC of a risk assessment.

In summary, discussions at the House of Commons Finance Committee were similar to those at the Senate Social Affairs Committee. That section of the budget bill was sent to the Social Affairs Committee. I'll have some other comments on that later on when I get into the reports of the committees.

Given that this budget initiative is estimated to cost $1.25 billion over the next three years, I would have expected the program to be more fully developed.

Honourable senators, I want to talk a bit about Phoenix because there's a significant amount of money provided in the budget to fix Phoenix.

As you know, the Phoenix pay system for federal public servants is the result of the Transformation of Pay Administration Initiative. This led to the Phoenix pay system, whereby more than half of the federal government's public servants have experienced pay problems, causing hardships to thousands.

The Auditor General of Canada issued two reports on Phoenix. The Phoenix pay system is still currently used to administer the pay of approximately 300,000 federal public servants.

In 2016, after Phoenix was launched, problems arose. The causes of the failure were multiple, such as failing to manage the pay system in an integrated way with human resources processes, not conducting a pilot project, removing essential processing functions to stay on budget, laying off experienced compensation advisers and implementing a pay system that was not ready.

The total amount of investments to respond to pay issues of the Phoenix system now stands at $1.2 billion. I'll just give you a rundown as to where that money has gone.

During 2017, there was $142 million invested to build capacity, enhance technology and support employees; in other words, to help fix the problems that were being identified. Budget 2018 last year set aside $431 million over five years so that Public Services and Procurement Canada and Treasury Board Secretariat could hire staff, build capacity, enhance technology and support employees, again to fix the problems of the Phoenix pay system. It also set aside $5 million over two years towards the Canada Revenue Agency to process income tax reassessments on pay issues.

In Budget 2018, the Government of Canada also set aside $16 million over two years for Treasury Board, beginning in 2018-19, to work with experts, federal public sector unions and technology providers in order to establish a way forward for a new pay system and establish a temporary next generation human resources and pay team as a pay solution for the Government of Canada. It is expected that this initiative will result in recommended options during this month. We're anxiously waiting to see what those options are going to be.

Minister Qualtrough, in her appearance before the National Finance Committee, said that work has already begun to move away from Phoenix and begin development of the next generation of the federal government's pay system. Budget 2019 provides an additional $22 million in 2018-19 to address urgent pay administration pressures to continue progress on stabilizing the current pay system.

Budget 2019 also proposes to invest an additional $523 million over five years, starting in 2019-20, towards Public Services and Procurement Canada and Treasury Board Secretariat to ensure that adequate resources are dedicated to addressing pay issues. It also establishes $9 million towards the Canada Revenue Agency to process income tax reassessments.

• (2050)

The government has established a new service delivery model to process pay transactions, which is a pay centre employee initiative known as Pay Pods. It is expected that the use of resources would be more efficient and that pay transactions are processed more rapidly during the Pay Pod system.

We were told, when we met with the minister in April, that by May — last month — all 46 departments served by the pay centre would use the Pay Pod model.

Honourable senators, Bill C-97 deals with overpayments. The Phoenix pay system has been underpaying some public servants, and it has also been overpaying other public servants. Under the current legislation, an employee who has been overpaid is required to pay back the gross amount of the overpayment to the employer and the employee is to recover from the Canada Revenue Agency the excess income tax, Canada Pension Plan contributions and the Employment Insurance premiums that were deducted by their employer when the overpayment was made.

Clauses 33, 45 and 50 of Bill C-97 establishes that under certain conditions, an employee who was overpaid due to a system, administrative or clerical error would be able to repay to their employer only the net amount of the overpayment received in a previous year rather than the gross amount.

Under the new rules, the Canada Revenue Agency would be able to refund directly to the employer the income tax, CPP contributions and EI premiums withheld on an overpayment remitted to the Canada Revenue Agency on behalf of the affected employee. As a result, affected employees would no longer be responsible for recovering these amounts from the Canada Revenue Agency and repaying the gross amount to their employer.

For these new rules to apply, the employee must have repaid their employer or made arrangements to repay within three years following the end of the year in which the overpayment took place. Where these conditions are not met, the current rules would continue to apply. Public or private sector employers may elect to apply these new rules for any overpayment after 2015 as long as they have not previously issued a T4 correcting this overpayment.

Witnesses appearing before the National Finance Committee stated that since neither retirees nor employees were responsible for overpayments, they should not bear the burden of gross repayments, years of income tax confusion and challenges or financial hardship and uncertainty.

Honourable senators, I want to say a few words now about money laundering. This issue was referred to the Standing Senate Committee on Legal and Constitutional Affairs, but I was interested in this topic. I was doing a bit of research before that section of the bill was referred to another committee. I want to talk about it and then, later on, I can refer to what the Legal and Constitutional Affairs Committee had to say about the issue.

Honourable senators, in Budget 2019, the government lays out its concerns regarding money laundering. For the past few years, the issue of money laundering has played out in the media in British Columbia. Last year, the B.C. government retained retired RCMP Deputy Commissioner Peter German to conduct an independent review of money laundering in Lower Mainland casinos. His report was released in March 2018.

More recently, two other reports have been released on money laundering in real estate, luxury cars and horse racing. These reports were commissioned in September 2018, following a widespread concern about the province's reputation as a haven for money laundering.

The first report was from an expert panel on money laundering, which was appointed by the B.C. government to review money laundering in the real estate sector. The second report was from Peter German's second review into money laundering, focusing on the construction industry, real estate, luxury cars and horse racing.

The C.D. Howe Institute also released a report entitled, *Why We Fail to Catch Money Launderers 99.9 percent of the Time*. In this report, author Kevin Comeau says that Canada's anti-money laundering protections, especially as they pertain to real estate, are among the weakest of those of Western liberal democracies and billions are being laundered in Canada annually.

In addition, the House of Commons Finance Committee issued a report in November of last year on their review of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.

The Standing Senate Committee on Banking, Trade and Commerce also issued a report in 2013 titled as follows: *Follow the Money: Is Canada Making Progress In Combatting Money Laundering and Terrorist Financing? Not Really.*

The federal government has been criticized for not taking enough action to counter money laundering.

Budget 2019 commits $11 million this year and $141 million over five years to the RCMP, Public Safety Canada, Canada Border Services Agency and FINTRAC to strengthen Canada's anti-money laundering and anti-terrorist financing regime.

In addition to the funding, Bill C-97 proposes amendments to the Criminal Code and Proceeds of Crime (Money Laundering) and Terrorist Financing Act.

As I mentioned earlier, this section of the budget implementation act on money laundering was referred to the Standing Senate Committee on Legal and Constitutional Affairs, and I will comment further on this item later in my speech.

Honourable senators, the budget bill adds three new measures to the Income Tax Act to provide support to Canadian journalism. Senator Boehm has referenced this and described it in his speech. I'll just mention the three new measures and provide some comment.

