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OFFICIAL REPORT
(HANSARD)

Tuesday, June 13, 2023

The Honourable RAYMONDE GAGNÉ,
Speaker

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THE SENATE

Tuesday, June 13, 2023

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

Prayers.

SENATORS' STATEMENTS

EDDY CARVERY III

Hon. Wanda Thomas Bernard: Honourable senators, I rise today, grateful to be on Algonquin Anishinaabe territory, to bring attention to the remarkable contributions of Eddy Carvery III, a community advocate, activist and the grandson of activist Eddy Carvery, whom I introduced last week.

Following in the footsteps of his grandfather — Eddy Carvery, Sr. — Eddy III has an unwavering dedication to social justice. He is relentless in his pursuit of equality and inclusion for the people of Africville. Eddy is the co-creator and co-host of the award-winning podcast "Africville Forever," produced during the peak of the 2020 Black Lives Matter movement and the surge of awareness regarding anti-Black racism globally.

Witnessing his grandfather's activism and having his own personal and profound experiences of anti-Black racism pushed Eddy to embark upon a new approach to carry on the legacy of his ancestors. "Africville Forever" engages listeners through the stories, struggles and resilience of Africville, with the hope that Africville continues to be acknowledged worldwide. It highlights the persistent desire of community members to one day return to Africville, ensuring that the land is returned and developed for the benefit of the entire community.

Eddy also gives back to his community through his professional life, ensuring African Nova Scotians have a place in an industry that occupies the land that was previously Africville. Eddy serves as the implementation lead for the African Nova Scotian Pathways to Port Careers Project. His focus is on engaging youth by creating career opportunities for African Nova Scotians in port and port-adjacent fields.

I admire Eddy Carvery III. I admire his commitment to preserving Africville's history through podcasting and his essential work in creating employability opportunities for his community. He is leading real change.

Eddy Carvery III is living evidence of the multi-generational resilience within the Carvery family, African Nova Scotians, African people and the descendants of Africville. For this reason, I stand with Eddy on his quest for justice, equality and the restoration of Africville's rightful place within our society.

Thank you, *asante*.

[*Translation*]

AFFORDABLE HOUSING

Hon. Éric Forest: Colleagues, the housing crisis is very real. Affordable housing is in terribly short supply everywhere. The real estate market situation is just as bad. It's incredibly difficult for our young people to become homeowners when the average cost of a mortgage was 34% of disposable household income in the Montreal area in 2022, compared to 20% in 2016.

According to the Canada Mortgage and Housing Corporation, we need 3.5 million units by 2030 to restore balance in the market. Quebec alone needs 1.13 million units, 620,000 more than anticipated.

To address this huge challenge, all three levels of government absolutely have to work together. It's important to remember that the federal and provincial governments have been, for the most part, disengaged from social housing construction since the 1990s.

We know homelessness and inadequate housing are problems in big cities. That's a tragedy in and of itself. The housing crisis is also having an economic impact on our regions. For example, in Rimouski, hundreds of students won't be able to go to university in 2023 for lack of available housing. How can anyone attract skilled workers or health care workers when the vacancy rate is 0.4% and the housing market is overheated?

There can be no doubt that the municipal officials facing this reality on a daily basis are struggling to find solutions. The right to housing is a fundamental right. It is important that all sectors involved work together. It is also important to recognize that municipalities have a central and critical role to play because they are responsible for land use.

Beyond funding, I think it is essential, for example, that municipal taxation be amended so as to encourage urban intensification and to make it easier for municipalities to purchase land. They could then promote real estate projects for non-speculative purposes. Instead of threatening municipalities and cracking down on them, we should be supporting them.

In that sense, the new Housing Accelerator Fund announced in Budget 2022 was deployed this summer and is proving to be a first step in the right direction, particularly to induce change towards the urban intensification that is needed. With an envelope of $4 billion, this fund will finance municipal action plans to rapidly increase the housing supply. A municipality that relaxes its bylaws to promote secondary suites, for example, could receive funding, provided that this relaxation actually translates into concrete results.

Madam Speaker, we're currently experiencing an unprecedented housing crisis. It requires an unprecedented response. Without additional funding, regulatory flexibility and the cooperation of all public and private players, this problem will never be solved.

Thank you.

• (1410)

[*English*]

CHIGNECTO ISTHMUS

Hon. Jim Quinn: Honourable senators, I draw to your attention that yesterday the Atlantic Premiers met in Prince Edward Island and issued a statement on the need for a new federal infrastructure program to address the impacts of climate change and to build infrastructure that supports economic growth.

Specifically, the premiers highlighted that the Chignecto Isthmus between New Brunswick and Nova Scotia is a vital corridor at risk due to rising sea levels. Make no mistake about it: Sea-level rise is on a dramatic incline that will put at risk communities and transportation systems on all of Canada's coasts, including the Isthmus, and, of course, this area provides the only rail and highway links from Canada to Nova Scotia and Nova Scotia to Canada. Billions of dollars in trade and tens of thousands of people cross this area every year.

Further, the Atlantic Premiers reiterated that the federal government has a constitutional responsibility to maintain links between provinces and fully fund the Chignecto Isthmus climate change adaptation project.

Honourable senators, if you recall, in April I asked Minister LeBlanc whether he would promote and support the Nova Scotia and New Brunswick premiers' request for 100% federal funding. One solution to help in this goal is to use the declaratory power to transfer jurisdiction of the project to the Government of Canada. Considering that the four premiers are calling for increased federal support, this reinforces how the isthmus is a trade corridor of national importance and must be viewed so by the Government of Canada. Projects such as this, including, for example, the construction of the Champlain Bridge in Montreal, have been supported 100% by the federal government when in the national interest, and ensuring the security of the corridors crossing the isthmus is, without a doubt, in our national interest.

Honourable senators, when all four Atlantic premiers are united, I ask that we take note and hear their concerns. After all, it is our constitutional responsibility to promote regional interests. Thank you.

[*Translation*]

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Jennifer Jones and a delegation from Rotary International. They are the guests of the Honourable Senator Gerba.

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

Hon. Senators: Hear, hear!

