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The Honourable GEORGE J. FUREY,
Speaker

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THE SENATE

Wednesday, March 29, 2023

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

Prayers.

SENATORS' STATEMENTS

OVERSEAS TAX EVASION

Hon. Percy E. Downe: Honourable senators, last week, wonderful news was received by all of us who have been involved in the fight against overseas tax evasion and money laundering. On March 22, the Government of Canada introduced in the House of Commons Bill C-42 to establish a beneficial ownership registry in Canada, which addresses most of the concerns of those seeking to solve the ongoing problem of Canada's worldwide status as a haven for money laundering.

As Jon Allen, member of the Board of Directors of Transparency International Canada, stated when he appeared in December 2017 before the Standing Senate Committee on Banking, Trade and Commerce:

The bottom line . . . [is that] more rigorous identity checks are now required for individuals to obtain a library card in Toronto or Ottawa than for those establishing companies in Canada.

I want to thank Finance Minister Freeland, who was the driving force behind this legislation. Many of us have been after the government for years and years to address this problem, and no previous Minister of Finance would take any action. Minister Freeland not only took action but has proposed a beneficial ownership registry that is free to access, contains verified information, is accessible to the public and is adaptable to include the information held by provinces and territories that decide to participate.

In addition, Minister Champagne, the Minister of Innovation, Science and Industry, has applied his extensive business experience to finalize a very impressive and targeted piece of legislation. This bill, among other things, proposes administrative sanctions and criminal penalties of up to \$200,000 and/or six months of jail time for violation of the act.

But for this legislation to be successful, we will need all provinces and territories to participate fully in the fight against money laundering. When this legislation comes to the Senate, we will, as always, do our careful study and review to see if further improvements are needed.

Overall, however, this long-overdue legislation has finally arrived in Parliament and will be a tremendous benefit to Canada when it finally passes. Thank you.

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Patricia Grattan, proud Newfoundlander, curator and writer. She is the guest of the Honourable Senator Bovey.

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

Hon. Senators: Hear, hear!

RECONCILIATION THROUGH THE ARTS

Hon. Patricia Bovey: Honourable senators, it's a real treat to welcome my long-time visual arts colleague Pat Grattan. How many times over the decades, Pat, have we sat and had discussions together, here in Ottawa and across the country, about the arts and the ways they positively affect the world we live in?

Today, colleagues, I want to applaud Pacific Opera Victoria and Vancouver Opera for their joint co-commissioned and co-produced B.C. schools touring production *The Flight of the Hummingbird*. Addressing issues of climate change and reconciliation, this was a collaboration with local knowledge keepers and Indigenous communities. The Indigenous advisers were key to the project's success.

The opera *The Flight of the Hummingbird*, as noted by the writer Michael Nicoll Yahgulanaas, is a call to action based on the book of the same name. A parable for the environment, it is a story of a great fire in the forest — a fire put out by the resilience and persistence of a little hummingbird, a bird symbolizing wisdom and courage. The story's roots are with the Quechua people of South America and the Haida of Haida Gwaii.

Through the characters of the hummingbird, the bear, bunny, owl and crows, the story and music interweave the history of colonization, the impacts of trauma and the importance of caring for each other, of sharing perspectives and, thus, becoming stronger. The study guide states:

In this way, the story of the Hummingbird is not only a call to action, but an expression of the spiritual and emotional truth of their experience.

I learned last summer that this spring and next, the show will tour all of B.C., including many First Nations communities. To me, this is one of the key reconciliATIONS, which, along with others, will inspire and add up to real reconciliation. It is number 6 of the 10 principles of the Truth and Reconciliation Commission: "All Canadians, as Treaty peoples, share responsibility for establishing and maintaining mutually respectful relationships."

These two major Canadian opera companies have done that together through acts of consultation and participation by Indigenous and non-Indigenous people.

Rebecca Hass, an Anishinaabe Métis woman and Pacific Opera Victoria's Director of Community Engagement, wrote, "We were there. We saw. We heard. We walked this piece forward in a good way. We witnessed."

Congratulations! I know the experiences in the schools where this is presented will be memorable and significant.

Colleagues, the arts are part of awareness of climate change, heritage is affected by it, and artists and creators must be part of the ongoing solution. Thank you.

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Margareta Cederfelt, President of the Organization for Security and Co-operation in Europe — Parliamentary Assembly.

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

Hon. Senators: Hear, hear!

• (1410)

THE HONOURABLE SERGE JOYAL, P.C., O.C., O.Q.

ARTWORK AND HERITAGE COLLECTION

Hon. Leo Housakos: Honourable senators, I'm very happy to have joining us today the Honourable Serge Joyal. I think I speak for all of us when I say that this institution is all the richer for having had former Senator Joyal's service. His constitutional knowledge was unrivalled in this place, and that certainly came through in his insightful and invaluable interventions. Senator Joyal has also left an indelible mark on the Senate through his philanthropic donations of artwork and other artifacts.

And thanks to Senator Joyal, another incredible piece of the Senate's history will be unveiled today and will take a place of honour in our hallowed halls. I'm referring to the chair of the eleventh Speaker of the Senate of Canada, the Honourable Sir Alexandre Lacoste, who served as Speaker in 1891.

[*Translation*]

A prominent Montreal lawyer, Sir Alexandre Lacoste played an important role in advising the Conservative Party behind the scenes, but he always resisted pressure to run for office. I admire him already.

He had a great admiration for the Constitution given to Canada by Confederation, and he pleaded many constitutional cases before Canada's highest court, which was located in London, England at the time. I understand why Serge admired him so much.

Later, after serving briefly on the Legislative Council of Quebec, Mr. Lacoste was appointed to the Senate of Canada on the recommendation of Sir John A. Macdonald, another great Conservative Prime Minister.

[*English*]

Senator Lacoste believed that the chief function of the upper house was to "... form a court of revision, whose vigilance should be untiring." I like him more and more, colleagues.

[*Translation*]

Mr. Lacoste was appointed as Speaker of the Senate in April of 1891, but his time in the Senate was short-lived, as he resigned his position to become the Chief Justice of the Court of Queen's Bench in Quebec. He served as Speaker for only five months — and here I thought I held the record.

That brings me to talk about his chair, honourable senators. Many of you may not know that, before a permanent chair was built for the Speaker in 1923, the Senate ordered a new chair for every new Speaker, who then kept the chair when they retired.

[*English*]

Later today, we will gather in the Senators' Lounge for the unveiling of Speaker Lacoste's chair, which is being so graciously donated by our former colleague. This is especially poignant because this chair was used in the Senate in the original parliamentary building prior to the fire of 1915. It is one of the few remaining pieces of furniture or artifacts from the original Senate. We are very fortunate to receive this gift and we will have it on display right here in the Senate foyer for all to see.

Thank you, former Senator Joyal, for your ongoing commitment and preservation of our history and, of course, your commitment to this wonderful institution. Thank you very much.

DISTINGUISHED VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of our former colleague the Honourable Serge Joyal, P.C.

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

Hon. Senators: Hear, hear!

TEL AVIV UNIVERSITY

Hon. Tony Loffreda: Honourable senators, as the saying goes, "Shoot for the moon. Even if you miss, you'll land among the stars."

Tel Aviv University Canada is literally reaching for the stars as it aims to launch its first nanosatellite advancing innovative climate change tools and solutions. Known as the Ilan Ramon Memorial Project, this trailblazing initiative is named after Israel's first astronaut and a Tel Aviv University graduate who sadly perished in the Columbia space shuttle disaster 20 years ago.

The project is chaired by Sylvan Adams, a world-renowned Canadian-Israeli businessman, and supported by Israeli businessman Eytan Stibbe and Canadian philanthropist Mark Pathy, both of whom participated in last year's privately funded Ax-1 mission to the International Space Station.

We were reminded this week by the UN that climate change remains one of the biggest challenges of our time. Canada can speak with first-hand experience about the devastating impact it has and will continue to have on our nation. The devastation of recent events like Hurricane Fiona in Atlantic Canada, floods in B.C., melting ice in the North and forest fires remind us all of our vulnerability.

For the sake of our collective well-being, we must find urgent and sustainable solutions to fight, mitigate and adapt to our changing planet, so it's important that we reach for those stars while remaining grounded in reality.

And the reality on the ground is there is some urgency before us. The UN report explained that “. . . limited research and/or slow and low uptake of adaptation science . . .” is a key barrier to climate change adaptation.

Tel Aviv University is answering that call by seeking to become a global academic centre of excellence in the field of space science and engineering, while developing nanosatellites that advance Israel's edge in climate change action and carbon emission reduction.

Its nanosatellite has the potential of unlocking scientific data that can monitor current environmental problems like plastic pollution in the oceans, forest fires, methane leaks from oil and gas pipelines, melting Arctic ice and urban heat islands for more sustainable cities.

Honourable senators, many years ago, I had the honour to visit Tel Aviv University and was impressed by its state-of-the-art campus and modern research and scientific facilities, which is why I endorse this initiative.

I invite all Canadians to support and learn more about the Ilan Ramon Memorial Project and the immense potential of its climate-change-fighting new nanosatellite as we encourage Tel Aviv University Canada to reach for the stars. Thank you.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Kristal LeBlanc, CEO of the Beausejour Family Crisis Resource Centre; Chantal Thanh De Alba, Associate Director of the Beausejour Family Crisis Resource Centre; and Captain Glenn Miller, President of the Atlantic Provinces Professional Fire Fighters Association. They are the guests of the Honourable Senator Hartling.

[Senator Loffreda]

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

Hon. Senators: Hear, hear!

[*Translation*]

THE LATE SERGEANT MAUREEN BREAU

Hon. Pierre-Hugues Boisvenu: Honourable senators, Sergeant Maureen Breau, a veteran police officer with the Sûreté du Québec in Louiseville, Quebec, was murdered on Tuesday night by a violent man with a lengthy criminal record who suffered from very serious mental disorders.

I would like to offer my deepest sympathy to Ms. Breau's spouse, also a police officer, to their two children and to their family and loved ones, as well as to all her colleagues, who are still in shock from this tragedy.

It bears repeating that the man who stabbed Sergeant Breau to death has been found to be not criminally responsible five times since 2014. He had very strict release conditions; however, no one was monitoring him.

For more than 20 years I have lamented the fact that Quebec is doing a disturbingly inadequate job of managing people with serious mental disorders. Every year in Quebec, dozens of people are murdered by someone close to the family with a serious mental health disorder who is left to cope on their own.