First of all, it establishes a digital news subscription tax credit for subscribers. It would also amend the definition of qualified donee, which presently includes registered charities, to include registered journalism organizations registered by the Minister of National Revenue. This would enable journalism organizations to issue official receipts for donations.

A third new measure in Bill C-97 introduces a 25 per cent refundable tax credit on wages paid to eligible newsroom employees.

To implement this program, the government has identified eight organizations which have been invited to name a member to the independent panel of experts to assist in implementing these measures, including recommending eligibility criteria. The government also proposes to establish an independent administrative body, which will be responsible for recognizing journalism organizations as being eligible for the three measures. The government argues that a strong and independent news media is crucial to a well-functioning democracy.

However, the program has been heavily criticized since the people who lobbied for assistance are now the people responsible for defining the criteria for eligibility, and they are the same people who will be the beneficiaries of the program.

As Mr. John Miller, a professor at Ryerson University, stated:

> Bill C-97 runs to more than 106,000 words, and 4 of those words concern me . . . "qualified" or "registered" journalism organizations, which will be the only ones receiving federal support.
>
> . . . Who qualifies journalists? Where are they registered? Who benefits?

He also expressed concern that the danger here is that the government has power over news organizations.

The cost of the program is significant. Budget 2019 discloses that the cost of this program over the next five years will be $594 million.

A number of issues were discussed during our committee meeting. The program infringes on the independence of the press, as media organizations will now be subsidized by the government. While the government has established an independent panel of experts to recommend eligibility criteria, if you look at the Budget 2019 document, the budget has already established the eligibility criteria. Of particular concern is the inclusion of Unifor on the independent panel of experts.

In addition, the Canadian Association of Journalists, which is a member of the panel, has raised a number of concerns about the transparency of the process. It has called for the panel's terms of reference, meeting minutes and agenda to be public. It has also called for the full list of applicants applying for funding to be posted online.

No information on the independent administrative body has been released, so we do not know how this body is to function.

Honourable senators, here is the main concern I have with regard to this program. When this government was elected in 2015, it focused on how to achieve results on promised actions. Departments were required to establish performance indicators for the program, and a Results and Delivery Unit was created in the Privy Council Office. A deputy minister was appointed to head it up.

Despite the fact that $594 million will be spent to support journalism, no one has told us what this $594 million is supposed to achieve. I know Senator Boehm used the words "bolster" and "enhance," but for $594 million, I think that the government should be more precise as to what it expects the $594 million to achieve.

Some Hon. Senators: Hear, hear!

Senator Marshall: What results can we expect? What happens after year five when the funding ceases? Those are questions that haven't been answered.

• (2100)

Honourable senators, I want to move now to zero-emission vehicles. We had a meeting at the finance committee on zero-emission vehicles, which was very interesting and educational.

Budget 2019 proposes several measures that will encourage more people and businesses to purchase zero-emission vehicles to reduce greenhouse gas emissions.

Bill C-97 proposes that zero-emission vehicles be eligible for a first year enhanced capital cost allowance rate of 100 per cent in the year that the vehicle is put in use, up to a maximum of $55,000.

To be eligible for this enhanced capital cost allowance, a vehicle must be fully electric, a plug-in hybrid with a battery capacity of at least 15 kilowatt hours or fully powered by hydrogen.

Bill C-97 also extends the accelerated capital cost allowance to vehicle charging stations. This initiative is estimated to cost $130 million over five years.

The measure to support business investment in zero-emission vehicles is estimated to cost $265 million over five years. There's lots of money being devoted to this initiative.

In addition to the accelerated capital cost allowance for businesses, Budget 2019 proposes to introduce a new federal purchases incentive of up to $5,000 for electric battery or hydrogen fuel cell vehicles with a manufacturers' retail price of less than $45,000. This initiative is expected to cost $300 million over three years.

Witnesses told us that more than 40 electric vehicle models are available for sale. The number is expected to grow significantly over the next few years. This compares to seven models that were available in 2011.

They also told us there has been a direct correlation between increased consumer adoption rates of electric vehicles and those jurisdictions that have provided consumer purchase incentives. There is a correlation.

The proposed $130 million investment over five years to deploy new recharging and refuelling stations is welcome, but, as one witness said, there is still a good way to go in that respect.

Fleet turnover is about 8 per cent per year, so the introduction will take some time.

Witnesses also told us that weather impacts and patterns of use have an impact on batteries. Witnesses indicated that on average a 340-kilometre distance is at the high-end range, depending on the vehicle, the type of battery and the load that's placed on the battery. Even driving behaviour of the individual can drastically change battery performance and distance travelled.

Witnesses also indicated that there is clearly a need to expand the recharging network.

A representative of the charging industry indicated that a complete charge for a normal electric vehicle takes about 15 to 25 minutes and that more charging stations will instill confidence in electric vehicle owners.

This was all very interesting and informative.

Budget 2019 sets a target — the government has set a target for this program — to sell 100 per cent of zero-emission vehicles by 2040, so that's a ways off, with near-term targets of 10 per cent by 2025 and 30 per cent by 2030.

While 2030 and 2040 are a way into the future, witnesses seem to be a bit reluctant to comment on those dates, but they were willing to comment on the 10 per cent target by 2025. They said right now, we are below 4 per cent, so we may reach 10 per cent, depending on the rebates, accessibility of charging stations and types of available vehicles.

Another witness felt that the established targets, while ambitious, are achievable with the right mix of policies.

We had three main witnesses, and there was a fourth witness who came to the table to answer questions on the recharging network. At the end of that hearing, all of our witnesses were very supportive of these vehicles.

Interestingly, at the end of our meeting, Senator Mockler asked the three witnesses — well, the three witnesses were supportive of the Budget 2019 initiatives, none of the three own an electric vehicle.

It was an interesting session. It sparked my interest in having an electric vehicle.

Honourable senators, I want to talk about the Canada training benefit. Budget 2019 proposes to establish a new Canada training benefit, with the objective of helping Canadians get the skills they need in a changing world.

The benefit is going to be administered by the Canada Revenue Agency. Under this program, eligible workers would accumulate a credit balance of $250 per year, up to a lifetime limit of $5,000, which could be used for training fees. I think Senator Boehm has talked about this program.

To be eligible for this benefit, individuals must be between the ages of 25 and 64, have earnings between $10,000 and $150,000 a year, and workers would be able to apply their accumulated Canada training credit balance against up to half of the cost of training fees.

Workers would claim this refund when they file their tax return. Since the Canada Revenue Agency will be administering this program, an updated balance of their Canada training credit will be included in the information the agency sends to Canadians each year.

The committee heard from five external witnesses when we studied this section of Bill C-97. They raised several issues with regard to this new benefit.

I'm going to list them because they had quite a few comments. There are eight.

First of all, Dan Kelly from the Canadian Federation of Independent Business said there is no role for the employer, who would be required to provide leave regardless of whether there is a business-related benefit.