D-DAY AND THE BATTLE OF NORMANDY

Hon. Pierre-Hugues Boisvenu: Colleagues, it moves me deeply to speak about a subject that differs from my usual focus. I feel this is an important part of respecting our duty to remember.

Last week, June 6 marked a key date in our country's history. That day commemorates a bold and decisive military operation. On June 6, 1944, Allied armed forces launched an offensive on the beaches of Normandy, a battle that changed the course of the Second World War.

At the time, France was occupied and the whole of Europe was living under the terrifying threat of the Nazi regime. The whole world held its breath awaiting the actions of one man.

Some 79 years ago, our soldiers — mostly young men, some scarcely more than boys — risked their lives with unrivalled bravery. They fought for their homeland, of course, but even more importantly, they fought to defend the values of democracy and human rights and to help Europe and the Allies free themselves from Nazi oppression.

On the eve of June 6, 1944, these 130,000 brothers in arms landed on the beaches of Normandy to open a new front in Europe. These soldiers drew their courage from their sense of duty to face the firepower of new German machine guns. However, that duty came at a cost. Many of those soldiers did not return from the beaches of Normandy. On the evening of June 6, 1944, the Allies mourned the death of 10,500 soldiers, including 1,000 Canadian soldiers, on Omaha Beach and Juno Beach.

These soldiers gave their lives to liberate Europe. Their sacrifices deserve our eternal respect.

I would like to share with you the poignant testimony of Samuel Fuller, an American solder who participated in the landing. This is what he said:

> The day was starting to break and we could just barely see the coastline through the fog. We left the ship and got into the landing craft, which carried us toward the beach. I was in the 16th Regiment, 3rd Battalion, Company K. . . . The water was rough and soldiers were seasick. We were in the third assault wave. The closer we got to land, the less we could see — Smoke, fog, explosions . . . . It was hell. But that was just the beginning. . . . The whole scene was

> straight out of Dante's inferno. The ocean ran red with blood and body parts were being tossed on the waves. My sergeant and I managed to get to a sandbar, but we could not find any bomb holes in which to take shelter from the gunfire. That is when everything started to slowly fall apart. Air support missed the beach and was bombing inland. We had nothing to protect ourselves with but the bodies of fallen soldiers. We tried to figure out where the mortar fire was coming from that was tearing up the beach. The sergeant was surprised by the power and quality of the enemy fire, and he told me that we were facing seasoned soldiers.
>
> Rather than staying on the beach for 25 minutes as planned, we were trapped there for three hours under enemy fire. It wasn't until 9:30 a.m. that we managed to open a breach in the beach defences . . . it was a nightmare.

Honourable senators, in memory of those soldiers, I want to sincerely commend their courage and recognize their sacrifices.

Let's promise never to forget those who gave their lives for our freedom. Today, history seems to be repeating itself with the war that is raging in Ukraine, a country that is fighting for its freedom just as those soldiers fought for ours on June 6, 1944.

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 Senator Marwah's grandchildren: Amrie, Rulison and Sabi Holm. They are accompanied by other family.

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

Hon. Senators: Hear, hear!

NATIONAL PUBLIC SERVICE WEEK

THE HONOURABLE SABI MARWAH

Hon. Tony Dean: Honourable senators, it is National Public Service Week in Canada, and I want to recognize the thousands of public servants who work hard every day at the municipal, provincial and federal levels to keep us safe and make our lives better. This, of course, includes those who work in National Defence, policing, security, nursing and teaching, and university administrators and social workers. We have a number of former senior public servants in the Senate — leaders — including Senators Boehm, Shugart, Saint-Germain, Arnot, Marshall, Anderson, Boniface, Busson and Dagenais. We thank all of you for your public service and diplomacy, which continues in this place and outside of it.

Today, I also want to recognize that public service can take many forms. We have another senator here who does great public service, even though his career peaked as one of Canada's senior bank executives. I see that Senator Marwah has some special guests here today: his wife, Amrin, and his two daughters, Nanki and Gurbani; his son-in-law, Doug; and three grandchildren, Amrie, Rulison and, yes, little Sabi as well. Sabi is very proud of his family — I know that you understand that — and he speaks very fondly of you all, and I know you're all fond of him too.

There's something I want you to know about Sabi. He brought all of his senior banking skills into the Senate, and he has worked very hard to make the Senate a better place — a better place to work and a place that works well. Sabi was head of probably the most important committee in the Senate: He was responsible for managing our money, and he is really good at that, as you probably know. He was responsible for ensuring that we treat each other well and that we all come to work in a safe and healthy place every day, a place where young people can work and learn about how laws are made and how government works. Sabi has helped us understand some important pieces of legislation as well, as the sponsor of a budget bill, a very important international trade agreement whose real title is too long for me to get through in the time available and a private member's bill on Sikh Heritage Month.

Sabi is also generous in working for and supporting many charities and other worthy causes, although he never talks about that because modesty is one of Sabi's virtues as well. Sabi likes to help people who need our help most. He has brought members of the deaf-blind community, those who can't see or hear, to meet with us in the Senate for the past two years so that we can understand what sort of help they need and they deserve.

And there's another reason that Sabi is one of our favourite senators: We like his jokes. He has a great sense of humour, and I am sure he makes all of you laugh too.

Colleagues, today, as we celebrate Canada's public servants, let's celebrate the fantastic public servants we have right here in the Senate, which very much includes our colleague Senator Sabi Marwah. Thank you, colleagues.

Hon. Senators: Hear, hear!

• (1420)

RONALD TURCOTTE, C.M.

CONGRATULATIONS ON FIFTIETH ANNIVERSARY OF TRIPLE CROWN VICTORY

Hon. Percy Mockler: Honourable senators, I also want to acknowledge what Senator Dean has said about Senator Marwah. He is quite a Canadian.

Talking about Canadians —

[*Translation*]

Madam Speaker, I am a little nervous as I rise today to introduce to you a great Canadian.

[*English*]

Where I come from, we call it "racing into history."

Honourable senators, it all started in a little town called Drummond, New Brunswick.