It happened two weeks ago, when three members of the same family, the grandmother as well as the father and mother, were murdered by their son. Three people were murdered about 10 days ago in Amqui. Two children were torn from their families a month ago in Laval. In the last two cases, the acts were perpetrated by men who were ill and chose to get behind the wheel and run over their victims. Nine innocent victims were murdered in one month.

Since the beginning of this year, nearly a dozen people have been murdered in Quebec. The families of the victims and the general public are asking the same question: why?

It's important to remember that in 1995, the Quebec government closed 50% of its psychiatric hospital beds for budgetary reasons. Since then, society has been paying the price in terms of loss of life, which is all too often predictable.

It should also be noted that managing mental health is the poor cousin in our health care system, in Quebec and in Canada. Resources are not being provided to support families caring for a loved one with a mental disorder that requires close, daily care or to support community groups that could help them, which would reduce recidivism.

I am well aware that mental health is still a very taboo subject. However, after all of these homicides, we must have the courage to act in order to save lives and break the stigma surrounding this taboo, which is no longer relevant.

My home province of Quebec needs to take drastic action to improve its management of the mental health file. The families of those with an illness must no longer be left to pay the price of this monumental failure on their own.

I am convinced that 95% of people who are diagnosed with a mental illness can lead a responsible, independent life. However, we need to adopt a more preventive approach for the few who do not and never will have the capacity and autonomy required to take care of themselves, without posing a risk to themselves, their families and their communities. These people need medical and social support, which would help prevent these kinds of tragedies.

To that end, there are already possible solutions in both the provincial and federal jurisdictions to better support and monitor these people. We need to work together both on the medical side and the legislative side to achieve those goals.

• (1420)

I am committed to doing that, and I hope many of you will join me to ensure we can make it happen.

Thank you.

[*English*]

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Brianne Peters, Lisha Di Giocachino, Marilyn Malis, Vivian Malis and Elizabeth Omaniuk. 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!

ALCOHOL USE DISORDER

Hon. Patrick Brazeau: Honourable senators, today marks the third anniversary of my sobriety.

Hon. Senators: Hear, hear.

Senator Brazeau: I have not touched a drop of alcohol for 1,095 days, that's over 1.5 million minutes. Anyone who has battled an addictive substance knows what a fight every single one of those minutes can be.

According to the World Health Organization, Canadians are drinking almost nine litres of pure alcohol per capita each year. The global average, according to *The Globe and Mail*, is 6.2 litres.

Thanks to the efforts of health care practitioners and medical researchers, more and more Canadians are becoming aware of the serious health damage caused by alcohol. It's no easy thing to get this information to Canadians, considering the billions that are spent every year by the alcohol industry, including some boozy receptions right here on Parliament Hill.

Your Honour, whenever I speak about alcohol, I'm not pretending to be anyone's moral superior. I'm certainly not telling people what to do and what not to do. Instead, Your Honour, I'm inviting this chamber to consider those who at this very moment are fighting alcohol use disorder. These people are in every walk of life. Many of them are what we call high-functioning. Not everyone with alcohol use disorder is living on the street.

In fact, just yesterday, Your Honour, *The Globe and Mail* ran a timely piece on the increasing dependence on alcohol in Canadian women. The article describes women professionals who have found their careers in jeopardy due to their hidden disorder. The same article tells us that between 2003 and 2016, the rate of alcohol-related emergency department visits by young women in Ontario went up by an astounding 240%. The alcohol-related death rate for women increased by 26% compared to 5% for men. This issue affects everyone, either directly or indirectly.

The Mental Health Commission of Canada notes that about one in four suicide deaths in Canada involve alcohol use. Heavy drinking increases the risk of suicide exponentially. Three of every four people who commit suicide in Canada are men.

In fact, Your Honour, when we look at the alcohol-related suicide statistics for Indigenous people and men in Canada, it can only properly be called a crisis. This is why we must support those who are battling addiction with everything that we have got. We need to bolster them. We need to encourage them.

[*Editor's Note: Senator Brazeau spoke in Algonquin.*]

This is Algonquin for "hope." We must provide them with culturally appropriate and gender-specific treatment options.

Finally, Your Honour, personally, I'm thankful for my 1.5 million minutes of sobriety and thankful to all of those who continue to encourage and support me. Simply said, I was one of the lucky ones. Every Canadian who has substance abuse issues deserves just as much support and encouragement as I am getting.

Meegwetch.

Hon. Senators: Hear, hear.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Yuvraj Singh and Sabbena Singh Bhatti. They are the guests of the Honourable Senator Pate.

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

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

BUDGET 2023

DOCUMENTS TABLED

Hon. Marc Gold (Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the Budget 2023 entitled *A Made-in-Canada Plan: Strong Middle Class, Affordable Economy, Healthy Future*.

ADJOURNMENT

NOTICE OF MOTION

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

That, when the Senate next adjourns after the adoption of this motion, it do stand adjourned until Tuesday, April 18, 2023, at 2 p.m.

[Translation]

BUDGET 2023

NOTICE OF INQUIRY

Hon. Marc Gold (Government Representative in the Senate): Honourable senators, I give notice that, two days hence:

I will call the attention of the Senate to the budget entitled *A Made-in-Canada Plan: Strong Middle Class, Affordable Economy, Healthy Future*, tabled in the House of Commons on March 28, 2023, by the Minister of Finance, the Honourable Chrystia Freeland, P.C., M.P., and in the Senate on March 29, 2023.

[English]

CANADA REVENUE AGENCY ACT

BILL TO AMEND—FIRST READING

Hon. Percy E. Downe introduced Bill S-258, An Act to amend the Canada Revenue Agency Act (reporting on unpaid income tax).

[The Hon. the Speaker]

(Bill read first time.)

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

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

HELLENIC HERITAGE MONTH BILL

FIRST READING

Hon. Tony Loffreda introduced Bill S-259, An Act to designate the month of March as Hellenic Heritage Month.

(Bill read first time.)

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

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

THE SENATE

NOTICE OF MOTION TO URGE GOVERNMENT TO ACCELERATE THE IMPLEMENTATION OF DIGITAL SOLUTIONS THAT TRANSFORM THE PUBLIC SERVICE DELIVERY EXPERIENCE OF CANADIANS

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

That the Senate call on the Government of Canada to replace its outdated program delivery and information technology systems by urgently accelerating the implementation of user-friendly, digital solutions that transform the public service delivery experience of Canadians, and ultimately reduce the cost of program delivery.

QUESTION PERIOD

FINANCE

BUDGET 2023

Hon. Donald Neil Plett (Leader of the Opposition): Government leader, in last year's budget speech, the Minister of Finance said:

We are absolutely determined that our debt-to-GDP ratio must continue to decline. Our deficits must continue to be reduced. . . .

This is our fiscal anchor. This is a line we shall not cross. It will ensure that our finances remain sustainable. Let me repeat: “This is a line we shall not cross.”

• (1430)

Less than one year later, Senator Gold, by her own admission, Minister Freeland has brought forward a budget that is not sustainable. The debt-to-GDP ratio, the Liberals’ so-called fiscal anchor, will be higher than projected not just for the upcoming 2023-24 fiscal year but also for the year after that.

Leader, now that the Jagmeet Singh–Trudeau government has tossed aside its fiscal anchor and crossed the line they said they would not cross, how can it claim any credibility whatsoever when it comes to Canada’s financial management? When will Justin Trudeau do the right thing and give Canadians the opportunity to again decide whether he has the right to govern this country?

Hon. Marc Gold (Government Representative in the Senate): Well, thank you for your question, senator.

The current government has the confidence of the House, and I am convinced that it will continue to have the confidence of the House. The reason it does is because it has delivered and will continue to deliver results for Canadians.

You asked a question about confidence in the fiscal management of the government. This government has overseen strong economic growth — the strongest in the G7 — strong job growth, wherein 830,000 more Canadians are now employed than before the pandemic. Inflation has fallen and has remained flat for the last eight months in a row. Our unemployment rate is near a record low, and the labour force participation rate for women aged 25 to 54 reached a record high of over 85% in February.

This government has demonstrated through difficult times and despite regular challenges from the opposition that it knows how to manage in a time of difficulty, and it knows how to invest in the future of Canadians, which is exactly what this budget does.

Senator Plett: Wow. There is one reason why it has the confidence of the House — because it sold itself to the NDP. This is the tail wagging the dog. Jagmeet Singh is running this country.

The Trudeau government’s uncontrolled spending has contributed to the inflation that has hurt Canadians and families and has led to deficits with no end in sight, leader. Smile all you want. Just a few short months ago, in the Fall Economic Statement, Canadians were told the federal budget would have a surplus by 2027. Now that’s out the window.

The cost to service Canada’s debt in the fiscal year which starts in just a few days is \$43.9 billion. That’s almost double what it was in 2021-22. Let me put that in perspective. The cost just to service the Trudeau government’s debt is projected to be double the entire budget of your deputy leader’s and my home province of Manitoba. This reckless spending is feeding the high

inflation, and the high inflation is feeding the debt and the cost to service any debt. Do you not think in any way, leader, that this is irresponsible?

Senator Gold: I believe this is a responsible budget. I believe that this budget invests in our future as we transition to clean energy, as the world transitions to clean energy, as our major economic partner transitions to a cleaner, more sustainable environment. It provides investments to our companies, whether in the oil patch, in Hibernia and across the country to take advantage of Canadians’ expertise to profit and benefit from the changes that are upon us and that no government that is responsible or prudent would dare ignore.

It also invests in Canadians, who continue to have the challenge of living through uncertain economic times. That’s why the targeted, focused help that this budget provides to Canadians will assist them as they move forward.

Again, this government’s record over the last three or four challenging years demonstrates that it is possible to invest in Canadians, support our economy, do the right thing and still maintain a high credit rating and the strongest growth in the G7.

ENVIRONMENT AND CLIMATE CHANGE

CARBON TAX

Hon. Denise Batters: Senator Gold, another budget, and the Trudeau government still plans to triple the carbon tax that is crushing Canada’s farmers and consumers. It’s set to rise again on Saturday — fittingly, April Fool’s Day.

The Canadian Federation of Independent Business tells us that this year, more than \$8 billion will be collected from small businesses in carbon tax, and only \$35 million of it will be returned in rebates. “The Food Professor,” Dr. Sylvain Charlebois, wrote in a column today that small agri-food business owners are also really feeling the squeeze. He said that, as a result:

... by 2030, the carbon tax will potentially become a much more significant driver of food inflation than climate change itself.