The second comment is that the $250 annual credit may not be sufficient to buy meaningful training.

The third comment was a worker will have to wait until tax time to receive their refund.

Another complaint, I guess, is that only half of the cost of training, not the full amount, will be covered.

Witnesses also said the program itself and the administration by the Canada Revenue Agency increases the complexity of our tax system. I've talked about that before.

There should be a definition of what to expect in terms of long-term labour impacts, again, talking about the results of a program.

The benefit is restricted to workers between the ages of 25 and 64 years. As Senator Boehm has mentioned, many people work now past the age of 64. Perhaps 64 years is cutting it off too quickly.

Individuals have to have earnings of $10,000 a year.

It was most disappointing to hear that none of our five witnesses had been consulted on the bill, and especially so since a representative of the Canadian Federation of Independent Business was one of our five witnesses.

Honourable senators, one of the benefits of sitting on the National Finance Committee is that you learn about all the government departments and agencies.

When the budget implementation bill was tabled over in the House of Commons, and we were looking at the various sections, some of the sections I thought would come to the finance committee didn't come to the finance committee; they went to other committees. The reports that were issued by the different committees on their sections of the budget implementation bill goes to the Senate finance committee. I took the reports and was reading some of them to see what concerns they had with certain parts of the bill. Some of the parts of the bill I found interesting, such as the issue Senator Patterson raised with regard to the two new departments. The section on money laundering was very interesting.

I was going to go through all of them. I don't know if I have the time. I'm going to sort of start at the end and talk about the Standing Senate Committee on Aboriginal Peoples. They were to look at Division 25 of Part 4 of the bill, and that has to do with the two new departments.

In the finance committee, when those two new departments were created, every time someone came from those two departments we would ask what the status was of the new legislation governing the departments. When we questioned the witnesses, we found it sometimes confusing as to who was responsible for what programs. I'll give you an example.

Could I have five more minutes, please?

The Hon. the Speaker pro tempore: Is it agreed, honourable senators, five more minutes?

Hon. Senators: Agreed.

Senator Marshall: When witnesses came from those two departments, we would always ask them to clarify what they were responsible for. As an example, it seems like there were several departments involved in housing for Indigenous peoples. Between the two new Aboriginal departments and CMHC, it got confusing at times, so we were waiting for the new legislation.

• (2110)

As Senator Boehm said, it was back in August 2017 that the Prime Minister announced the dissolution of Indigenous and Northern Affairs Canada, so we were waiting for the new legislation.

I was kind of surprised when somebody told me, "Oh, the legislation for those two new departments is part of the Budget Implementation Bill, so it's right at the end." So ever before I knew it was going to go to the Aboriginal Peoples Committee, I thought the Finance Committee would get it, because we were interested in it.

I did read it. Now, I don't know what I expected before I read the bill, but after I read the two bills, I really thought that the legislation was superficial. I don't know why and I don't know what I was expecting, but whatever I was expecting, it doesn't meet my expectations.

When I went to the Aboriginal Peoples Committee, I was very interested in what they had to say. Senator Patterson did reference some of it. He referenced a letter written by the Assembly of First Nations and I have it here. These are excerpts from the report of the Standing Senate Committee on Aboriginal Peoples.

> . . . the Assembly of First Nations informed the Committee that there was a lack of meaningful consultation on the creation of the two departments and a potential third ministry.

The committee also said:

> Further, the Assembly of First Nations felt that "there has been insufficient time for First Nations governments and representative organizations to thoroughly review and analyze the Bill, obtain legal opinions on the matters raised, and prepare submissions." The lack of consultation led some witnesses to state that their treaty rights were violated and some recommended that Division 25 of Part 4 be deleted from Bill C-97.

So the Standing Senate Committee on Aboriginal Peoples made two recommendations in its report, and here's what they said in their first recommendation:

> That the Standing Senate Committee on National Finance amend Bill C-97 by deleting Division 25 of Part 4 and reintroducing it in the Senate as a stand-alone bill to allow better participation of Indigenous rights holders in the legislative process.

In its second recommendation, the committee said:

> That Indigenous Services Canada and Crown-Indigenous Relations and Northern Affairs Canada:
>
> undertake additional consultations with Indigenous peoples, communities, and organizations on the replacement of the Department of Indian Affairs and Northern Development with two new departments and potentially a third Ministry of Northern Affairs;
>
> report back to the Committee within one year on the consultation process and progress made to address issues raised, such as the concerns of First Nations with pre-1975 treaties and whether the Minister of Northern Affairs should be a discretionary or mandatory appointment.

Those were the two recommendations of the Standing Senate Committee on Aboriginal Peoples.

Now, there are several other committee reports that interface with what we did at the Finance Committee. I wanted to talk about the Legal and Constitutional Affairs Committee because

they looked at money laundering. They were authorized to look at that section of the budget implementation act. Here's what they said in their observation:

> The committee acknowledges that Bill C-97 contains amendments aimed at enhancing the capacity of law enforcement, prosecution services and FINTRAC to deter, prevent, investigate and prosecute money laundering activities. However, the committee is of the opinion that the government is not demonstrating the leadership that is necessary to effectively combat money laundering and to make up for the losses caused to public funds. According to recent expert reports and information released by the British Columbia government, losses range from $40 to $100 billion per year. The federal government appears to rely on international bodies, and even the provinces, before taking action.

The Hon. the Speaker pro tempore: Senator Marshall, your time is up.

Some Hon. Senators: Question.

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

Some Hon. Senators: Question.

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

Some Hon. Senators: Agreed.

An Hon. Senator: On division.

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

REFERRED TO COMMITTEE

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

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

BILL TO PROVIDE NO-COST, EXPEDITED RECORD SUSPENSIONS FOR SIMPLE POSSESSION OF CANNABIS

SECOND READING—DEBATE ADJOURNED

Hon. Tony Dean moved second reading of Bill C-93, An Act to provide no-cost, expedited record suspensions for simple possession of cannabis.

He said: Honourable senators, I rise today to speak to Bill C-93, An Act to provide no-cost, expedited record suspensions for simple possession of cannabis. With this important piece of legislation, the government is proposing to provide an expedited pardon mechanism for those with simple cannabis possession records with the usual application fee being waived.

The objective of Bill C-93 is to allow these individuals the option to shed the burden of stigma, as well as to eliminate barriers to meaningful employment, education, housing, the ability to volunteer in their communities and to have a greater ability to travel. All of these things are consistent with one of the key purposes of Bill C-45, the cannabis legalization bill that we dealt with last year.

Similar to our approach with the sponsorship of Bill C-45, my office will be proactively sending briefing material and issue notes to all senators as we move through this process. Indeed, you have already received an email package this evening in both official languages.

I would also like to take this opportunity to extend an invitation to all senators and their staff to attend an information session on the bill this Wednesday, June 12, at 11:30 a.m. An invitation will be circulated with details.