[*Translation*]

Honourable senators, yes, 50 years usually marks an important event in someone's life or it may be someone's birthday, but today I wish to highlight the fiftieth anniversary of an event that marked the world of sport. It was the starting point of a legendary journey by Ron Turcotte with Secretariat, nicknamed Big Red. Honourable senators, June 9, 1973, will be forever remembered as a decisive moment and the day of an incredible feat that went down in history.

[*English*]

Back in the 1970s, Ron Turcotte's dad, from northwestern New Brunswick, gave him advice; he told him, "Have patience, my son, and build the value of a trusting relationship between man and horse."

He moved to New York in 1971. This New Brunswick resident embarked on a journey to become the unmatched legendary jockey of the world. Yes, 50 years ago, this young man from my region raised the eyebrows of all of the world. Against all odds, jockey Ron Turcotte and his horse Secretariat, nicknamed "Big Red," on June 9, 1973, captured the Triple Crown. Mr. Turcotte became internationally famous by winning the first Triple Crown in 25 years, the most legendary races in American history.

Believe me, Ron Turcotte is an icon. The town of Grand Falls and the provincial government have honoured Ron by naming a bridge in the community after him. I also invite you to visit his statue with "Big Red" that was unveiled in 2015 on Broadway Boulevard in his hometown. Disney made a movie called *Secretariat* in 2010, and the National Film Board of Canada released a documentary, directed by Phil Comeau, on Ron Turcotte's life and career.

Mr. Turcotte is without a doubt the best, the greatest and a formidable Canadian icon when it comes to horse racing.

[*Translation*]

To Mr. Turcotte and his family, we say thank you and hats off to you.

[*English*]

Thank you, Mr. Turcotte.

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 His Excellency Kallayana Vipattipumiprates, Ambassador of Thailand to Canada, and Ms. Busadee Santipitaks, Deputy Permanent Secretary at the Ministry of Foreign Affairs of Thailand. They are the guests of the Honourable Senators Woo, Kutcher and Oh.

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

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

JUSTICE

CHARTER STATEMENT IN RELATION TO BILL S-13—
DOCUMENT TABLED

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the Charter Statement prepared by the Minister of Justice in relation to Bill S-13, An Act to amend the Interpretation Act and to make related amendments to other Acts, pursuant to the *Department of Justice Act*, R.S.C. 1985, c. J-2, sbs. 4.2(1).

BILL TO AMEND THE FIRST NATIONS FISCAL MANAGEMENT ACT, TO MAKE CONSEQUENTIAL AMENDMENTS TO OTHER ACTS, AND TO MAKE A CLARIFICATION RELATING TO ANOTHER ACT

ELEVENTH REPORT OF INDIGENOUS PEOPLES
COMMITTEE PRESENTED

Hon. Brian Francis, Chair of the Standing Senate Committee on Indigenous Peoples, presented the following report:

Tuesday, June 13, 2023

The Standing Senate Committee on Indigenous Peoples has the honour to present its

ELEVENTH REPORT

Your committee, to which was referred Bill C-45, An Act to amend the First Nations Fiscal Management Act, to make consequential amendments to other Acts, and to make a clarification relating to another Act, has, in obedience to the order of reference of May 30, 2023, examined the said bill and now reports the same without amendment.

Respectfully submitted,

BRIAN FRANCIS

Chair

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

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

NATIONAL FRAMEWORK ON CANCERS LINKED TO FIREFIGHTING BILL

FIFTH REPORT OF NATIONAL SECURITY, DEFENCE AND VETERANS AFFAIRS COMMITTEE PRESENTED

Hon. Tony Dean, Chair of the Standing Senate Committee on National Security, Defence and Veterans Affairs, presented the following report:

Tuesday, June 13, 2023

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

FIFTH REPORT

Your committee, to which was referred Bill C-224, An Act to establish a national framework for the prevention and treatment of cancers linked to firefighting, has, in obedience to the order of reference of June 1, 2023, examined the said bill and now reports the same without amendment.

Respectfully submitted,

TONY DEAN

Chair

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

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

[*Translation*]

SUBSTANTIVE EQUALITY OF CANADA'S OFFICIAL LANGUAGES BILL

BILL TO AMEND—THIRD REPORT OF OFFICIAL LANGUAGES COMMITTEE PRESENTED

Hon. René Cormier, Chair of the Standing Senate Committee on Official Languages, presented the following report:

Tuesday, June 13, 2023

The Standing Senate Committee on Official Languages has the honour to present its

THIRD REPORT

Your committee, to which was referred Bill C-13, An Act to amend the Official Languages Act, to enact the Use of French in Federally Regulated Private Businesses Act and to make related amendments to other Acts, has, in obedience to the order of reference of Thursday, June 1, 2023, examined the said bill and now reports the same without amendment but with certain observations, which are appended to this report.

Respectfully submitted,

RENÉ CORMIER

Chair

(*For text of observations, see today's* Journals of the Senate*, p. 1808.*)

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

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

• (1430)

CRIMINAL CODE

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-41, An Act to amend the Criminal Code and to make consequential amendments to other Acts.

(Bill read first time.)

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

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

[*English*]

CRIMINAL CODE

BILL TO AMEND—FIRST READING

Hon. Salma Ataullahjan introduced Bill S-267, An Act to amend the Criminal Code (aggravating circumstance — evacuation order or emergency).

(Bill read first time.)

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

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

CANADA-UNITED KINGDOM INTER-PARLIAMENTARY ASSOCIATION

BILATERAL VISIT TO THE UNITED KINGDOM, OCTOBER 24-27, 2022— REPORT TABLED

Hon. Tony Dean: Honourable senators, I have the honour to table, in both official languages, the report of the Canada-United Kingdom Inter-Parliamentary Association concerning the Bilateral Visit to the United Kingdom, held in London, England and Belfast, Northern Ireland, from October 24 to 27, 2022.