Senator Gold, when will this Trudeau government axe the carbon tax so that Canadians can afford to eat?

Hon. Marc Gold (Government Representative in the Senate): It is misleading, with all respect, to attribute the challenges of food prices to the carbon tax, to the price on pollution. Most reputable economists understand that this is the most effective market-driven policy tool to reduce and incentivize pollution reduction. Capital markets are telling our oil patch and our creative producers in your province and in others to do so.

This government is committed to the path of continuing to address climate change through a suite of tools, of which the price on pollution is one, while investing in our companies and in our human capital to make sure that Canadians benefit from the transition to the economy of tomorrow.

Senator Batters: Senator Gold, one in five Canadians are skipping meals because they simply can't afford to eat. Prime Minister Trudeau's inflationary spending is a major factor, and now he is cranking up the carbon tax that hits not only Canadian farmers but also agri-food businesses and will further drive up food prices for every Canadian consumer. *Canada's Food Price Report 2023* predicts that a family of four will spend more than \$1,000 extra on food this year, almost \$600 more than the GST credit they would get. No matter how you slice it, it just doesn't cut it.

Last week, Minister Wilkinson actually referred to the carbon tax as an affordability measure. Clearly, he hasn't lived in Saskatchewan for a very long time.

Why doesn't the Trudeau government save its pennies-on-the-dollar rebates and instead axe the carbon tax to give Canadians real relief on their grocery bills?

Senator Gold: Thank you for your question. This government is very well aware of the rising and sustained high cost of groceries, and that is why it has targeted relief to more than 10 million to 11 million households that need it the most.

It is simply not correct, although perhaps ideologically comforting, to wrap every increase in prices to the price on pollution. We know that supply chains are disrupted by the pandemic. We know that supply chains are disrupted because of the war in Ukraine. We know this is a worldwide phenomenon. We know that grocery chains are being seriously questioned by members in the other place as to what role they may be playing in terms of food prices.

The government's position is that the price on carbon is an important policy tool to benefit Canadians, not only now but later for our children and our grandchildren.

[Translation]

IMMIGRATION, REFUGEES AND CITIZENSHIP

ASYLUM SEEKERS

Hon. Julie Miville-Dechêne: My question is for the Government Representative in the Senate. Closing Roxham Road was undoubtedly inevitable. Like many others, however, I'm concerned about what happens next. One can't help but notice the difference between how the 133,000 Ukrainian refugees have been treated and how the asylum seekers who arrive on foot at our borders are treated. Some have crossed a dozen countries to reach Canada.

Will closing the Roxham Road loophole cause more human misery or make it even worse? What means will desperate people use to enter Canada? It's entirely understandable that the government would want to redirect migrants to institutional processes, but what are we going to do to ensure that these actions do not result in even greater tragedies?

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question. It's important to note the significant challenges and the issues involved in the decisions to

renew the agreement with the U.S. We need to ensure that this can be applied to the entire border, and not just official border crossings.

• (1440)

Canada has definitely done its part, as it always has, by welcoming those seeking asylum through official channels. As you know, Quebec alone has accepted more than 40,000 migrants who tried their luck and managed to get to Canada by irregular means.

We have a 9,000-kilometre border, more or less, and we have to admit that it would be impossible for officers to monitor it. We do not have the resources and neither does the United States. The government is aware of the existing issues and knows that would be even more difficult come winter. The government is working with the provinces and our American counterparts to ensure that we can manage the situation in a compassionate and responsible manner.

What the government wants from this agreement is to enable those wishing to come to Canada to do so through recognized and official channels, because that is how they can access services we can manage and monitor. They have the right to remain in Canada by making an application. Otherwise, they must return to the United States, as required by the rules.

Senator Miville-Dechêne: Precisely, for this return to the United States, the Americans are grappling with an even bigger wave of migrants than we are. Some of the asylum seekers trying to enter Canada have already been turned back to the United States since Sunday.

Senator Gold, does the government know how the U.S. authorities are going to deal with these people and what will happen to them in this country that is already overflowing with migrants?

Senator Gold: That is an excellent question, senator.

As everyone knows, our Minister of Immigration and his team, as well as his counterpart and his team, have been looking for quite some time at the details of this protocol that was signed a year ago.

I am not aware of all the details of their conversations, far from it, but I'm sure and I know that this is one of the issues on the table, and it will remain there because the governments of Canada and the United States understand full well the humane issues involved and the importance of managing this file compassionately and responsibly.

EMPLOYMENT AND SOCIAL DEVELOPMENT

FORCED ADOPTIONS

Hon. Chantal Petitclerc: My question is for the Government Representative in the Senate.

Senator Gold, my question is once again on forced adoptions. I hope this is the last time I will have to ask this question.

Senator Gold, you have surely heard that last week, Scotland officially apologized to thousands of its citizens whose babies were taken from them and put up for forced adoption between 1950 and 1970.

We know, and it has been often said, that official apologies cannot fix the mistakes of the past, but everyone agrees that they are the first steps in a healing process for the women struggling with lifelong trauma.

Last week, I was talking to one of these victims, and she said the following:

[*English*]

“Tell them to hurry up. I’m not getting any younger.”

[*Translation*]

I have asked this question many times and I will not stop asking it. Like these women, I will never accept the response that adoption is a provincial jurisdiction, when the report of the Standing Senate Committee on Social Affairs, Science and Technology was very clear in 2018 and outlined the responsibility of the federal government.

Will Canada finally follow the example of other Commonwealth countries such as Australia and Ireland, and now Scotland, and officially apologize to the more than 300,000 Canadian women and their children for the way they were treated for years and years?

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question, senator, and thank you for reminding us of the situation. As you said so well, unfortunately we cannot change the past.

I will take this message and the request of those who experienced this tragedy and contact the government. I will do everything I can to get a response.

[*English*]

AUDIT AND OVERSIGHT

BUSINESS OF THE COMMITTEE

Hon. Scott Tannas: My question is for the chair of the Standing Senate Committee on Audit and Oversight, or AOVS.

Under the committee’s mandate, it is responsible for the selection of a chief audit executive. The individual will lead and supervise the Senate’s internal audit function, ensure audits are being conducted appropriately and review the adequacy of risk management control in the governance processes.

Senator Klyne, can you please provide an update to the Senate on the process and progress for hiring a chief audit executive?

Hon. Marty Klyne: Thank you for the question. AOVS is authorized on its own initiative by the *Rules of the Senate* to retain the services of internal auditors and to oversee the Senate’s

internal audits, among other related matters. As outlined in the *Senate Audit and Oversight Charter*, the chief audit executive, or CAE, will report to our committee, making it a unique position in the Senate. The new position, the CAE, is crucial for us to be able to fulfill our mandate. As you noted, they will be responsible for drafting and implementing a risk-based internal audit plan under our direction.

The hiring process for the chief audit executive is well under way as the Senate adopted the committee’s budget to hire a recruitment firm in June 2022, which was selected following a request for proposal process last summer.

The AOVS committee will be presenting a budget to the Senate in coming days, requesting approval to extend the contract of that recruitment firm. We have just completed first-round interviews and will now be moving to a second round of interviews. I expect the committee will be making an offer in coming weeks, shortly after the break. I hope we can make an announcement of the new CAE soon thereafter and on board in May.

As colleagues know, AOVS was created by the Senate with the intent to be completely independent from the Senate’s management committee, the Internal Economy, Budgets and Administration Committee, known as CIBA. That said, the CAE will need to align the Senate’s internal audit function with the Senate’s existing governance structure, including the role of the Audit and Oversight Committee. The work will focus on matters of relevancy as driven by an approved risk internal audit plan, and, in that regard, make valued contributions, providing insight and recommendations and serving as a catalyst for improving the effectiveness and efficiency of the Senate’s operations. Thank you.

[*Translation*]

FOREIGN AFFAIRS

HUMAN RIGHTS IN UGANDA

Hon. Pierre J. Dalphond: Senator Gold, last week, on March 21, Uganda’s parliament passed a new law, which was described as the world’s most repressive sexual diversity legislation.

Possible penalties have been increased — up to and including the death penalty — for, and I quote, “aggravated homosexuality.” Identifying as a member of the LGBTQ+ community will be a crime. In addition, anyone who fails to report a homosexual person would be subject to a six-month prison sentence.

Uganda has become the most homophobic state in the world. What does the government intend to do about such a discriminatory and backward law?

Hon. Marc Gold (Government Representative in the Senate): Thank you, senator.

The Government of Canada is deeply concerned about the legislation approved by the Ugandan parliament last week.

As you know, both the Prime Minister and the Minister of Foreign Affairs strongly and immediately condemned this bill on March 22. The bill seeks to broadly violate the human rights and fundamental freedoms of Uganda's LGBTQ2+ community. That is unacceptable.

• (1450)

The government stands with the LGBTQ+ community in Uganda and around the world and is calling on the government of Uganda to repeal that law. I would like to add that Canada unequivocally opposes the use of the death penalty in all cases, everywhere. This form of punishment is inconsistent with human rights and human dignity.

[English]

Senator Dalphond: I understand that our policies may be similar to United States policy. John Kirby, the United States National Security Council Coordinator for Strategic Communications, said last Tuesday that U.S. foreign policy supports expanded human rights throughout the world. He said that they:

. . . are never going to shy away or be bashful about speaking up for those rights and for . . . individuals to live as they deem fit, as they want to live.

He added, "And that's something that's a core part of our foreign policy, and it will remain so."

Is that the case for Canadian foreign policy?

Senator Gold: Thank you.

Canadian foreign policy has always been — from the very early days — one that promotes human rights. Indeed, the formation of the Charter — a universal human rights charter — was, importantly, a product of many, but also of John Humphrey, an eminent Canadian. It remains a cornerstone of Canadian foreign policy, and our government will continue to speak up loudly and proudly on behalf of all those who are oppressed.

[Translation]

JUSTICE

VICTIMS' RIGHTS

Hon. Pierre-Hugues Boisvenu: My question is for Senator Gold. According to statistics from the Canadian Femicide Observatory, 184 women were murdered last year, in 2022. That is 11 more than in 2021 and 36% more than in 2019. As I said before, Quebec is doing its part by creating courts specializing in cases involving domestic and sexual violence on the initiative of Quebec justice minister Simon Jolin-Barrette.