I also want to be proactive today in describing key issues emerging in the House of Commons debates in order to set the stage for our discussion of this important legislation.

However, I begin my remarks today by reflecting on just how much difference a year can make. One year ago this past Friday, June 7, senators voted on third reading of Bill C-45, the Cannabis Act. It was somewhat of a historic moment for the Senate and for Canadians. Leaders agreed on scheduled and thematic debates, extensive and thorough committee study and, importantly, set a date well in advance for a third reading vote. After months of fulsome study in the Senate, debate and soul searching, Canada became the second country in the world to legalize and strictly regulate cannabis.

Last week, I had the privilege of attending the National Finance Committee, chaired by Senator Mockler, to participate in the pre-study of the budget bill. You've probably heard enough about that, I suspect. However, senators and witnesses were discussing the taxation of cannabis. It was an engaging, thoughtful and policy-based discussion, which was very refreshing. We could have been discussing any commodity and any market. The tone of the meeting speaks to the strides we've made in eliminating stigma in just a matter of months and in continuing to realize the public health and social objectives behind cannabis reform.

Today, colleagues, we are making another stride, one that sets out to improve the lives of those who have been convicted of simple possession of cannabis. The government is proposing expedited record suspensions, popularly known as pardons, for previous offences that are now legal under the Criminal Code. This proposed pardon process will be a simplified and expedited version of the existing pardons and/or records suspension process that has been in operation for many years. For this reason, the bill is short. It weighs in at four and a half pages covering both official languages but its impact would be profound. My remarks are not proportional in length to the length of the bill.

• (2120)

Bill C-93 would expedite and improve Canada's well-known and widely used pardon process. In so doing, it would provide quick relief to those affected by the stigma of minor possession charges for a drug now legal and regulated.

Both the $631 application fee and the five to ten-year waiting period now required to make an application would be waived, and where the basic requirements of an application are met, a pardon would be granted without any subjective criteria being applied by the Parole Board staff. This is currently the case. There are subjective criteria applied.

First some background, the government launched two separate consultations on records suspensions beginning in 2016 following a commitment to review the pardon process. One was facilitated by the Parole Board of Canada and the other was done by the Department of Public Safety. After receiving over 3,000 submissions from Canadians and after engaging with social justice advocacy groups, it became clear that most people were generally supportive of expedited pardons for cannabis possession convictions.

Under Bill C-93, individuals who were previously convicted for the simple possession of cannabis will now have the option to apply for a pardon as long as they have completed their sentencing. Due to an amendment at the Public Safety Committee in the House of Commons, it is important to note that applicants may still apply even if they have outstanding fines stemming from their previous conviction. This flexibility will allow disadvantaged applicants the ability to start the process, regardless if they have outstanding fees in relation to their sentence. Applicants will not be subject to wait times, the application fee and other decision-making criteria currently applying under the Criminal Records Act for those seeking pardons.

Let's look a bit more closely, honourable senators, at what a pardon means in practice, why this mechanism is being recommended and some of the matters we will be considering as we look at the bill.

Bill C-93 references both "pardon" and "record suspension." In 2012, the former Conservative government enacted legislation to change the term "pardon" to "record suspension" as well as raising the application fee and extending wait times required prior to an application. Further changes were made to ensure that those convicted of a sex assault offence involving a minor and those with more than three offences prosecuted by indictment, each with a prison sentence of two years or more, would no longer be eligible to apply for a record suspension.

According to the Parole Board of Canada,

> . . . a record suspension keeps a judicial record of conviction separate and apart from other criminal records ... it removes all information about the conviction from the Canadian Police Information Centre (CPIC) database.

Once a record suspension has been granted, federal agencies are not able to release information about the conviction without the approval of the Minister of Public Safety. A record suspension does not erase the conviction, but keeps it separate and apart from other criminal records.

The Parole Board processes record suspensions according to the nature of the offence. Suspensions for summary convictions are currently processed by the board within six months of application acceptance, meaning that the application has been accepted as eligible by the Parole Board, while indictable offences are processed within 12 months.

The expedited process proposed in Bill C-93, when that process is up and running, would likely see applications processed in weeks as opposed to months.

An application for a pardon in Canada now costs $631 and is subject to the five-to-ten-year waiting period following the completion of a sentence. A sentence means the punishment assigned to a defendant found guilty by a court or fixed by law for a particular offence. It could mean jail time, probation or community service.

Under Bill C-93, the five-to-ten-year waiting period and the application fee would be eliminated in cases involving simple possession of cannabis and the processing of applications would be accelerated. However, I want to note that since the expedited pardon process would be self-driven, applicants may be subject to other fees in obtaining the legal documents required for their application. An example of this may be payment for fingerprinting at local police stations. Officials have estimated that the maximum cost of obtaining all of the required documents to be approximately $220. This would be the highest-possible cost because it's based on adding the highest costs across the country for obtaining fingerprints, court records and police records.

To be clear, while the $631 fee for a pardon application will be waived, there will still be some costs associated with the application.

Finally, through this expedited process, when the records associated with the conviction has been filed, a record suspension would be ordered by a Parole Board staff member as long as the applicant has completed a sentence and does not have any other offence on their record. There would be no subjectivity involved in the decision and the pardon would be processed.

Honourable senators, it would be, for all intents and purposes, automatic.

I would like now to speak about the eligibility criteria. Those who are eligible for an expedited records suspension under Bill C-93 may only apply if they have been charged with simple possession of cannabis. Simple possession generally refers to a criminal charge for possession of a controlled substance, in this case cannabis, for personal use with no intent to traffic. Applicants will be ineligible to apply for the expedited process if they have additional convictions on their record, but they may still apply for a record's suspension under the current process in place and be subject to fees. Wait times for any cannabis possession as part of those records will not apply.

This is an important point of clarity, it certainly was a learning point for me. This is because a record suspension applies to an applicant's entire criminal record. It's not possible to sever one part of that record. Even if it was, in any event, it would not be helpful to the applicant since the remaining convictions would still appear on any criminal reference check and would potentially continue to be a factor in employment opportunities.

As we learned last year during our study of Bill C-45, Indigenous and other racialized Canadians, together with those living in vulnerable neighbourhoods are disproportionately affected by convictions for cannabis possession. The expedited process will be important for members of these communities. It goes without saying. The Parole Board will be reaching out to these communities with information and is streamlining its processes to make the application process faster and easier. The expedited process will also be available to those who are not a Canadian citizen or a resident of Canada.

Some concerns were raised at the Public Safety Committee and in the debate in the House of Commons regarding access to the expedited process. Responsive to some of these concerns were several amendments to the bill which were accepted. These amendments further streamline the record suspension process, making it more accessible to marginalized populations.

In essence, some amendments would ensure that any outstanding fines and/or victim surcharges associated with convictions for simple possession of cannabis will not create barriers to achieving record suspensions and also ensure that wait periods for simple possession of cannabis convictions will not impact their application.