[*Translation*]

THE SENATE

NOTICE OF MOTION TO AMEND CHAPTER 3:05 OF THE *SENATE ADMINISTRATIVE RULES*

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

That, in light of the adoption of the *Financial Policy for Senate Committees* by the Standing Committee on Internal Economy, Budgets and Administration on June 1, 2023, the *Senate Administrative Rules* be amended in Chapter 3:05

(a) by repealing the heading before section 1, section 1, subsections 10(2) and (3) and section 11; and

(b) by replacing the heading before section 2 and subsections 2(1) and (2) with the following:

"Committee Budgets

2. (1) A committee budget for special expenses must be

(*a*) adopted by the committee;

(*b*) submitted by the committee to the Internal Economy Committee for its consideration; and

(*c*) presented to the Senate by committee report, with the budget and a report of the Internal Economy Committee attached.

(2) A budget prepared for the purposes of subsection (1) must contain a detailed estimate of the committee's special expenses for the fiscal year."; and

That the Law Clerk and Parliamentary Counsel be authorized to make any necessary technical, editorial, grammatical, or other required, non-substantive changes to the *Senate Administrative Rules* as a result of these amendments, including the updating of cross-references and the renumbering of provisions.

[*English*]

GREENHOUSE GAS POLLUTION PRICING ACT

MOTION TO AUTHORIZE ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES COMMITTEE TO STUDY SUBJECT MATTER AND AGRICULTURE AND FORESTRY COMMITTEE TO CONSIDER DOCUMENTS AND EVIDENCE GATHERED DURING THE STUDY—LEAVE DENIED

Hon. David M. Wells: Honourable senators, with leave of the Senate and notwithstanding rule 5-5(j), I move that notwithstanding any provision of the Rules, previous order or usual practice, if Bill C-234, An Act to amend the Greenhouse Gas Pollution Pricing Act, is adopted at second reading, number one, it stand referred to the Standing Senate Committee on Agriculture and Forestry; number two, both the Standing Senate Committee on Energy, the Environment and Natural Resources and the Standing Senate Committee on National Finance be authorized to examine and report on the subject matter of the bill — sorry, I misread that section.

That both the Standing Senate Committee on Energy, the Environment and Natural Resources be authorized to examine and report on the subject matter of the bill; and that, number three, the Standing Senate Committee on Agriculture and Forestry be authorized to take into account, during its consideration of the bill, any public documents and public evidence received by either of the committees authorized to study the subject matter of the bill, as well as any report from either of those committees to the Senate on the subject matter of the bill.

The Hon. the Speaker: Honourable senators, is leave granted?

[*Translation*]

Hon. Renée Dupuis: Madam Speaker, would it be possible to ask Senator Wells to repeat the motion exactly as written? We were given the first version and then told that there was a problem with the wording, yet we're forging ahead. We're totally confused; we don't even know what we would be agreeing to.

[*English*]

The Hon. the Speaker: Senator Wells, could you please read the motion once more? The draft that I have received is a bit different from what you are saying. We want to make sure that we have the motion as read.

Senator Wells: Understood, Your Honour. As I wait for the motion to be returned to me, I will explain to Senator Dupuis and, of course, to all our colleagues that there was agreement that the bill be referred to the Agriculture Committee as the lead committee and to the Energy Committee as the secondary committee. In the note that was given to me it said the Finance Committee, but I know there was agreement that it would not go there.

If you'd like me to read that section again, I'd be happy to do so, Your Honour. I'll read the three sections.

> That, notwithstanding any provision of the Rules, previous order or usual practice, if Bill C-234, An Act to amend the Greenhouse Gas Pollution Pricing Act, is adopted at second reading:
>
> 1. it stand referred to the Standing Senate Committee on Agriculture and Forestry;
>
> 2. the Standing Senate Committee on Energy, the Environment and Natural Resources be authorized to examine and report on the subject matter of the bill; and
>
> 3. the Standing Senate Committee on Agriculture and Forestry be authorized to take into account, during its consideration of the bill, any public documents and public evidence received by the committee authorized to study the subject matter of the bill, as well as any report from that committee to the Senate on the subject matter of the bill.

Colleagues, as I said, the Finance Committee was removed from the original draft, and the agreement that we have with all parties is that it be referred to the Standing Senate Committee on Agriculture and Forestry, with, obviously, assistance — more than assistance — from the Standing Senate Committee on Energy, the Environment and Natural Resources.

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

Some Hon. Senators: Agreed.

Some Hon. Senators: No.

The Hon. the Speaker: Leave is not granted. Someone said, "no." Leave is not granted.

Senator Wells, on debate?

Senator Wells: Thank you, Your Honour. I'm not on debate. I'm not questioning your hearing of the call for "no," but I didn't hear it. So I wanted you to ask the question again. Thank you.

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

• (1440)

QUESTION PERIOD

PUBLIC SAFETY

FOREIGN INTERFERENCE

Hon. Donald Neil Plett (Leader of the Opposition): Senator Gold, last November, when questions were first raised regarding what the Prime Minister knew about Beijing's interference in our elections, he should have announced a public inquiry. On Friday, when his made-up Special Rapporteur finally did the right thing and announced that he would step down, the Prime Minister, again, should have announced a public inquiry. The fact that he still hasn't done so is just another example of how entitled he feels. It shows a complete and utter lack of leadership and, indeed, borders on contempt of Parliament.

Leader, what is stopping the Prime Minister from putting an end to his cover-up, and announcing a public inquiry today?

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question. First of all, the government appreciates the work that the Honourable David Johnston did in providing a report that raises important issues and provides a roadmap forward for a public process.

As Minister LeBlanc has stated publicly, the government is open and, indeed, inviting all members of the opposition to work together with him to chart a path forward in order to determine the best form of public process that will address these important issues. Echoing the words of Minister LeBlanc, as we move forward with the cooperation of all parties in the other place, I hope that the rather disturbing tone of the debate will be reduced.

Senator Plett: One thing that we agree on, leader, is the work that Mr. Johnston did, especially the last act: stepping down. We agree on that.

Minister LeBlanc is speaking out of both sides of his mouth, which Liberals do so well — denying a public inquiry until the Special Rapporteur steps down, but then saying a public inquiry was always on the table.