The minister is just getting back from London, where he presented his project to the legal and political communities, who commended him for it. Minister Jolin-Barrette wants every Quebec district to have its own court by 2026. He said that he is

[Senator Gold]

fully committed to shifting the focus of the Quebec justice system to victims. Can you tell me when Justin Trudeau's government will do the same?

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question and for once again pointing out the importance of victims' rights and continuing to look into that issue in our provincial and federal systems. I commend you for it.

As you know, the government has made a lot of progress and a lot of investments to help front-line organizations that provide essential services to survivors of sexual violence. Over 1,200 organizations receive government support. What is more, the government has implemented a national action plan that will inform the next steps. The government is working with its provincial and territorial counterparts to address this critically important issue.

Senator Boisvenu: If your government has done so much, will you finally present in this chamber a clear record of all the measures taken by the Liberal government to combat domestic violence, and in particular the improvements made to the Victims Bill of Rights over the past eight years?

Senator Gold: Thank you for the question. I will have to ask the government some questions in order to respond to yours, and I undertake to do that.

[English]

FOREIGN AFFAIRS

FOREIGN INTERFERENCE

Hon. Donald Neil Plett (Leader of the Opposition): Leader, when the recent reports of Beijing's interference in our elections emerged, the Prime Minister did not treat them with the seriousness that they deserved. First, he blamed the whistleblower. Then, he said the allegations were inaccurate, but he wouldn't say why. He then went on to label legitimate questions as racism. After that, he had backbench Liberal MPs walk out and filibuster at committee for three weeks. Then, he appointed an old family friend and Pierre Elliott Trudeau Foundation member as a made-up special rapporteur.

Leader, the budget contained almost \$50 million for the RCMP to counter foreign interference and protect Canadians from this harassment. How did the Prime Minister go from dismissing these reports to giving them an entire section in his budget in just a few short weeks?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question.

The Government of Canada has taken, does take and will continue to take the question of foreign interference — whether it is the allegations surrounding China or others — very seriously; it always has. The fact that the government is taking action, including the steps that I have already outlined, and additional action in terms of resources — both to the RCMP, to which you referred, as well as the \$13.5 million to create the national

counter-foreign interference office in the Department of Public Safety — testifies to the seriousness with which the government takes this important issue, and it shall continue to do so.

Senator Plett: A year ago, leader, I actually received an answer to one of my written questions on the Senate's Order Paper concerning foreign interference — it doesn't happen very often. I asked how many Canadians had contacted the RCMP's National Security Information Network regarding foreign interference. The answer was that — in 2021 alone — over 11,000 calls and emails were received, from which 682 tips were forwarded to the National Security Programme. In January 2022 alone, the RCMP received 873 calls and emails.

It seems to me that for some time now the RCMP has needed more resources to investigate foreign interference, including the harassment and intimidation of Canadians by Beijing's Communist regime.

Would the RCMP have received this funding if the Prime Minister didn't need to look as though he is taking the matter seriously?

Senator Gold: The funds that the RCMP is receiving are funds that are necessary to protect Canadians, and allow the RCMP to do its job — as they are faced with increasingly intensive attempts by many state parties and non-state actors to interfere in our institutions, and to sow chaos and mistrust amongst Canadians in the faith of those institutions. That's the reason why the additional resources are made available to the RCMP, and we have every confidence that they will do their job.

PUBLIC SAFETY

COMBATting ISLAMOPHOBIA

Hon. Mary Coyle: Senator Gold, last evening our colleague Senator Mohamed Ravalia hosted us for a magnificent community celebration of Ramadan. Unfortunately, a recent Angus Reid Institute study found that 39% of Canadians hold a negative — or very negative — view of Islam, and that Canadians are more negative toward Islam than any other faith. It also found that half of Canadians believe that Canada does not have a problem with Islamophobia, with those who view Islam negatively being the most likely to say that there is no problem.

Globally, many Muslim communities are the targets of state-sanctioned discrimination, as we know is the case with the genocide of the Uyghurs in China and the Rohingya of Myanmar.

As we know, our Senate Human Rights Committee is currently studying Islamophobia in Canada. Last week, Senator Greenwood and I attended the first in-person parliamentary briefings on the occasion of the United Nations' first International Day to Combat Islamophobia — we heard the disturbing statistics and personal stories.

Senator Gold, what is the Government of Canada doing to combat Islamophobia, and ensure that Muslim people in Canada feel — and are — safe and welcome?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question.

Tragically, and regrettably, Canada has seen an alarming increase in hate crimes and other examples of Islamophobia. In this country, it is the position of the government, which it has stated publicly, that Islamophobia is real and is a troubling fact that needs to be addressed.

• (1500)

To address it, the government has taken very concrete actions. They include the hosting of a National Summit on Islamophobia, the appointment of Canada's first ever Special Representative on Combatting Islamophobia, officially recognizing January 29 as a National Day of Remembrance of the Québec City Mosque Attack and Action against Islamophobia and, in concrete terms, investing \$5.6 million over five years with \$1.2 million ongoing to support the new Special Representative on Combatting Islamophobia.

The government will continue to support organizations and community organizations that work in this area, and we'll work closely with the many Muslim communities in the country to end — as is our hope — Islamophobia in this country.

[Translation]

The Hon. the Speaker pro tempore: Honourable senators, the time for Question Period has expired.

ORDERS OF THE DAY

APPROPRIATION BILL NO. 5, 2022-23

THIRD READING

Hon. Raymonde Gagné (Legislative Deputy to the Government Representative in the Senate) moved third reading of Bill C-43, An Act for granting to His Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2023.

She said: Honourable senators, I rise today to speak to the appropriation bill for the 2022-23 Supplementary Estimates (C). The government is seeking Parliament's approval of the planned voted spending detailed in the Supplementary Estimates (C) through this appropriation bill. As you know, colleagues, appropriation bills are the mechanisms for Parliament to authorize payments from the Consolidated Revenue Fund to provide government programs and services.

It is our responsibility as parliamentarians to authorize government spending through the estimates and associated appropriation bills. Indeed, this is one of the most important responsibilities we have in this chamber. The Main Estimates and Supplementary Estimates, together with the public accounts,

Departmental Plans and Departmental Results Reports, play an important role and provide information that helps parliamentarians and Canadians scrutinize government spending.

Colleagues, this scrutiny is essential to a well-functioning democracy. Canadians expect their government to be transparent and have a right to know how their tax dollars are being spent. Not only do the estimates provide the taxpayers of this country with a detailed and transparent breakdown of where their money is going, but they also provide an opportunity to hold the government to account.

[English]

With that said, colleagues, let me now turn to these Supplementary Estimates (C). These estimates provide information on incremental spending requirements that were either not sufficiently developed in time to include in the Main Estimates or have been refined to account for recent developments.

This year's Supplementary Estimates (C) present a total of \$10.3 billion across 58 organizations, of which \$4.7 billion is to be voted on. If approved, honourable senators, voted budgetary spending for this fiscal year would increase by 2.1% to a total of \$224.6 billion. These estimates also show, for information purposes, changes in planned statutory expenditures. Those expenditures are forecast to rise \$5.6 billion to a total of \$218.7 billion. This increase is attributed to a \$6.6-billion increase in interest on unmatured debt due to higher short-term interest rates and the impact of higher inflation on real return bonds; a \$1.1-billion increase to Old Age Security payments based on updated forecasts of the average monthly rate, number of beneficiaries and benefit repayment amounts; and a \$1.1-billion increase for the one-time rental housing benefit and the administration and enforcement of the Rental Housing Benefit Act.

Honourable colleagues, these estimates also include \$381.7 million in funding announced in Budget 2022, including \$49.2 million for the implementation of the regional educational agreement with the First Nations Education Council in Quebec; \$45.5 million for Canada's military mission in Ukraine; and \$24.4 million for the Supporting Black Canadian Communities Initiative. This brings the total of Budget 2022 funding in the 2023-24 estimates to \$10.9 billion.

[Translation]

With these estimates, the government continues to invest in areas that are important to Canadians. Allow me to explain some of the key items in more detail.

Let me start with the government's support for Indigenous peoples and their communities. I would like to remind the chamber that this government is deeply committed to a renewed nation-to-nation relationship with Indigenous peoples, a relationship that is based on recognition of rights, respect, truth, cooperation and partnership. Indigenous peoples have the right to self-determination and self-government and rightfully aspire to restoring strong and healthy communities.

[Senator Gagné]

The government has made historic investments to support Indigenous priorities. As part of Canada's journey towards reconciliation, the government continues to invest in Indigenous peoples and their communities. In these supplementary estimates, the Department of Indigenous Services is requesting an additional \$764.1 million in funding, and the Department of Crown-Indigenous Relations and Northern Affairs is requesting \$100.7 million in funding.

The proposed funding would be allocated to essential programs and supports. It will be used to reimburse Indigenous communities for expenditures incurred on reserves in emergencies, including natural disasters. It will provide First Nations children with social services and supports in health and education. It will support efforts to increase food security in remote communities in the north. It will help support adult education.

Honourable senators, I believe that you will agree that all these programs and services are essential. These investments will help support infrastructure and services that are critically important to the physical, mental, social and economic health and well-being of Indigenous communities.

[English]

Honourable colleagues, we also know that many Canadians are struggling to find affordable housing. That is why the government has committed to taking concrete action to ensure that Canadians have safe and affordable places to live and raise a family. In addition to the planned statutory expenditures of \$1.1 billion to provide an estimated 1.8 million low-income families and individuals with a one-time \$500 rental housing benefit, the Supplementary Estimates (C) also include an additional \$9.3 million to help owners of rental properties make their buildings more energy efficient.

Honourable senators, I would be remiss if I didn't mention the Tax-Free First Home Savings Account, which will give prospective buyers the ability to save up to \$40,000 tax free toward their first home. Just like an RRSP, contributions will be tax deductible and withdrawals to purchase a first home, including investment income, will be non-taxable like a tax-free savings account. And, colleagues, to provide Canadians with greater transparency and fairness in the home-buying process, the government is working with provinces and territories to develop a home buyers' bill of rights.

• (1510)

The government is also committed to providing more supports for families. Many Canadians have family members in their household who are elderly or disabled, but many homes aren't properly equipped to meet the needs of these individuals.

In response, the government has introduced a tax credit to cover some of the costs when renovations are needed to meet the needs of elderly or disabled family members. Canadians will be able to apply for a tax credit to cover some of those costs beginning this year. Because, at the end of the day, colleagues, every Canadian deserves a safe, accessible and affordable place to live and raise their family.