Another important amendment ensures that record suspensions associated only with convictions for simple possession of cannabis cannot be revoked if the board determines a person is determined to no longer be of good conduct.

My office has outlined these amendments in the briefing package you have received should you like to review them more closely. I'm confident that these amendments have strengthened this legislation. I look forward to continuing the study at committee to ensure that the proposed process will serve its intended purpose.

• (2130)

I would now like to take a couple of minutes to talk about pardons versus record expungements. Some advocates have proposed that instead of expedited pardons, simple cannabis possession offences should be expunged. Others argue that the expedited pardon scheme in Bill C-93 should not require an application and should instead be entirely driven by the Parole Board.

The House of Commons committee heard from many social justice advocates on this subject, including lawyer Annamaria Enenajor, who provided helpful testimony on this very issue during our study of Bill C-45 last year. I have contemplated on this a lot, and I initially shared the concerns of those who are worried that we may be disadvantaging some vulnerable Canadians by proposing a self-driven application process.

However, the more I considered the issue, the more I understand and support the policy decision adopted by government.

First, expungement was not designed for this purpose. It is a new concept created by the government in 2018 to deal specifically with convictions for consensual same-sex activities, which were found to be a violation of the Charter of Rights. Expungements can be extended to other offences, constituting a historical injustice, which will often overlap with unconstitutionality. It should be noted, though, that expungements in the case of historical same-sex convictions also require an application. It is not automatic.

In comparison, cannabis possession convictions are not unconstitutional. However, it is clear that the law has not been uniformly applied and has disadvantaged some populations. In order to recognize that — and also that cannabis is now legal under the Cannabis Act — the government is providing the expedited pardon process as well as waiving the associated application fee.

Second, the bill proposes that in the case of cannabis offences, expedited pardon applications would be self-driven by the applicant and will be completed in a much shorter time frame than Parole Board driven pardons or expungements. Why is this the case? For example, many cannabis charges and convictions are for possession of a controlled substance, a generic charge which could refer to heroin, cocaine, methamphetamines or other hard drugs with which cannabis was previously associated.

Federal records will, in many cases, not contain sufficient information to efficiently identify simple cannabis charges. The retrieval of local court and police records is a necessary step in the pardon process and is something that could be initiated immediately by applicants.

While expungements or pardons administered by the Parole Board of Canada might sound attractive, in practice they would likely take many years to complete. It would, in fact, extend the disadvantages of a criminal record and would likely cost taxpayers tens of millions of dollars in the process.

The practical difference between pardons and expungement is minimal. If an individual is pardoned, their record can only be unsealed in exceptional circumstances, such as if a new offence is committed. This has only happened in about 5 per cent of cases since the mid-1970s.

There is a third advantage to pardons versus expungements. For example, if the United States or another country already has a record of an individual's conviction, likely from previous or attempted travel across the border, border officials would require a waiver before entry into the U.S., regardless of whether the individual has obtained a pardon or expungement in Canada. If the record has been pardoned, the Parole Board will still have documentation associated with the pardon to prove it has been granted.

If the record has been expunged, only the applicant would have proof of that because the Government of Canada destroys all documentation pertaining to expunged records. Accordingly, it would be difficult to prove the offence had been expunged, particularly if the applicant loses or is not carrying the notification of expungement.

In short, colleagues, while pardons under Bill C-93 require more actions on the part of the applicant, it would be accelerated with guidance being provided by the Parole Board. A self-driven process will allow an applicant to access job opportunities, housing and the shedding of social stigma much faster than expungement.

When the new expedited system is up and running, if the bill is approved, as I mentioned earlier, applications will likely be processed in weeks as opposed to months. That's surely what we would want to see. Subjecting an applicant to additional years of wait times could be considered unfair and indeed contradictory to the policy objectives set out in Bill C-93.

As we would expect, there will be support for those Canadians who are vulnerable and need additional assistance in applying for a records suspension under this legislation.

The Parole Board is currently developing a series of tools, products and services dedicated to assisting those in obtaining pardons under Bill C-93. Some of these services include a dedicated e-mail box, a toll-free number, a social media campaign and a suite of plain-language materials in collaboration with stakeholder groups such as Elizabeth Fry and the John Howard Society. It is obviously very important that the government continue to engage with those who wish to apply and continue to provide assistance, especially with those who are more vulnerable.

In conclusion, honourable senators, I thank you for your consideration of the principles and objectives behind Bill C-93. I think this legislation would help to close the gap on the social injustices incurred because of simple cannabis possession convictions. Those who have possession convictions would have the right to seek an expedited pardon so they can finally have the opportunity to shed the burden of stigma, as well as to eliminate barriers to meaningful employment, education, housing, the ability to volunteer, travel and more.

This was one of the key purposes of legalizing and strictly regulating cannabis in Canada last year.

Honourable senators, the bill before us would operationalize these opportunities and, with those, give life to the important social justice objectives of Bill C-45 — objectives that were widely supported in the Senate, as was the notion of pardons, I'll remind you.

I also note Bill C-93's broad support in the House of Commons. It passed on division after a vibrant debate and detailed study.

Having talked a lot about expediting pardons or records suspensions, I encourage to you join me in sending Bill C-93 to committee as expeditiously as possible so that those with simple cannabis possession convictions do not have to wait any longer to participate equally in our society.

Thank you, colleagues.

Some Hon. Senators: Hear, hear.

(On motion of Senator Martin, debate adjourned.)

OIL TANKER MORATORIUM BILL

THIRD READING—DEBATE ADJOURNED

Hon. Yuen Pau Woo moved third reading of Bill C-48, An Act respecting the regulation of vessels that transport crude oil or persistent oil to or from ports or marine installations located along British Columbia's north coast.

He said: Honourable colleagues, it is my pleasure to read a speech prepared by Honourable Senator Mobina Jaffer, the sponsor of Bill C-48, at the start of third reading of this bill. She may be watching the broadcast of our proceedings at this very moment. If she is, I want to take the opportunity to offer her our warmest wishes for her speedy recovery.

Here are the words of Honourable Senator Jaffer:

> Honourable senators, I would like to begin by thanking Senator Tkachuk, the Chair of the Transport and Communications Committee, for all the work he did on this bill and the courtesy that he has extended to me. Thank you senator.
>
> I would also like to extend my heartfelt gratitude to Senator Miville-Dechêne, whose passion and work on this bill is inspiring. I have no words to thank you for all you have done for me. Thank you also to each and every member of the Transport Committee for your dedication and hard work on this bill.
>
> Honourable senators, it gives me great pride to rise today as the sponsor of Bill C-48, the oil tanker moratorium act, which is an important piece of environmental legislation meant to protect British Columbia's north coast from the devastation of an oil spill.