On Friday, the same day the Prime Minister's made-up Special Rapporteur stepped down, *The Globe and Mail* said it asked two questions of the Special Rapporteur's office that were not answered. They asked whether Navigator had prepublication access to the Special Rapporteur's conclusions on a former Liberal MP who was exonerated by Mr. Johnston's report and who had also hired Navigator. *The Globe and Mail* also asked if the report was shared with lawyers at the Torys law firm, who were not involved in the Special Rapporteur's investigation, including their non-executive Chair Robert Prichard.

Leader, do you know the answers to these questions? If you don't, leader, I expect you to pick up the phone today and find out the answers so that during Question Period tomorrow — when I ask you if you know the answers, leader — you will let us know.

Senator Gold: I do not know the answers. Again, I would hope that as we address the important issue of foreign interference, we can do so — as responsible parliamentarians — without continuing to tag the participants with adjectives such as "made-up," "cover-up" and the like. It's a serious matter. I would hope that we could address it seriously going forward.

FINANCE

CANADA EMERGENCY BUSINESS ACCOUNT

Hon. Yonah Martin (Deputy Leader of the Opposition): My question is also for the government leader in the Senate. I recently received a delayed answer to a question I posed in March regarding the contracts given to Accenture to develop and run the Canada Emergency Business Account, or CEBA, loans program for small businesses. While *The Globe and Mail* reported the cost had been $143 million, the delayed answer confirmed the cost was actually over $208 million. This was never proactively disclosed to taxpayers. The answer states that Export Development Canada, or EDC, made the decision to contract out this program and to negotiate with Accenture.

Leader, how did members of the Trudeau cabinet learn that Accenture was administering the CEBA program? Did they know the truth from the start, or did they learn it through the media? Could you make inquiries and tell us what date the Minister of International Trade and the Minister of Finance, as well as their offices, became aware of Accenture's involvement?

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question. I'm glad that you received your answer a few short months after the question was posed. I'm not in a position to know the answer to your question, nor do I know whether the information was communicated in the context of cabinet confidence. I will certainly make inquiries, and that is all I can undertake to do at this juncture.

Senator Martin: The delayed answer I received indicates that $208 million will not be the final amount that Canadian taxpayers will provide Accenture to administer the CEBA program. The answer states:

> Given Accenture's role in CEBA to provide ongoing technology services, EDC expects a Maintenance and Support contract to be negotiated to support ongoing collection activities.

Leader, how much more money does the Trudeau government estimate Accenture will receive for the CEBA loans collection? Do you commit to being transparent with Parliament and taxpayers about these future costs? As well, could you tell us why Export Development Canada chose Accenture in the first place, and why the contracts were sole sourced?

Senator Gold: Thank you for the questions. I'll certainly add that to the inquiries I undertake to make.

PUBLIC SAFETY

FOREIGN INTERFERENCE

Hon. Yuen Pau Woo: Senator Gold, last week, the Minister for Security in the United Kingdom announced that after an investigation of the so-called police stations in the U.K., no illegal activity was found at any of these stations.

When will the RCMP and the Minister of Public Safety in Canada do the same for the investigations that are ongoing with the so-called police stations in Canada, particularly in Montreal?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question, senator. As I've mentioned on several occasions in this chamber, the RCMP is actively investigating. When those investigations have been concluded, I'm sure the results of those investigations will be communicated to the government and to the public, as appropriate.

Senator Woo: Senator Gold, in the meantime, there are organizations and individuals who have been maligned by these accusations. They have had their funding cut for services that provide language training and settlement for immigrants. They remain under a cloud, and they continue to be slandered by the media and by others, including some in our own Parliament.

Senator Gold, what can the minister do to provide some support for these organizations that have not been charged with anything — where the evidence from other countries suggests that the so-called police stations are a hoax? What is the government going to do to provide some remedies for organizations that are under siege?

Senator Gold: Thank you for your questions. As I have stated before in this chamber, there's no doubt that the allegations that have swirled around the issue of foreign interference have caused harm and discomfort, to say the least, to members of the diaspora community. That is the reason why the government is proceeding in a prudent and responsible way. By having proper investigations by the RCMP — which works at arm's length

from the government — matters can be dealt with on the basis of facts, and not allegations and innuendoes. The Government of Canada is committed to doing the right thing for those organizations if it turns out that the allegations are unfounded. I'm not in a position right now to know, much less respond, with regard to the issue of potential remedies.

[*Translation*]

PRIVY COUNCIL OFFICE

AGE-VERIFICATION LEGISLATION

Hon. Julie Miville-Dechêne: Senator Gold, according to a disturbing investigative report published in *La Presse* this weekend, 45% of the videos on Montreal-based Pornhub contain depictions of assault, choking or gagging, and 97% of the targets of these acts are women. The reporter interviewed a young man who became addicted to pornography at the age of eight and another whose sexual behaviour was impacted by his consumption of pornography in which girls were being beaten.

Senator Gold, why isn't the government publicly supporting my Bill S-210, An Act to restrict young persons' online access to sexually explicit material? This bill, now before the House of Commons, would require age verification.

• (1450)

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question and for your commitment to this important issue. Congratulations on your hard work and on the publication of the document, which I read with interest. As you said, esteemed colleague, Bill S-210 is now in the other place and will be on the Orders of the Day for consideration. I've no doubt there will be an interesting and thorough debate, at which point the government will be in a position to share its stance on the matter. In the meantime, the government has communicated its intentions in the context of our study of Bill C-11. The Government of Canada is committed to continuing to deal with the online safety issue, including through legislation. As details become available, I will update this chamber.

Senator Miville-Dechêne: I realize the government is considering it. Officials may be doing likewise, but governments in some jurisdictions, such as Louisiana, Germany, France and Great Britain, have taken action to protect children by passing legislation. Why is our government silent on such a serious public health issue?

Senator Gold: Thank you for the question. With all due respect, the government is not silent. The government is taking this matter very seriously and considering possible courses of action. As I said, once debate on your bill begins, the government will make its position known.

[*English*]

TRANSPORT

AVIATION SERVICE STANDARDS

Hon. Dennis Glen Patterson: My question is for the Leader of the Government in the Senate.