[Translation]

Finally, colleagues, I would like to provide a breakdown of how these supplementary estimates will strengthen Canada's support to Ukraine.

Canada is home to 1.3 million Canadians of Ukrainian origin. Canada and Ukraine have been steadfast allies for decades.

In fact, Canada was the first western country to recognize Ukraine's independence over 30 years ago. Since then, our two countries have enjoyed a close relationship, which has only been strengthened by Russia's illegal invasion.

Honourable senators, let me be very clear. Canada remains committed to supporting Ukraine. We continue to provide the military training and equipment that Ukraine needs to defend its sovereignty, freedom and independence.

That is why the government has committed more than \$1 billion in military aid to Ukraine since February 2022.

In accordance with the Prime Minister's announcement last November, the supplementary estimates therefore allocate \$500 million to the Department of National Defence to assist the Armed Forces of Ukraine.

There are also plans to allocate \$115 million in grant assistance that will allow the Department of Finance to contribute to the World Bank's multi-donor trust fund for Ukraine.

These funds will help the government of Ukraine maintain its administrative and service delivery capacity, conduct relief operations, and establish and implement a reconstruction and reform program.

The Department of National Defence is also asking for \$56.5 million for Operation UNIFIER, the Canadian Armed Forces' training and capacity building mission in support of the Armed Forces of Ukraine.

Since the start of Operation UNIFIER in 2015, the CAF has trained over 35,000 Ukrainian military and security personnel in battlefield tactics and advanced military skills.

[English]

The government is also committed to those who have been forced to flee their homeland to escape Russian aggression. In response, the government has introduced special programs to help thousands of Ukrainian nationals and their family members find safety in Canada. Supplementary Estimates (C) include \$170 million for Immigration, Refugees and Citizenship Canada to provide transitional financial assistance to help these families take care of their basic needs while they get settled in Canada. Through the Canada-Ukraine Authorization for Emergency Travel, Ukrainian nationals and their family members can apply for a temporary resident visa to travel to and stay in Canada

temporarily — and, colleagues, Canadians can be rightly proud of the fact that over half a million temporary Ukrainian resident applications have been approved.

[Translation]

In addition, as I mentioned yesterday in my speech at second reading, the voted expenditures will make it possible to inject \$370 million to help developing countries address the impact of climate change, \$227.5 million to write off unrecoverable student and apprenticeship loans, and \$213.8 million to preserve current capacity and service levels at the Canada Revenue Agency call centres.

[English]

Honourable senators, the proposed funding in these estimates is a tangible example of the government's commitments to priorities at home and abroad, from investing in Indigenous communities to providing military assistance to Ukraine and providing affordable housing.

The estimates family of documents provides important insight into how public funds will be used to advance priorities for Canadians. The estimates show that the government is responding to immediate needs while continuing to make long-term investments that benefit everyone.

I urge all honourable senators to pass this bill without delay so we can continue to deliver results for Canadians and for the future of this country. Thank you. *Meegwetch*.

Hon. Elizabeth Marshall: Honourable senators, I would like to thank Senator Gagné for her remarks. Some of mine will be repetitive, but not all of them.

This bill that we are looking at today, Bill C-43, is requesting an additional \$4.7 billion for this fiscal year, which ends this Friday, March 31. This will increase estimated spending to \$472 billion for this fiscal year, which is \$50 billion higher than the \$422 billion outlined in Supplementary Estimates (C) last year.

The Senate Finance Committee has studied the government's request for the \$4.7 billion as detailed in the document Supplementary Estimates (C). One meeting was held on March 8, during which three departments appeared: National Defence, Global Affairs Canada and Indigenous Services Canada.

However, I would like to point out that not all of the government's total spending is studied by the Senate Finance Committee. Of the \$472 billion in spending this year, the Senate Finance Committee has studied \$225 billion, which is less than half. The remaining amounts include, among other programs, Employment Insurance benefits, the Canada Child Benefit and statutory expenditures which have already been approved by existing legislation other than an appropriation bill. These statutory payments include Old Age Security, which is approved by the Old Age Security Act; interest on debt, which is approved by the Financial Administration Act; the Canada Health Transfer, which is approved by the Federal-Provincial Fiscal Arrangements Act; and payments approved by the Farm Income Protection Act.

Since these “statutory” and other expenses are significant, I cannot impress upon my colleagues the need to review all government spending, not just half of it.

One of the problems in reviewing the Main Estimates and supplementary estimates is the challenge of aligning them with the government’s budget and the government’s fall fiscal update. Parliamentarians, and indeed all Canadians, must find it very confusing to follow the government’s spending plan throughout the year because it keeps changing. Actually, the spending increases with some of the documents that are tabled subsequent to the Main Estimates. First, we get the Main Estimates, followed by the budget and Supplementary Estimates (A) and (B). Then we get the fall fiscal update that’s followed by Supplementary Estimates (C), which we’re studying here today.

The Senate Finance Committee is presently studying the government’s spending plan in the Main Estimates for the 2023-24 fiscal year, which were tabled in February. However, this spending plan is already outdated because Budget 2023 was tabled yesterday, and it outlines additional spending not included in the Main Estimates.

Of the departments requesting additional funding in Bill C-43, the Department of National Defence is requesting the highest amount. My comments are directed primarily to this department.

The Department of National Defence is requesting \$898 million, which is 20% of the \$8.7 billion being requested in this bill. The \$898 million includes an additional \$500 million for military aid to Ukraine — specifically, a loan — as well as \$56 million for Operation UNIFIER, which is Canada’s military mission in Ukraine. The \$56 million was included in last year’s budget. There is also \$170 million being requested by Immigration, Refugees and Citizenship Canada for Ukrainian immigration. And \$115 million is requested by the Department of Finance for payments to the World Bank relating to the Ukraine multi-donor trust fund. And \$18 million is being requested by the Department of Foreign Affairs, Trade and Development for the provision of non-lethal military equipment to Ukraine. Canada’s support to Ukraine as of March 15, 2023, is \$5.4 billion.

• (1520)

This bill will increase funding to the Department of National Defence for this fiscal year to \$28 billion. The bill is not requesting any additional funding for capital projects, so capital funding for this year remains at \$5.9 billion.

When the government announced its defence policy in 2017, it estimated that total defence spending over the next 20 years would be \$553 billion, of which \$164 billion was earmarked for capital projects. Actual spending on capital projects during the first five years — up to 2022 — has been significantly less than

the commitment in the defence policy and, as a result, the department’s spending profile for capital projects shows a significant increase in spending in future years. In other words, capital spending which did not occur over the past six years, according to the 2017 defence policy, has now been pushed forward to future years.

The updated profile shows greater capital spending beginning in 2025-26. Given that the department has been unable to deliver on capital projects in the past, it will be challenged to deliver on the more ambitious future capital plan.

Honourable senators may recall that I asked Senator Gold last week what changes the government has made to successfully implement Canada’s defence policy and, specifically, their capital plan.

In addition to budgetary allocations being less than the 2017 defence policy, actual spending has also been less than the amount budgeted. In last year’s budget, the government made a commitment to update its 2017 defence policy, including its investment plan for capital projects. That was one year ago, and we are still waiting.

Given that the Department of National Defence has already published its departmental plan for the new fiscal year, the Main Estimates for next year are being studied by the Senate Finance Committee, and a new budget was released yesterday, the new defence policy, when it is released, should be aligned with these financial documents.

The war in Ukraine, as well as Canada’s changing relationship with China and Russia, has led to a shifting in priorities. Priority capital projects in 2017 are not the same as projects which would be considered priorities now, and cost estimates have most certainly increased.

Officials testifying at our Finance Committee assured us that the new defence policy and investment plan will be released “pretty soon.” However, given recent announcements of increased funding for the Department of National Defence, such as the recent commitment to purchase 88 F-35 fighter jets, it is important to realize there are significant expenditures not identified in the government’s fiscal framework, and therefore we do not know the impact on the deficit. When I say it’s not identified, it may be there, but I haven’t been able to find it. I do want to point out that there is funding in the government’s fiscal framework in the amount of billions of dollars that just shows up as a line item, and there is no description what the money will be used for. That was the problem when we reviewed the fiscal update in December.

Now, Canada has been part of the North Atlantic Treaty Organization, or NATO, as we call it, since 1949. Its objective is to guarantee the freedom and security of its members through political and military means. In 2006, NATO members agreed with the goal of setting their annual defence spending to at least 2% of GDP. Since making this commitment, Canada has never achieved the goal.

While this bill will increase funding to the Department of National Defence to over \$18 billion this year, the additional monies, along with other expenses which NATO allows, such as veterans' benefits, will not reach the 2% NATO target.

During President Biden's visit to Canada last week, several issues related to the Department of National Defence were discussed, including the modernization of NORAD, the purchase of the F-35 aircraft and a possible military intervention in Haiti. We do not know the details surrounding these initiatives, but they will have a significant impact on the department and the additional funding that would be required to support these initiatives.

There has been much discussion around the amount of money being spent on professional and special services. In 2017-18, the government spent \$13 billion on professional and special services, and this bill will increase the budget significantly from that \$13 billion in 2017-18 to \$21.4 billion this year.

In this bill, the government is requesting an additional \$817 million for professional and special services, which will increase the annual budget for the program to the \$21.4 billion. Of the \$817 million being requested for professional and special services, \$373 million is being requested by the Department of National Defence. This will increase that department's budget for professional and special services to \$4.9 billion of the \$21.4 billion budgeted for this year for all organizations. So the Department of National Defence has the biggest budget for professional and special services for the year, and they are also asking for the most in the Supplementary Estimates (C) document.

Revenues estimated to be collected by the government this year are not sufficient to pay for the expenditures outlined in this bill, along with other expenditures approved in this fiscal year. As a result, the government borrows the shortfall. The government has a legislated debt ceiling, which is \$1.831 trillion. The government cannot exceed this ceiling except in very exceptional circumstances, as permitted by legislation.

The debt ceiling applies to two components of debt: the debt of Crown corporations and the debt of government. Crown corporation debt increased from \$253 billion in 2015 to \$305 billion in 2022, and these numbers are taken from the audited public accounts. However, the government's borrowings have doubled since 2015. In 2015, government debt was \$650 billion, which has now increased to \$1,233 billion as of March 31, 2022. Yesterday's budget is forecasting additional new borrowings of \$63 billion in the new fiscal year.