• (2140)

> To protect the north Pacific coast, Bill C-48 enshrines in law a long-standing crude and persistent oil tanker moratorium on the pristine northern coast of my home province, entrenching environmental measures that are already long in practice to mitigate the risk and scale of a potential oil spill in a very special ecosystem.
>
> On this remote and pristine coast, the effect of even one crude or persistent oil spill would be catastrophic for fisheries, recovering populations of killer whales and the ecological treasure that is the Great Bear Rainforest. Just

one spill would devastate the rich waters that sustain the Coastal First Nations that have stewarded this land for 14,000 years and who rely on the ocean to feed their families and support their growing marine economies.

Honourable senators, this chamber and the Transport and Communications Committee have heard extensively about how the moratorium will work and what it is intended to achieve. Therefore, I will concentrate my remarks on answering the underlying question, which is the following: Why does Bill C-48, the oil tanker moratorium act, seek to protect Canada's northern Pacific coast?

Honourable senators, there is not just one reason we are legislating today to protect this region; rather, there is a combination of reasons. First, the measures in Bill C-48 complement a long-standing policy legacy that has existed on the north coast of my home province for decades. In the 1980s, our government, in partnership with the United States Coast Guard, worked together to achieve a great feat: At the request of concerned Canadians who hoped to mitigate the effects that an oil spill would have on the precious ecosystem, we developed the voluntary tanker exclusion zone.

The voluntary tanker exclusion zone is a policy that requires that all U.S. tankers travel 70 nautical miles westward of the north coast to ensure that if a tanker were to become inoperable, its contents would not devastate British Columbia's north Pacific Coast and local economies.

[*Translation*]

Bill C-48 seeks to complement that longstanding policy legacy.

[*English*]

While the tanker exclusion zone applies only to American tankers that traverse Canadian waters, there is currently no existing policy that bans Canadian tankers from operating off this coast. This is a gap that Bill C-48 seeks to rectify.

Second, in answering the question why Bill C-48 protects British Columbia's north coast, we would be remiss not to mention the pristine ecosystem and unique ecological features that merit special protection. Let us look today to the distinguished characteristics of the northern coastline of B.C. Bill C-48 offers unprecedented levels of protection for the Earth's largest coastal rainforest known as the Great Bear Rainforest. In fact, the Great Bear region is the size of Ireland. Often called Canada's Amazon, the Great Bear coast is truly one of the world's greatest natural gems, combining beauty, history and culture all in one.

The Great Bear Rainforest is one of the last temperate rainforests of its kind left on the planet. This enchanting area, spiked with ancient red cedar trees and carved through by crystal-clear, salmon-rich rivers, shelters a rare white bear that is neither polar bear nor albino, but a "spirit bear," a black bear with a vanilla coat so mystically beautiful that it is revered by the First Nations people who have lived among the bears and have protected them for millennia.

In its tides, the Great Bear Sea also shelters various endangered marine animals, such as the killer whale, a threatened species that has been reduced to a mere 205 members, and the dwindling population of Chinook salmon, among others.

We should seize this opportunity to protect this spectacular ecosystem from an oil spill by entrenching Bill C-48.

Lastly, Bill C-48 is an important step for reconciliation with Coastal First Nations' communities that cannot afford to risk long-term sustainable jobs nor bear the risk of an oil spill in their precious ecosystem. Bill C-48 comes directly at the request of Coastal First Nations communities that seek to protect their waters and salmon rivers for their children, grandchildren and great-grandchildren. In more ways than one, these waters are their lifeblood. They create jobs and put food on the table. For the majority of Coastal First Nations who live on this coast, Bill C-48 is about preserving the economic, cultural and social well-being of the communities that are connected to and rely on healthy marine ecosystems.

It is the Coastal First Nations whose livelihood, well-being and jobs come from the waters that sustain them and have done so for thousands of years. Indeed, the north Pacific coast of Canada is more than simply a stretch of land. To many coastal communities that live along the shore, it represents their precious heritage and way of life. Let us stand with the Coastal First Nations in saying that the north coast of B.C. is no place for crude and persistent oil tankers. We should not stand against Coastal First Nations.

Honourable senators, allow me to proceed one by one to elaborate on each of these critical factors to address why we have a moratorium on crude and persistent oil tankers in this particular region.

Bill C-48 is a critical step forward to protect a precious ecosystem by entrenching measures that complement the existing voluntary tanker exclusion zone. In fact, it is no exaggeration to say that this bill has been decades in the making. In 1977, after the completion of the Trans-Alaska Pipeline System, a similar routing system was established for American tankers carrying crude oil across the northern coast of B.C. American crude oil tankers began to enter our waters at a rate of approximately three tankers a day.

British Columbians and many Coastal First Nations were concerned. On B.C.'s remote north Pacific coast, British Columbians knew that if a disabled tanker traversing our waters close to the coast drifted ashore, it would not be saved in time to prevent an environmental catastrophe. The oil industry and the U.S. Coast Guard heard these concerns loud and clear. Not long after its establishment, the trans-Alaska tanker route was cancelled by the U.S. Coast Guard, which cited a general lack of ocean surveys for the northern portion of the route, making it dangerous to traverse those waters.

In fact, in order to understand the danger tankers posed to the north Pacific coast, the Canadian government undertook a study to determine what would happen if a tanker became disabled on B.C.'s remote northern coast and started to drift. The drift study found that there were only two tugs, both located in Washington state, available for emergency dispatch in the event of an oil spill. The Canadian Coast Guard simulated the drift track of a disabled tanker under various scenarios. It calculated that it would take tugs 37 hours to reach Cape St. James on the southern tip of the Queen Charlotte Islands — the Haida Gwaii — and 54.5 hours to reach Langara Point on the north end of the Charlottes.

The threat was clear: If a large oil tanker became disabled too close to the coastline, it would drift ashore long before any tug could tow it back to safety.

Honourable senators, although Canada never legally adopted a ban on tanker traffic on the north coast of British Columbia, we did, in 1988, create the voluntary tanker exclusion zone in partnership with the U.S. Coast Guard. This zone ensures that U.S. tankers carrying crude and persistent oils would travel 70 nautical miles westward of the north Pacific Coast. This meant that if a tanker were to become disabled, it would not drift ashore onto lands inhabited by Coastal First Nations, wreaking havoc as it moved through our waters.

However, as all senators in this room are well aware, in 1989, something much worse than a drifting tanker took place: The *Exxon Valdez* strayed off course and hit a large reef, spilling 40.9 million litres of crude into Alaska's Prince William Sound. Canadians watched the environmental disaster unfold with horror, knowing that Alaska's rich marine environment was much like B.C.'s but also with a feeling of relief, thinking it couldn't happen in B.C. because tankers such as the *Exxon Valdez* were excluded from our waters.

Today, the tanker exclusion zone is respected by U.S. tankers. The zone is monitored continuously by the Marine Communications and Traffic Services, which is a branch of the Canadian Coast Guard. As well, mariners are routinely reminded of this ban in notices and in sailing directions.