Senator Gold, as you know, northern and remote communities are either heavily or — as in Nunavut — solely reliant on air transportation, but some decisions from your government have had a negative impact on the price and availability of flights. In a June 8, 2023, letter to Minister Alghabra from John McKenna, President and CEO of the Air Transport Association of Canada, he writes that the new flight crew fatigue management regulations and the Air Passenger Protection Regulations have resulted in the need for 30% more pilots in order to maintain current service levels. Mr. McKenna goes on to say that the suggested fatigue risk management system alternatives have been amply proven to be impractical and impossible to implement, except for perhaps Canada's largest carrier.

Would your government please be willing to suspend these new regulations for 18 months, as Mr. McKenna suggested, in order to enable industry to work with Transport Canada to collaboratively develop a more reasonable regulatory regime and also to give time to attract and train the additional pilots required to maintain the new service standards?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question and for raising the important issue of air linkage with the North upon which so much depends, as those of us who have travelled north understand. It's important.

Equally important, of course, are rules to make sure that flight crews and the passengers who rely upon those flights are safe. In that regard, I'll certainly bring your suggestion to the attention of the relevant minister.

Senator D. Patterson: Thank you for that answer.

Senator Gold, these price increases aren't just hurting us internationally and competitively, but our neighbours in the U.S. and Europe do not have such, in my opinion, overzealous high standards. The new regulations have also hit us hard domestically, particularly in remote and northern regions.

To further aggravate the situation — and no doubt, in part, driven by these restrictive changes — on April 25 this year, the Transport Minister and Canadian North announced the lifting of conditions on their merger agreement with First Air, which had been put in place by the minister during the pandemic to protect northern consumers from price increases. This alarming new agreement will allow Canadian North, a virtual monopoly carrier in most of Nunavut, to increase cargo costs and passenger airfares by a staggering up to 25% per year for each of the coming four years. This could be crippling.

What concrete actions will your government take to help drive down the cost of northern air travel, especially considering the already sky-high cost of living?

Senator Gold: Again, thank you for the question and for reminding us that the cost of living and the basic necessities of life — food, housing, all the basics — are much more expensive in the North and remote areas of this country. I'll certainly add that to my questions and follow-up with the minister.

[*Translation*]

FINANCE

CANADA PENSION PLAN INVESTMENT BOARD

Hon. Clément Gignac: My question is for the Government Representative in the Senate. Last week, the *Toronto Star* published an article about the Canada Pension Plan Investment Board. The article stated that this federal institution set up a network of more than 30 subsidiaries in the Cayman Islands, which is known as the tax haven capital of the world. According to the organization's spokesperson, the purpose is to minimize taxes paid abroad solely to maximize annual returns for its 21 million Canadians contributors and beneficiaries.

Senator Gold, although this tax avoidance operation is still completely legal in 2023, is your government comfortable with this federal institution's approach? Don't you think this is unethical? Doesn't it undermine Canada's credibility within the OECD despite the Minister of Finance's oft-repeated pledge to end the use of tax havens by financial institutions and multinational corporations?

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question. The government agrees that corporations that do business in Canada must pay their fair share of taxes. A solid national tax base is essential to the strength and effectiveness of Canada's social safety net. As far as the Canada Pension Plan is concerned, it is administered by an independent board of directors that operates at arm's length from the government.

The Canada Pension Plan Investment Board's board of directors establishes the investment policies in accordance with the board's mandate. This involves investing funds in the best interest of the 20 million Canadian contributors and beneficiaries. The board of directors establishes the strategic direction and makes critical operational decisions. The board's 2022 report indicated that the CPP was solid and that the resilience of the investment fund should build confidence in Canada.

If I could add something, the government has taken a certain number of measures to improve fairness within the Canadian economy, including the introduction of the temporary Canada Recovery Dividend for banks and insurance companies so that they pay a one-time 15% tax on taxable income above $1 billion for the 2021 tax year. That measure could bring in $4.05 billion over the next five years. The government also proposed to permanently increase the corporate income tax rate by 1.5% on the taxable income of life insurance groups above $100 million. I have a long list of measures that the government has taken to ensure that our system is fairer.

Senator Gignac: Thank you, Senator Gold. I understand that CPP Investments is independent of the political power, and I respect that.

In my opinion, Canadians have the right to know more about the nature of the investments that their retirement plan is making abroad. That would help us to validate not only the carbon footprint of those investments, but also their tax footprint and democratic footprint, given that they're being made in many countries that don't really respect the rules of law, human rights and tax fairness. Senator Gold, don't you think it is time for the Minister of Finance to require CPP Investments and other public sector pension plans in Canada to provide more information and to be more transparent about their activities abroad?

• (1500)

Senator Gold: I thank the senator for his suggestion. I will bring it to the minister's attention.

That being said, I'd simply like to point out that the Canada Pension Plan and the public sector pension plans are subject to their own acts of Parliament, which have been amended many times by various Parliaments.

[*English*]

PUBLIC SAFETY

FOREIGN INTERFERENCE

Hon. Denise Batters: Senator Gold, with the resignation of PM Trudeau's Special Rapporteur last Friday, a public inquiry into Beijing election interference is now the only credible option. We do not need another special rapporteur, we do not need another report where major players in this interference scandal are not interviewed, and we do not need another worthless process led by Prime Minister Trudeau's friends, his political supporters or members of the Pierre Elliott Trudeau Foundation. About 60% of Canadians want answers through a public inquiry. The House of Commons has voted three times for a public inquiry. That is the voice of the people in Canada. The half measure of Johnston's public hearings just won't cut it.

Senator Gold, when will your Trudeau government do what Canadians, the House of Commons and all opposition parties want and call a public inquiry?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question. As I have stated earlier, Minister LeBlanc has reached out to all of the opposition leaders. My understanding is that your leader and others have said that they would cooperate with the minister to work together to chart a path forward. As Minister LeBlanc also said, a public inquiry was not and is not off the table, but it remains the work of the government, with the opposition parties, to identify the right

public process going forward that achieves the results of getting to the bottom of the issues while still respecting the importance of protecting sensitive national security information.

The Government of Canada is pleased that the opposition parties have agreed to work together on that. When they reach an agreement as to the steps forward, that will be announced.