A comparison of government revenues and expenditures in 2019-20, the last year before the pandemic, to the estimated revenues and expenditures in 2022-23 indicates the following: Revenues are expected to increase 31%, from \$334 billion to \$437 billion, with corporate taxes experiencing the biggest increase. Program expenses are expected to increase 30%, from \$363 billion to \$470 billion. So the numbers are only going one way: up. They are getting bigger. Public debt charges are expected to increase 42% — that's using the 2019-20 as a base — from \$24.4 billion to \$34.5 billion. And yesterday's

budget is forecasting public debt charges next year to be \$43.9 billion. So our public debt interest program is now one of the government's largest programs.

A recent study by the Fraser Institute indicates that in 2020, at the height of COVID-19, federal government spending reached just over \$19,000 per person. That \$19,000 per person represents the highest per-person spending level, adjusted for inflation, in Canadian history, but we have to remember the COVID expenditures are in there. If you take out the COVID expenditures, the non-COVID-related spending per person was \$12,752 in 2020, and it still represents the highest level of per-person spending in Canadian history.

The analysis for 2021, the following year, shows that federal per-person spending was \$13,576, which is the second-highest per-person spending level in Canadian history, adjusted for inflation, but we have to remember that also includes COVID expenditures.

• (1530)

If we excluded the COVID-related spending in 2021, per-person spending was still \$11,750, which is the second-highest level of per-person spending in Canadian history. In other words, the highest level of federal per-person spending occurred in 2020 and 2021, and it was not the COVID-related spending that caused it.

We still have to do the calculations on the 2022 per-person spending levels. I don't know what that will show, but I am sure I will be reporting that later.

I want to go back to interest costs. Two years ago, government estimated that interest costs for this year would be \$22.4 billion. Yesterday's budget indicates that it's actually going to be \$34.5 billion, which is a 54% increase over the estimate of two years ago. Public debt charges as a share of total government expenses has now increased from 3.2% in 2020-21 to 4.9% in 2021-22. This year, according to yesterday's budget, public debt charges are expected to be 7.3% of total government expenses. Next year, it's expected to be 9% of total government expenses. Again, the numbers are going one way: They're getting bigger.

While government debt has increased significantly in recent years, there is an opportunity to decrease borrowing via the enforcement of tax policy and the repayment of amounts owed to the government. Last December, Auditor General Karen Hogan released a report on the COVID-19 emergency programs. She indicated that expenditures totalling \$210 billion were paid for six COVID-19 programs. Her audit took into consideration the issuance of payments based on personal attestation, with the intent of reviewing eligibility after payments were issued and recovering the amounts paid to ineligible recipients.

Given the limited prepayment controls and the decision to focus on post-payment verifications, the Auditor General expected the department and the agency to carry out extensive post-payment verifications to identify payments made to ineligible recipients. However, the Auditor General reported that the Canada Revenue Agency and Employment and Social Development Canada did not develop rigorous and comprehensive plans to verify the eligibility of recipients. The

audit identified \$4.6 billion in overpayments to ineligible recipients, but it also identified just over \$27 billion that was paid to recipients who have an indicator of ineligibility and should be investigated further. Of this \$27 billion, \$12 billion are related to individual benefit programs while \$15 billion are related to the wage subsidy program.

The Canada Revenue Agency has pushed back on the Auditor General's conclusions about the \$27 billion. During hearings by the House of Commons Public Accounts Committee, a Canada Revenue Agency document provided additional information on pandemic benefits. The Canada Revenue Agency reviewed just over \$5 billion in benefits and determined that over \$3 billion were deemed ineligible, which means about 65% of those benefits were deemed ineligible.

The Canada Revenue Agency has a responsibility to investigate the \$27 billion identified by the Auditor General and determine whether the recipients were entitled to the benefits. If so, it has a responsibility to collect the amounts owing from ineligible recipients.

In other cases, significant amounts of tax revenues are not being collected. Last month, Statistics Canada released its annual estimate of the underground economy in Canada in 2021. It estimated that the gross domestic product at market prices for underground economic activity in Canada in 2021 was \$68 billion. Even if we assume a tax rate of 30%, the federal, provincial and territorial governments are losing about \$23 billion in tax revenues.

Last year, the Canada Revenue Agency estimated that the federal tax gap was \$40 billion. If the Canada Revenue Agency could collect even a portion of that tax gap, it would significantly reduce government's deficit.

It's not fair to the taxpayers who comply with the tax system while others can evade paying taxes.

At this point, I want to acknowledge that Senator Downe just tabled a bill relating to the Canada Revenue Agency. It's going to require the Canada Revenue Agency to list all convictions for tax evasion, including international tax evasion, and also sets out that the Minister of National Revenue has to include statistics on the tax gap once every three years in the annual report. The enactment specifies that the minister is to provide data on the tax gap to the Parliamentary Budget Officer.

I must say, I will support that bill. That is an excellent idea.

While the government has approved billions of dollars in additional funding for the Canada Revenue Agency, there is little progress in collecting taxes from tax evaders. Instead, the perception left is that the Canada Revenue Agency is simply increasing its audits of honest taxpayers.

A poll from Leger, commissioned by the Fraser Institute in early 2023, surveyed 1,554 Canadians about their opinions on the tax burden imposed on families. I found this very interesting. Here are some of the findings: 74% of those surveyed said that the average family is being overtaxed by all three levels of government — federal, provincial and municipal; and 80% of those surveyed support the average family paying 40% or less of

their income in total taxes to all levels of government. That is interesting because the average Canadian family paid 45.2% of its income to the three levels of government in 2022. You can compare this to 1981, the earliest year tracked in the study, when that number was 40.8% of its income.

So 44% of the people who participated in the survey — or almost half — feel they receive poor or very poor value from their governments in health care, education, police, roads and national defence. I'm sure many of us have spoken to Canadians who have expressed those points of view.

Supplementary Estimates (C), which supports Bill C-43, discloses budgetary expenditures of \$1.1 billion for the one-time rental housing benefit authorized by the Rental Housing Benefit Act, which was approved by Parliament last November. This benefit was intended to assist renters who met certain criteria. Vacancy rates in Canada dropped to their lowest level since 2001. According to the Canada Mortgage and Housing Corporation, rents in purpose-built rental buildings rose by an average of 5.6%, which includes renters who stayed in the same apartment. However, the price of rent for new tenants increased 18.2%, and in Toronto, the increase was 29%.

Renters are not the only ones being challenged to pay for the cost of shelter. This is an issue I've brought up several times. Mortgage holders are also feeling the impacts of inflation and higher interest rates. Last month, the Canadian Imperial Bank of Commerce disclosed that 20% of their \$263 billion residential loan portfolio, or \$52 billion of mortgages, were in a position where the borrower's monthly payment was not enough to cover the interest portion of their mortgage. In some cases, banks allow the borrower to add the unpaid interest to the principal of the loan balance, and the amortization period is often extended.

I read somewhere recently that another 20% of mortgage holders will renew their mortgages this year. I must say it's really a concern and vulnerability for the Canadian economy.

You may recall that both the Minister of Finance and the Governor of the Bank of Canada assured homeowners that interest rates would remain low well into the future. As more and more borrowers renew their mortgages at higher interest rates, we can expect a higher number of borrowers being unable to pay the interest on their mortgages.

My final comments are on the Early Learning and Child Care Plan because this program interests me very much. I do support an early learning and child care plan, but not necessarily this one.

Two years ago, in its 2021 budget, the government announced a Canada-wide early learning and child care plan at an estimated cost of \$30 billion. It committed to three objectives, which are actually outlined in the minister's mandate letter.

• (1540)

The first is a 50% reduction in average fees by the end of 2022. The government has said it has already met that commitment. Then there is an average of \$10-a-day child care by 2025-26 for all regulated child care spaces. The third objective is ongoing annual growth in spaces: Agreements with the provinces and territories have committed to 250,000 new child care spaces and 40,000 new early childhood educators by the end of 2025-26.

The Early Learning and Child Care Plan is being implemented jointly by the federal, provincial and territorial governments, and agreements have been reached with all 13 provinces and territories. The government has put those agreements on its website.

The federal government has already announced that the child care fees across Canada for regulated spaces have, on average, been reduced by 50%. However, many provinces are reporting a shortage of child care spaces and long waiting lists. For example, in Prince Edward Island, an estimated 2,000 families are waiting for a child care space.

In my home province of Newfoundland and Labrador, media reports refer to the shortage of child care spaces as a “crisis.” In Newfoundland, CBC carried an article over a few days about the shortage of child care spaces and interviewed some parents. It was very interesting. They spoke to one parent who didn’t have a child care space. She was a doctor, and there is a shortage of doctors in Newfoundland and Labrador. If you read what’s in the media, there are 140,000 Newfoundlanders — there are only 500,000 of us in total — who have no family doctor. Here was a doctor who wanted to return to work but couldn’t because she couldn’t get a child care space for her child.

In Saskatchewan, \$10-a-day child care is appreciated by those who have a space, but the wait-lists for child care spaces are long, and the issue needs to be addressed.

In Ontario, reports are that thousands more child care educators are needed.

Other provinces across Canada are experiencing the same problem. Even in talking to parents in Alberta, B.C. and Ontario, there is a serious shortage of child care spaces.

The objective of the child care plan was to reduce the cost of child care and improve the accessibility of spaces so parents could participate in the workforce. However, many parents are unable to return to or join the workforce because child care spaces are just not available. This was the overarching objective of the \$30-billion program, and without access to child care, parents cannot fully participate in the economy.

The 2021 announcement of the \$30-billion Early Learning and Child Care Plan was announced and received with much optimism and enthusiasm. However, in its second year, it is encountering serious problems in the availability of spaces and child care professionals.

The federal government must meet with its provincial and territorial partners to resolve these problems. If these problems are not resolved, the entire \$30-billion child care program is in jeopardy.

That concludes my comments. I would like to close by saying thank you to my colleagues on the National Finance Committee for your great questions; to Senator Mockler, our chair; Senator Forest, our vice-chair, and all the staff who worked so hard to make our meetings successful. Thank you.

Hon. Frances Lankin: Will the senator take a question?

Senator Marshall: Yes.

Senator Lankin: I would like to thank you and Senator Gagné. The subject matter is difficult to make real and bring to life for people, particularly in speeches in the format we have in the Senate, but both of you do an excellent job. I, for one, am appreciative of that.

Senator Marshall, in particular to you, I think of you as our collective critic on these things. There may be someone else with those skills, but I don’t hear from them; I hear from you, and it helps me tremendously in my work. I want to thank you personally.