• (2150)

Crude oil tankers go through southern waters to a terminal in Burnaby. They follow a route around the tail end of the voluntary tanker exclusion zone that is close to rescue tugs and which was left open to allow traffic to go to Washington state ports.

In short, the tanker exclusion zone is working. To date, there have been no incursions in the zone. However, it is important to point out that the zone is only intended to mitigate American tanker traffic on this coast. That is the gap which Bill C-48 would rectify.

As Canadians, we have made a conscious decision not to ship large volumes of crude oil in the region, helping to keep it relatively unspoiled. In other words, Bill C-48 follows a long-standing policy legacy that has been widely accepted by British Columbians and is still the priority of the British Columbia government.

In fact, earlier this year, British Columbia's Minister of Environment and Climate Change issued a statement in full support of Bill C-48:

> British Columbia's northern coast is a unique, ecologically rich marine environment valued internationally and even more so by the communities whose histories and futures are tied to its health and protection.
>
> Our government has been very clear we are committed to protecting our environment, the economy and our coast from the devastating impact a heavy oil spill would have. British Columbians expect nothing less. We oppose the expansion of the movement of heavy oil through our coastal waters and we have been consistent in this position.

Simply put, there is nothing arbitrary or surprising about this legislation. Bill C-48 is in line with a carefully considered approach for the north coast of B.C.

To impose a tanker ban in other regions in Canada, such as on the Atlantic Coast or the St. Lawrence Seaway, would disrupt already existing industries and jobs. There is no such issue in northern B.C. thanks to a policy legacy that we have known and respected for decades, a legacy that sends the message that the north Pacific coast is no place for an oil spill.

Bill C-48 is a necessary step to ensure that Canadian tankers, alongside American tankers, travel westward off a shore where no response capacity exists to assist a disabled tanker before it runs aground and destroys a precious ecosystem in its path.

Honourable senators, the second factor I wish to explain is the unusually pristine ecosystem protected by Bill C-48 that merits our consideration and protection.

Let us look to the beautiful north coast of British Columbia and to the world's largest temperate rainforest, also known as the "lungs of the earth." The locals call it that because of its high oxygen production.

I could use a little bit of oxygen right now.

On B.C.'s north coast, land and sea are intricately connected. Spirit bears depend on salmon. Coastal wolves swim across marine passages to hunt seals. Trees grow faster in years with good salmon runs. This interconnectivity is such that an oil spill in the marine environment would seriously and negatively impact wildlife, marine animals, the ecosystem and the jobs that these support.

Numerous scientific studies have highlighted the abundant fish, shellfish, marine mammal and bird species in the region. Fisheries and Oceans Canada classifies close to half of the area as "Ecologically or Biologically Significant Areas" according to the criteria adopted by the Convention on Biological Diversity.

Indeed, the Great Bear Rainforest is where one of the world's largest remaining intact coastal temperate rainforests meets one of the world's last undammed wild salmon rivers. In fact, over 2,500 salmon migrations happen each year in these naturally undammed rivers.

The Great Bear Sea is home to many populations of salmon, particularly Chinook salmon, a population of North Pacific salmon recently classified as endangered by Fisheries and Oceans Canada. Nearly half of British Columbia's salmon population is in decline while Chinook salmon populations are in danger of being wiped out completely.

Honourable senators, salmon is key to a flourishing environment for the Great Bear Rainforest, salmon is a vital component for its healthy ecosystem. The entire ecosystem of the Great Bear Rainforest depends on the salmon mating and spawning season. Some animals actually delay reproduction so the burden of nursing their young is timed during the salmon-spawning season.

A wide range of plants and animals rely and benefit from consuming this delicious and nutritious salmon, including sea lions, bears and the most majestic mammal of all, the killer whale. In fact, Chinook salmon availability is one of the most important factors in predicting the survival and recovery of the Northern Pacific killer whale population which lives in the area from mid-Vancouver Island to southeastern Alaska.

With their population in decline at a mere 250 killer whales left on the north coast, the greatest threat to their survival is the lack of Chinook salmon. Chinook salmon make up 90 per cent of the diet of killer whales. For reasons not yet fully understood by scientists, the North Pacific killer whales have shown that they will rarely switch their primary food source from chinook to another species and, therefore, they will face starvation in the wake of declining Chinook salmon returns.

The unfortunate reality is that North Pacific killer whales spend much of their days searching for food, food that is becoming harder and harder to find.

On top of the diminished food source, the Pacific killer whale also suffers from high levels of pollutants plaguing their waters and compromising their immune systems. In the case of a crude and persistent oil spill, killer whales will suffer devastating consequences. Fumes from an oil spill can actually knock out a fully grown killer whale causing them to drown. Crude and persistent oil can also clog the blowholes of whales making it impossible for them to breathe properly or to communicate. Even if a killer whale were to escape the immediate effects of an oil spill, crude and persistent oil would contaminate the food supply while littering shores with thick, black residue.

The costs of an oil spill in this precious ecosystem and to the endangered and threatened species of marine mammals is just too great a risk to take.

Honourable senators, the uniqueness of this environment led the B.C. government, in partnership with First Nations, to enact the Great Bear Rainforest Act which conserves 85 per cent of the forest by prohibiting clear-cutting practices in certain areas.

Over one third of the forest is protected by the Great Bear Rainforest Act. For the remainder, low-impact resource development activities such as forestry and hydroelectric generation will be permitted to support the First Nations living in the area.

Along these lines, one can view Bill C-48 which also offers unprecedented levels of protection as complementary and consistent with the efforts to protect one of the few remaining temperate rainforests.

The Great Bear Rainforest is truly one of the few places on this earth where one may chance upon a grizzly bear hiding behind thick trees, a killer whale diving into the sea and a great albatross soaring across the skies. This is a truly unique and sensitive ecosystem, a treasure and we should seize this opportunity to protect it from a major oil spill.

Honourable senators, in October 2016 the *Nathan E. Stewart* tug-barge grounded at Edge Reef just off Bella Bella, spilling 109,000 litres of diesel and other petroleum products. According to experts, this was a small spill but, for the Heiltsuk First Nation, it was catastrophic. That spill devastated a rich ecosystem where Coastal First Nations have traditionally harvested marine wildlife using sustainable practices passed down from generation to generation. The oil polluted their way of life. The grounding occurred where Heiltsuk and other Coastal First Nations harvest shellfish and clams.

To demonstrate the impact this spill had on the local First Nations' communities, it is important to note that an entire community, their livelihood and financial means come from this shellfish and seafood harvesting area. In Bella Bella, there is one grocery store, one gas station and no restaurants. Because of the spill, the only means that locals had to feed themselves were covered in oil.

Coastal First Nations are subsistence communities. They rely on the natural resources to provide basic needs through fishing and subsistence agriculture. The Coastal First Nations of the north coast survive by accessing the resources of the sea not because they want to but because they have to.