Senator Batters: Senator Gold, now that the Special Rapporteur has resigned, the bills will be flooding in for work done on his report.

First, there are the likely eye-watering legal fees for Liberal Party donor Sheila Block and her legal team from Bay Street firm Torys, especially given that, for some unknown reason, they are continuing to rack up sky-high billable hours until the end of June. There will also be money owed to Orchestra for their media relations advice. Taxpayers also are on the hook for paying Navigator, the crisis communications firm for their "communications advice and support." I sure hope it wasn't them who advised putting George Washington in a report about Beijing election interference and keeping the Trudeau Foundation out.

The bills are piling up, Senator Gold. How much has Trudeau's failed attempt to crisis manage this election interference scandal cost Canadians in total? How much? Just the number, please.

Senator Gold: Again, the Government of Canada appreciates the work that the Honourable David Johnston did, regrets the degree to which his integrity was impugned and —

Senator Plett: — to the Prime Minister.

Senator Gold: — looks forward to the constructive engagement of the opposition parties to chart a path forward.

[*Translation*]

FINANCE

CANADA PENSION PLAN INVESTMENT BOARD

Hon. Claude Carignan: My question is a follow-up to Senator Gignac's question.

Leader, I'm not satisfied with your response to Senator Gignac. You know very well that the Canada Pension Plan Investment Board was created by an act of Parliament and is accountable to the government and to the Minister of Finance.

Wouldn't it be a good idea to amend the Parliament of Canada Act and set out clear investment guidelines on avoiding tax havens?

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question and the suggestion, senator. I also want to thank you for pointing out that we do have legislation that governs the actions and the independence of these bodies.

I'll bring your suggestion to the minister's attention, and we will monitor this subject as it develops.

Senator Carignan: I would point out that the CPP Investment website clearly states the following:

> Our accountability is ultimately to our stewards — the federal Finance Minister and the Finance Ministers of the participating provinces.

It also states that the "annual report is tabled in Parliament by the Federal Finance Minister." We are Parliament, and your government is the Minister of Finance. I think Senator Gignac is absolutely right to make this proposal, and I think it's unacceptable for a federal board to use tax havens.

Senator Gold: There's no question there.

Again, it's quite clear: There's a big difference between an obligation to submit reports to Parliament — which is important and healthy and demonstrates good governance — and asking a minister to get involved if, in fact, the legislative framework doesn't allow such involvement.

[*English*]

ENVIRONMENT AND CLIMATE CHANGE

CARBON PRICING

Hon. Donald Neil Plett (Leader of the Opposition): Leader, the premiers of the Atlantic provinces called on your government to reveal how the Prime Minister's second carbon tax will impact their people. This is the second time in less than a month that the premiers have asked for this information. Their statement yesterday reads in part:

> Federal measures taking effect on July 1, 2023, will significantly increase prices for gasoline and diesel and create additional inflationary pressures on families, and more vulnerable people. The Parliamentary Budget Officer has found that these federal policies disproportionately impact Atlantic Canadians.

Leader, why is your government hiding the cost of the second carbon tax from these premiers — or do you dismiss their questions as being too partisan, as you do with mine?

Hon. Marc Gold (Government Representative in the Senate): No. Thank you for your question.

The government is not hiding things from the premiers nor dismissing their concerns. Of course, it is a legitimate concern for all Canadians as to what costs they might be called upon to assume.

The price on pollution is an important market-responsive mechanism to address climate change. It is an important part, though not the only part, of this government's commitment to address a serious existential issue for our country, for our economy and for our future. The Government of Canada has also

respected the Parliamentary Budget Officer's analysis, although it does not necessarily agree in all respects with every aspect of it.

Senator Plett: Again, hiding the cost. Why not just answer my question? Why not get the information? Answer the questions you are asked. You say that we are partisan and that we are frustrating to you. Yet, you refuse to answer any of our questions. You do not even come close.

On May 24, Minister Guilbeault promised the four Atlantic premiers that he would provide them with information in two weeks, leader, about how much of a burden the Prime Minister's second carbon tax will be on their people. Those two weeks have come and gone, yet the provinces are still looking for answers from the Trudeau government. Leader, July 1 is just around the corner. Minister Guilbeault must know how much the second carbon tax will cost Canadians — or does he? Is he simply flying by the seat of his pants? Why hasn't he had the courtesy to provide the information to the premiers, as promised? Why don't you have the courtesy to give us the answers?

Why hasn't your government had the sense to cancel this punitive and inflationary carbon tax?

Senator Gold: I will certainly make inquiries as to why there has been a delay in providing the information to which you referred. The government has no intention of cancelling the price on pollution. It is, as I've said, an important part of a multi-pronged, serious policy to address climate change, a policy which Canadians require if we're going to face the future with confidence.

THE SENATE

TRIBUTES TO DEPARTING PAGES

The Hon. the Speaker: Honourable senators, this week we will be paying tribute to the Senate pages who will be leaving us this summer.

• (1510)

Azeeza Kagzi will be entering her final year of study in political science at the University of Ottawa this fall. She is incredibly grateful to have served the Senate as a page for the last two years and is looking forward to continuing to gain the experience needed to pursue a career in the Foreign Service. She would like to thank the Usher of the Black Rod, senators, staff and her fellow pages for sharing their knowledge, expertise and kindness, which made her time as a page an incredibly enriching and rewarding experience.

Hon. Senators: Hear, hear.

The Hon. the Speaker: Emily Vibien will be entering her fourth year of studies at the University of Ottawa in political science. She is honoured to have had the chance to participate in the Senate Page Program and is grateful for the opportunity. Emily wishes to thank all those who have contributed to making it an unforgettable year in the Senate.

Hon. Senators: Hear, hear.

[*Translation*]

Yasmine Zemni is the first page. She represents Ontario. Yasmine is honoured to have been part of the team of pages over the past three years. She wishes to express her sincere thanks and immense gratitude to the Office of the Usher of the Black Rod, the members of the Senate Administration and honourable senators for allowing her to have this most enriching and formative experience.