I have two questions. You talked again about a number of line items where there are large amounts of money but no particular detail. In some other cases, there is detail about line items but no particular source of the funding is identified. I would say that is something I experienced in the Ontario government when I was in cabinet and when I was in opposition. I’ve seen it in Ottawa under the Trudeau government, under the Harper government and under the Martin, Chrétien and Mulroney governments. I can’t go back further than that.

Has the Finance Committee done any kind of analysis to draw a trend line of these challenges and what they mean to parliamentarians and Canadians that they represent in terms of having in-depth knowledge and being able to refute or understand where your interests lay and are recognized in there? If that hasn’t been done, is that something that would be a worthwhile project for the Finance Committee to do?

Senator Marshall: Thank you, Senator Lankin, for that question. I’ll start by saying that the spending documents are, in my opinion, very confusing because there are so many of them. There was a very interesting podcast done by the Parliamentary Budget Officer talking about how the spending rolls out throughout the year, and he said it’s a mess.

There has been a recognition. I don’t know how far back the recognition goes with regard to the problems with tracking the line items and figuring out what is happening, but it was before my time.

When Scott Brison was the minister responsible for the Treasury Board, he started an initiative to try to improve the process whereby government funding got approved and access to information is provided and so on. For two years, they tried

different things. One year, they used different votes, and I found that, while they weren't perfect, those two years were very helpful with the changes that were made.

After he left, there was nothing done. For a couple of years after that, each year I would ask the minister responsible for the Treasury Board if they were going to restart that initiative. I thought it would be very helpful. There is just no inclination to tackle it. People are really on their own. I'm a professional accountant, and I audited the books of the Province of Newfoundland, but it took me a couple of years to figure out what was happening federally.

We get new members on the Finance Committee. They must be absolutely confused, because the spending is very fragmented. When you sit down to look at the spending, you have five documents. You're going from document to document. It's true, as you say, that in some cases we get detailed information. In other cases, it's quite large sums of money. We don't always get good answers from officials who are testifying. You have to sort through the numbers yourself. My staff download a lot of the data, and we interrogate the data, stratify it and try to figure it out that way.

Thank you for your question.

Senator Lankin: You led into my supplementary question. I particularly appreciate the fact-based approach that you bring to your analysis and the professional skill base. There is not a lot of that to be shared in the chamber.

I have asked you this directly, but now I'm putting it on the record: Do you think we could set up a training or briefing program for other senators and their staff who would like to understand the download analysis that you do and how you approach it, just to give us a better idea and help us to be more confident?

If you were to decide to go back to Newfoundland and not return here, it would be a great loss to this chamber in terms of the kind of work you do on all of our behalf.

Hon. Senators: Hear, hear.

Senator Marshall: My first response is I wish I knew as much as everyone thinks I know, but by all means, I have offered. I have actually met with one of my colleagues who is still sitting in the Senate — not from our side, from the other side — to explain the process. Of course, I'm always available to tell what I know, but I can tell you, Senator Lankin, I don't know everything. It's a multitude of financial documents, and you're just going from document to document. If anybody is interested, I am definitely available.

• (1550)

Hon. Dennis Glen Patterson: Thank you very much, Senator Marshall.

I was interested in the alarming figures you gave about the sharp increase in per capita spending — the highest in history in recent years — and the steep increase in public debt. I think you said there was a 34% increase in the past two years. You said the trend seems to be going up.

We're often told by the government representatives in the Senate — I remember hearing this from Senator Harder and probably from Senator Gold — to not worry and that the debt-to-GDP ratio is stellar among the G7. They tell us the debt-to-GDP ratio is okay. Would you have any comments on that formula — the debt-to-GDP ratio? Is it also worrisome?

Senator Marshall: The government cherry-picks the statistics that make them look better. But you have to look at other statistics too, and what concerns me is the amount of money that is going into debt repayment. It's now one of our biggest spending programs, and the debt is growing at an alarming rate. This is the reason I've decided that I'm not going to support any more spending bills by the government because, in my opinion, they have lost control. Everything is on this very upward trend — quite a steep trend.

They cherry-pick certain things that they rely on, but you have to remember that the debt of the government has doubled since this government came to power. Up to a couple of years ago, they were borrowing and saying that interest is low and they can't afford not to borrow. That's what they said. However, it's a risk. Now interest rates have gone up, and now interest is 10% of government expenditures. It's a big program. There is no curtailment of the expenditures. They just keep spending, and the debt keeps increasing.

I looked at the budget yesterday. We're going to borrow another \$63 billion this year, interest is going to go up further, and there seems to be no initiative to look at the revenue side — other than to increase taxes. Taxes on corporations have gone up quite a bit, but personal income tax has also gone up. For people who owe the government money — there are those offshore accounts that Senator Downe is always talking about. There's the tax gap — the underground economy. It seems like there is no initiative on the government's part to get in there and do something. The Canada Revenue Agency is leaving the impression that they are doing nothing or next to nothing, even though they received billions of dollars since 2015 to improve the collection of taxes.

I'm very concerned because the debt is just being added to. There is no debt being paid down. Most people in this chamber are older. This is what we're going to leave our children. We're going to leave our children all that debt. We look at the Canada child benefit — which is a great program — and the child care program, but the money is going to help those children now, and they are going to be the ones who will have to pay it back and also pay the debt servicing cost.

Government likes to cherry-pick what shows them in a favourable light, but I think, as legislators, we have to look at the whole package.

I will leave it at that.

Senator D. Patterson: I was also shocked but not surprised at the information you gave — the shocking information that 65% of COVID payments, if I understood you correctly, were deemed ineligible. I remember talking in this chamber about how every person in the men's shelter in my community was able to get the Canada Emergency Response Benefit, or CERB, payments without having to prove the \$5,000 income that was

required by the program. Many folks in jail got CERB payments as well. So I'm not surprised by the information you have given us.

You hear from ministers and officials. I'm wondering if you think there have been lessons learned about this approach of having testimonial applications for government programs. Is there any sign that this practice will be corrected in the future?

Senator Marshall: I doubt it. I say that because we just approved the dental benefits for the children. Really, that's just issuing paycheques. There doesn't have to be any proof that the child actually receives dental services. I don't know what the details will be on other programs, but I feel that this is the way the government is going — mail out the cheques and rely on the post-verification.

About the example you cited and that I gave, I was just trying to demonstrate something about the Canada Revenue Agency and Employment and Social Development Canada. The Auditor General identified \$27 billion in payments, and there was some sign there that the recipients should not have received the money. So the Auditor General felt that the department and the Canada Revenue Agency should do some additional work. They've been pushing back. I was just trying to show that of \$5 billion, \$3 billion wasn't eligible. That's a sure sign they should look at the \$27 billion.

That issue was addressed by the Public Accounts Committee over in the House of Commons, and they have not released their report yet on that topic. I expect they will shortly. I'm expecting that they will recommend that the Canada Revenue Agency and the department pursue it, but I don't know. I'm waiting to see what they say.

Hon. Clément Gignac: I will try to be quick.

First, I just want to thank you for the time you gave to me when I arrived at the Senate to explain how this procedure and this system works.

Even I used net public debt-to-GDP to mention that this is the lowest in the G7. But they have other approaches in terms of debt. The other one, which is the gross public debt, is a pretty different story when compared to the Organisation for Economic Co-operation and Development, or OECD.

I am curious to see if you have any opinion on that. The net debt is the lowest, but it is much higher than in 2015. It is now 43% rather than 31%, and is declining slower than my expectation. I'm curious: Is gross debt the best indicator? Or is it the net debt?

Senator Marshall: Like I say, the government will cherry-pick. The net debt takes into consideration the assets of the Canada Pension Plan and, I think, the Quebec Pension Plan.

I think there is room there. The government can move numbers around to make it look best. I would go with the gross debt. However, I have to say, senator, that I would look at a number of indicators. I think you mentioned, "of the G7." Well, that's only a few countries. There are a lot of other high-income countries that we could compare ourselves to.

• (1600)

Yes, the government always cherry-picks, and we need to use our own minds and come up with our own conclusions.

An Hon. Senator: Hear, hear!

The Hon. the Speaker pro tempore: Senator Marshall, your time has expired, but we still have one senator who would like to ask a question. Are you asking for a few minutes to answer another question?

Senator Marshall: Yes, please.

Hon. Senators: Agreed.

Hon. Percy E. Downe: Thank you colleagues, and thank you Senator Marshall for your presentation.

I'm wondering if you could advise us if there is an update regarding the Canada Revenue Agency's continuous refusal to estimate the tax gap — the difference between what we should be collecting and what we are collecting; that is one measurement.

The second measurement tells you how efficient your national tax agency is. As you know, six years ago, the Conference Board of Canada, in a public document, indicated that the tax gap shortfall could be up to \$47 billion. We all realize that it's impossible for the agency to collect all of that, but if they collected half of that, it would solve a lot of problems in this country.

Do you have any update on how that's going?

Senator Marshall: I actually checked on that number the other day. The number that you gave is the most current — that's from a couple of years ago.

However, as I said in my speech, the underground economy was recently released. They actually take into consideration the number that they use for the tax gap. There is a number in there that includes the underground economy, but the numbers are a couple of years old; I have to admit that.

There was a recent report on the underground economy that was released earlier this year, and I think you would find it interesting to read the report, and read the strategy, because when I read the strategy — this is probably the nicest way to put it — I wasn't impressed, as they are emphasizing education. You are going to educate people not to use the underground economy. There was no emphasis on enforcement, so I just, sort of, threw it in the garbage — but, I did think of you when I read it.

No, that hasn't been updated — the numbers haven't been updated for a couple of years. That's the most recent one; I checked it on the website.

I did mention your legislation that you tabled today, and I will be supporting that. We'll see what happens, but I think it's great that, at least, it will be one step forward.

Senator Downe: Yes, obviously, we have the same reading list because I read that report as well. In regard to those reports — colleagues should understand this — the government made a commitment in the last election on the tax gap, and the Canada Revenue Agency, or CRA, is, in my opinion, very slowly doing piecemeal work; that was on the underground economy. They have done a couple of others. What we need is an overall tax gap analysis.

The Parliamentary Budget Officer has requested data from the CRA — not individual names of any Canadians, but just the raw data — and he can estimate an independent tax gap analysis. The CRA has refused to provide that information, and we know, for a host of reasons, that the information provided by the CRA on a number of things has been wrong.

My question is as follows: Is the Finance Committee questioning the CRA as to why they are not cooperating with the Parliamentary Budget Officer — who has asked for that information so that he can tell all Canadians what the real tax gap is?