Bella Bella is a small community only accessible by boat, by plane and by ferry once a week. The remoteness of the area means you simply cannot survive without access to the resources of land and water.

• (2200)

Marilyn Slett, President of the Coastal First Nations and Chief Councillor of Heiltsuk First Nation, told me about the traumatic impacts the *Nathan E. Stewart* spill had on them and their families.

Honourable senators, when milk is $10 a gallon and each red pepper costs $8, they were truly worried about feeding their children. What was considered to be a small spill by industry standards devastated an entire community.

In cities we take for granted how easy it is to drive in your car to the nearest grocery store to pick up some fresh salmon and produce, but for the First Nations in Bella Bella the water is their grocery store and the fisherman their grocer.

The Coastal First Nations live by the mantra "If we take care of the sea, the sea will take care of us." In these precious lands, Coastal First Nations co-exist with whales, bears, wolves and salmon, as their ancestors have done. That is why protecting their resources is a matter of survival. Without Bill C-48 safeguarding the land from the risk of oil spill, thousands of years of sustainable development of survival will be in danger.

It is the Coastal First Nations who have inhabited the area, including the Great Bear Rainforest, for 14,000 years. It is the Coastal First Nations who have occupied, owned and exercised pre-existing sovereignty over lands and waters along the North Coast, now considered as British Columbia. It is the Coastal First Nations who should have the loudest voice in this debate.

Bill C-48 comes directly from the Coastal First Nations who live off this coast and have a right to govern their territory and safeguard their waters by prohibiting tankers along this precious coast. Indeed, of the First Nations that live in the region, the majority strongly support Bill C-48. This includes the chiefs and elected leaders of the Haida Nation, of Gitga'at, Gitxaala, the Heiltsuk Nation, Kitasoo/Xai'Xais, the Nuxalk, the Wuikinuxv and the hereditary leadership of the Lax Kw'alaams.

The Coastal First Nations are oceans-based people. Their culture is inextricably tied to the health of the coast and their water. Their coast is their source of income. This coast puts food on the table and creates jobs. This coast is their grocery store and these waters are their lifeblood.

Allow me to share some statistics with you. On the North Coast there are 7,620 marine-dependent jobs in Coastal First Nations' traditional territories. Current marine-dependent economic activities generate $386.5 million a year in revenue. That number consists of commercial fishing which generates $134 million, seafood processing which earns $88 million, marine tourism which earns $104 million, and marine transportation which earns $22 million, plus many other industries that generate revenue for the Coastal First Nations.

Honourable senators, I'd like to stress as well that British Columbians aren't the only ones who benefit from our marine economies. Canadians come in droves to fish our rivers and visit the North Coast. During steelhead season, flights in and out of Terrace airport are full, hotels, restaurants and sporting goods businesses are busy. Measured in sport-fishing days, of the nine fishery regions in British Columbia, the Skeena Region on the North Coast has the highest proportion of international visitors.

The consequences of an oil spill on this incredible coast would be long-lasting, devastating and would have the potential to wipe out an entire economy dedicated to fishing. It is not surprising that Coastal First Nations worry that an oil spill would threaten the viability of a diverse fishing industry that sustains thousands of jobs in the area, from the fishermen themselves to processing plants along the region's shores.

With Bill C-48, we have taken an important step in reconciliation with First Nations who own title to this land and wish to protect it for their children and for generations to come.

Let me share with you a few quotes from an op-ed written by Chief Marilyn Slett, President of the Coastal First Nations, an alliance of nine tribes of the North Coast:

> We are asking for nothing more than the continued productivity and safety of some of the richest and most diverse coastal ecosystems remaining in the world.

She wrote:

> We want to ensure all future generations have a healthy environment and a sustainable economy, because it is from the ocean that our cultures, value, wealth and identity are derived.

The op-ed continued:

> The passage of Bill C-48 will mean our nations can focus on building a healthy coastal economy for our people instead of fighting costly legal battles to protect them from outside interests that would see oil tanker traffic on our coast. We are the ones who will be directly impacted by a spill and we have a collective responsibility to protect the lands, waters and resources to secure a healthy environment and a sustainable economy for our children, grandchildren, and all Canadians.

Ultimately, it is the cultural inheritance of every First Nation in this territory that would pay the price of a spill most dearly.

Bill C-48 is an important step in reconciliation for coastal communities that cannot afford to risk long-term sustainable jobs nor bear the risk of an oil spill in a precious ecosystem.

Through reconciliation and with their long history of managing their coastal waters, the Coastal First Nations are on the verge of rebuilding their once-prosperous fisheries damaged by the *Nathan E. Stewart* grounding. The Coastal First Nations are excited about opportunities for growth and seeing their shellfish and aquaculture businesses flourish.

Who are we to tell them, after their 14,000 years of living on their ancestral territory, how they should be handling their waters and local economy.

Critics have called this community anti-development or have criticized them as against job creation. Well, as Chief Slett wrote:

> . . . it is precisely because we support the re-establishment of healthy coastal economies in our traditional lands that we insist on protecting our local environment and its ecosystems. . . .
>
> . . . the pursuit of prosperity must strike a balance with cultural preservation, economic development and environmental protection.

Honourable senators, if reconciliation is to mean anything, we have to respect the will of the B.C. First Nation coastal communities. It is not any one of these factors that explains why northern B.C. should be protected from the devastation of an oil spill, but rather a combination of all these factors.

Bill C-48 is not about stopping existing oil tanker traffic. It's about legislating an existing policy, preventing crude and persistent oil supertankers from being introduced to the coast and minimizing risk.

As we have seen, the creation of a tanker ban on the north coast of my home province has been a long journey, beginning decades ago with an important partnership forged with the United States Coast Guard to ensure that our waters were protected by creating the Voluntary Tanker Exclusion Zone. This partnership is still evident today. Our agreement is well respected.

While the Tanker Exclusion Zone was created, no formal legislative mechanism was put in place to formalize an oil tanker ban on B.C.'s north coast.

[*Translation*]

Today we are legislating an important part of history.

[*English*]

Honourable senators, I recognize there are many who are uncomfortable with this bill as it is currently written and are looking at possible amendments in order to improve this piece of legislation. I believe that as this bill was part of an election promise, it is up to us to ensure that the bill, in its best possible form, can make its way to the other place. I hope we can respect the intent of the bill, as it was given to us in good faith, and that we can complete a third reading vote at the earliest opportunity.

It's time we raise our voice and work alongside a great majority of those who live on this coast to protect their traditional lands and water from the potential devastation of an oil spill, a risk they cannot afford to see materialized again.

I kindly ask that we also consider the will of those who are the legal title holders of this land and have been so for millennia. Thank you.

(On motion of Senator Martin, debate adjourned.)

(*At 10:09 p.m., the Senate was continued until tomorrow at 2 p.m.*)

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