Senator Marshall: No, the Finance Committee has not taken initiative on that, but, now that you have mentioned it, I can certainly refer that to the committee.

Everything I have read about the tax gap, and the collection of outstanding taxes, suggests that the focus of the Canada Revenue Agency — and this is also from the minister down — is that they are studying the issue. It sounds like they are studying it — probably internally — but there is no action being taken, or there is the appearance of no action being taken.

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

Some Hon. Senators: No.

Some Hon. Senators: Yes.

The Hon. the Speaker pro tempore: All those in favour of the motion will please say “yea.”

Some Hon. Senators: Yea.

The Hon. the Speaker pro tempore: All those opposed to the motion, please say “nay.”

Some Hon. Senators: Nay.

The Hon. the Speaker pro tempore: I believe the “yeas” have it.

And two honourable senators having risen:

The Hon. the Speaker pro tempore: Do we have agreement on the bell?

An Hon. Senator: Thirty minutes.

The Hon. the Speaker pro tempore: Call in the senators. The vote will occur at 4:35 p.m.

• (1630)

Motion agreed to and bill read third time and passed on the following division:

YEAS
THE HONOURABLE SENATORS

Anderson	Harder
Arnot	Hartling
Audette	Jaffer
Bellemare	Klyne
Bernard	Kutcher
Black	LaBoucane-Benson
Boehm	Lankin
Boniface	Loffreda
Bovey	Marwah
Brazeau	McCallum
Burey	McPhedran
Cardozo	Miville-Dechêne
Clement	Moncion
Cordy	Moodie
Cormier	Omidvar
Cotter	Osler
Coyle	Pate
Dalphond	Patterson (<i>Nunavut</i>)
Dasko	Patterson (<i>Ontario</i>)
Deacon (<i>Nova Scotia</i>)	Petitclerc
Deacon (<i>Ontario</i>)	Quinn
Dean	Ravalia
Downe	Ringuette
Duncan	Saint-Germain
Dupuis	Shugart
Forest	Simons
Francis	Sorensen
Gagné	Tannas
Gignac	Verner
Gold	Woo
Greenwood	Yussuff—62

NAYS
THE HONOURABLE SENATORS

Ataullahjan	Martin
Batters	Plett
Carignan	Poirier
Dagenais	Richards
Housakos	Seidman
MacDonald	Smith
Manning	Wallin
Marshall	Wells—16

ABSTENTIONS
THE HONOURABLE SENATORS

Nil

• (1640)

[*Translation*]

APPROPRIATION BILL NO. 1, 2023-24

THIRD READING

Hon. Raymonde Gagné (Legislative Deputy to the Government Representative in the Senate) moved third reading of Bill C-44, An Act for granting to His Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2024.

She said: Honourable senators, I rise today to speak to Appropriation Bill No. 1 for 2023-24, the interim supply bill for the 2023-24 Main Estimates.

With this appropriation bill, the government is asking Parliament to approve an advance on the funds requested in the Main Estimates to cover the needs of the public service from the start of the new fiscal year to the date on which the appropriation act based on the Main Estimates for 2023-24 is passed. This advance is known as the “interim supply.”

Therefore, it is up to us, parliamentarians, to authorize payments from the Consolidated Revenue Fund through the Main Estimates and the associated appropriation bills. This is actually one of our most important responsibilities in this chamber.

The Main Estimates and supplementary estimates, together with the public accounts, Departmental Plans and Departmental Results Reports, play an important role and provide information that helps parliamentarians and Canadians scrutinize government spending.

This scrutiny is fundamental to a healthy democracy. Canadians expect their government to be transparent, and they have a right to know how public money is being spent.

Not only do the estimates provide Canadian taxpayers with a detailed and transparent breakdown of where their money is going, but they also provide an opportunity to hold the government to account.

Honourable senators, allow me to spend a little time on the process of interim supply.

To spend money, the government must request Parliament’s authorization through the supply bill review and approval process.

Interim supply provides the government with access to the funding required until the full amount of funding provided in the Main Estimates is approved later in the year.

Given that the fiscal year begins on April 1 and that the normal supply cycle requires the House to vote on the Main Estimates only in June, Parliament approves interim supply before the start of the fiscal year.

We should note that the Standing Orders provide that the House of Commons has until the month of June to study and approve the Main Estimates. However, federal organizations need funding from the start of the fiscal year, or April 1. Because of this gap, the government has to table an interim supply bill in March.

[*English*]

A bill for interim supply, like the one before us today, provides funding for operations for the first three months of the fiscal year. A full supply bill for the balance of voted expenditures set out in the Main Estimates is introduced in June. But it is important to be clear, colleagues, that the interim supply bill does not, in fact, propose new spending. That’s because the expenditures found in the bill are already included in the Main Estimates.

For most departmental votes, it represents three twelfths of the total voted authorities set out in the Main Estimates for the fiscal year, but in some cases a department may ask for more than the standard three twelfths. However, in order to receive more than the standard amount, the department must provide justification to the Treasury Board of Canada Secretariat for additional twelfths to be included in the interim supply bill for parliamentary approval. Once the justification is reviewed and accepted, additional twelfths are included in the interim supply bill for parliamentary approval.

So when exactly would a department require more funding? It could be for projects launched in the spring, such as Canada Summer Jobs, or to make payments to provinces and territories for programs like Home and Community Care, mental health and addiction services and virtual care and long-term care. Or it could be for legal obligations to Indigenous communities, such as the Indian Day Schools (McLean) agreement or self-government agreements. Also, for example on Vote 10, it could be for additional supply for payments of military aid to Ukraine.

These are just some examples, colleagues, but they demonstrate the critical role interim supply plays in providing services to Canadians.

[*Translation*]

Dear colleagues, this year, the process is following the normal supply cycle. The President of the Treasury Board tabled the main estimates in the House of Commons on February 15, 2023 and the interim supply bill, Bill C-44, was tabled in that same chamber on March 22.

[*English*]

Through this interim supply bill, appropriation act no. 1, the government is seeking Parliament's approval of \$89.7 billion to ensure that funding continues to be secure for the programs that are important to Canadians.

Just as a reminder, the Main Estimates for 2023-24 provide information on \$432.9 billion in proposed spending for 129 organizations, including \$198.2 billion in voted expenditures and \$234.8 billion in statutory expenditures.

Honourable senators, these estimates address issues that are important to Canadians. Not only do they provide important insight into how public funds will be used, but they also show that the government is responding to immediate needs while continuing to make long-term investments that benefit all Canadians. I urge all senators to pass the bill without delay. Thank you, *meegwetch*.

• (1650)

Hon. Elizabeth Marshall: Honourable senators, my remarks will also be brief. I rise to speak to Bill C-44, the first appropriation bill for the new fiscal year, which begins on April 1.

The government's fiscal year runs from April 1 to March 31, so the old year ends at midnight on Friday, March 31. If we don't approve this bill, the government will not have the money it needs to continue operating the following day, on April 1.

This bill will approve some funding for the new fiscal year — just under \$90 billion. It is called the interim supply bill. The Main Estimates have yet to be approved by the House of Commons and the Senate, so the government needs money to continue operating until the Main Estimates are approved. The \$89 billion in this bill represents what we call an advance on the money requested in Main Estimates. That will be achieved by Bill C-44, which details the sums of money that the government requires to operate until June 30, when they expect the Main Estimates will be approved.

If you look at the bill itself, it's quite lengthy. You'll see that the funding is requested in twelfths of the amount requested in the Main Estimates because there are 12 months in the year. There are schedules in the bill, and it starts off by saying that all departments and organizations are requesting three months of funding, or three twelfths, which will bring them to the end of June.

Then there are exceptions: Certain votes are requesting four twelfths, some are requesting five twelfths and so on up to twelve twelfths. On average, in this bill, the government is requesting just over 45%. Last year, the government requested just around 40%, and in the year previous to that, they requested 42% of the Main Estimates. So the government is a little on the high side but in the ballpark.

[Senator Gagné]

Our Senate Finance Committee does not study the interim estimates, but the Main Estimates upon which interim estimates are based are currently being studied in committee.

As I indicated in my previous speech, it's important to realize that the funding being approved in appropriation bills, including this bill, is actually less than half of the money being spent by government. Government also has approval in many pieces of government legislation to spend money. As I have said earlier, those other bills include the Financial Administration Act, the social security act, the budget implementation acts and so on.

This bill is requesting just over \$89 billion of the \$198 billion outlined in the Main Estimates for 2023-24. That concludes my comments.

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

Some Hon. Senators: Question.

The Hon. the Speaker: It was moved by the Honourable Senator Gagné, seconded by the Honourable Senator Gold, that the bill be read a third time.

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

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

Some Hon. Senators: Yea.

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

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the "yeas" have it.

And two honourable senators having risen:

The Hon. the Speaker: Do we have agreement on a bell?

An Hon. Senator: Fifteen minutes.

The Hon. the Speaker: The vote will take place at 5:08 p.m.

Call in the senators.

• (1700)

Motion agreed to and bill read third time and passed on the following division:

YEAS
THE HONOURABLE SENATORS

Anderson	Greenwood
Arnot	Harder
Audette	Hartling
Bellemare	Jaffer
Bernard	Kutcher
Black	LaBoucane-Benson
Boehm	Loffreda
Boniface	Marwah
Bovey	McCallum
Brazeau	McPhedran
Burey	Miville-Dechêne
Cardozo	Moncion
Clement	Moodie
Cordy	Osler
Cormier	Pate
Cotter	Patterson (<i>Nunavut</i>)
Coyle	Patterson (<i>Ontario</i>)
Dalphond	Petitclerc
Dasko	Quinn
Deacon (<i>Nova Scotia</i>)	Ravalia
Deacon (<i>Ontario</i>)	Ringuette

Dean	Saint-Germain
Downe	Shugart
Duncan	Simons
Dupuis	Sorensen
Forest	Tannas
Francis	Verner
Gagné	Woo
Gignac	Yussuff—59
Gold	

NAYS
THE HONOURABLE SENATORS

Ataullahjan	Martin
Batters	Plett
Carignan	Poirier
Dagenais	Richards
Housakos	Seidman
MacDonald	Smith
Marshall	Wells—14

ABSTENTION
THE HONOURABLE SENATOR

Wallin—1

(At 5:16 p.m., pursuant to the order adopted by the Senate on March 28, 2023, the Senate adjourned until 2 p.m., tomorrow.)

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