Yasmine has just completed her Bachelor of Science and this fall she will be attending the University of Ottawa's Faculty of Medicine to pursue her Doctor of Medicine degree in French.

Hon. Senators: Hear, hear.

[*English*]

ORDERS OF THE DAY

BUSINESS OF THE SENATE

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, pursuant to rule 4-13(3), I would like to inform the Senate that as we proceed with Government Business, the Senate will address the items in the following order: consideration of Motion No. 109, followed by second reading of Bill C-47, followed by all remaining items in the order that they appear on the Order Paper.

THE SENATE

MOTION, AS AMENDED, TO RESOLVE INTO COMMITTEE OF THE WHOLE TO RECEIVE HARRIET SOLLOWAY, PUBLIC SECTOR INTEGRITY COMMISSIONER NOMINEE ADOPTED

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate), pursuant to notice of June 8, 2023, moved:

That:

1. at 3 p.m. on Wednesday, June 14, 2023, the Senate resolve itself into a Committee of the Whole in order to receive Ms. Harriet Solloway respecting her appointment as Public Sector Integrity Commissioner;

2. the Committee of the Whole report to the Senate no later than 65 minutes after it begins;

3. the witness's introductory remarks last a maximum of five minutes; and

4. if a senator does not use the entire period of 10 minutes for debate provided under rule 12-31(3)(d), including the responses of the witness, that senator may yield the balance of time to another senator;

That, on June 14, 2023, during the Orders of the Day the Senate only deal with Government Business;

That, notwithstanding the order of September 21, 2022, on June 14, 2023:

1. the sitting continue beyond 4 p.m., if required, by up to the time taken for the Committee of the Whole to conduct its work; and

2. if a standing vote was deferred to that day, the bells only start to ring, for 15 minutes, at the earlier of the time that the Senate would otherwise adjourn or 5:15 p.m., with the vote taking place thereafter; and

That on June 14, 2023, committees scheduled to meet after 4 p.m. on government business have power to do so, even if the Senate is then sitting, with the provisions of rule 12-18(1) being suspended in relation thereto.

MOTION IN AMENDMENT

Hon. Marc Gold (Government Representative in the Senate): Honourable senators, in amendment, I move:

That the motion be amended:

1. by replacing the words "at 3 p.m. on" by the words "at the later of 3 p.m. or the start of the Orders of the Day on";

2. by replacing the words "65 minutes" by the words "45 minutes"; and

3. by replacing the last paragraph by the following:

"That, once the Senate starts sitting on June 14, 2023, committees not meet until the earlier of 5 p.m. or 15 minutes after the adjournment of the Senate, provided that the Standing Senate Committee on Legal and Constitutional Affairs have power to meet as of 5 p.m. if the Senate has not adjourned by that time, with the provisions of rule 12-18(1) being suspended in relation thereto.".

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

Hon. Senators: Agreed.

(Motion in amendment of the Honourable Senator Gold agreed to.)

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

Hon. Senators: Agreed.

(Motion agreed to, as amended.)

BUDGET IMPLEMENTATION BILL, 2023, NO. 1

SECOND READING—DEBATE

Hon. Tony Loffreda moved second reading of Bill C-47, An Act to implement certain provisions of the budget tabled in Parliament on March 28, 2023.

He said: Honourable senators, I rise at second reading to speak to Bill C-47, the government's proposed budget implementation act, 2023, no. 1.

It has been an honour to be asked to sponsor this bill in the Senate, and I thank Senator Gold and the Deputy Prime Minister for their confidence. It has been a pleasure working with both of their teams, and I appreciate all of the support they have provided me since April, when I first agreed to sponsor the bill.

After being the sponsor of the Fall Economic Statement Implementation Act last fall, it seemed only natural that I sponsor a budget implementation act, or BIA. I figured that a 172-page bill was not enough for me, so I agreed to sponsor this 430-page piece of legislation.

When I accepted to be the sponsor, I had a general idea of what the bill contained. Once I was fully briefed on its contents, I felt comfortable with the subject matter and agreed with the intended objectives of these legislative changes. Once we started our pre-study, I soon realized that I was going to have my work cut out for me.

Here we are today, nearly seven weeks since the Senate mandated eight of our committees to undertake a pre-study of certain sections of the bill and also gave the Standing Senate Committee on National Finance the authority to review the subject matter of the entire bill.

Based on my calculations, we held 39 meetings in total, and there have been 210 unique committee witness appearances, including 3 cabinet ministers. I think we have every reason to be proud of our work. We often work with tight deadlines, but senators rose to the challenge once again.

• (1520)

I have read the reports from our committees, and I am happy to confirm that none of the committees are calling for amendments to the bill. However, they have made meaningful observations, which I have no doubt the government will take into consideration — many of which I will refer to in my remarks today.

As honourable senators know, Bill C-47 was first introduced in the other place on April 20, and includes measures that were first announced in Budget 2023 and other previously announced budgetary measures. The bill includes four parts: The first part makes amendments to the Income Tax Act and other legislation, and includes 17 different provisions.

The second part includes GST/HST measures.

The third part brings forward amendments to excise statutes and the Air Travellers Security Charge Act.

The fourth and final part contains 39 divisions.

In total, there are more than 60 independent measures. Some of them are quite technical in nature, and others are rather inconsequential. Others have generated quite a bit of interest in the media, amongst stakeholders and in our committees.

For your benefit, I will not address each measure individually since I only have 45 minutes, which is too bad because you all know how much I do enjoy this. Rather, I will focus my remarks on some of the more substantive measures — those that have, in my opinion, generated the most interest amongst senators and witnesses.

Before I address the measures contained in the bill, it is only fair that I say a few words on the state of the Canadian economy. Some will argue that Canada is underperforming compared to our G7 and G20 counterparts. On the contrary, I would assert that Canada is in an enviable position. At a time of global economic headwinds, Canada is operating from a position of fundamental economic strength.

When Minister Freeland appeared before our National Finance Committee last week, she reminded us that:

> Some 907,000 more Canadians have jobs today than before the pandemic. And at just 5%, our unemployment rate is close to an all-time low.

That number has dropped slightly to 890,000 with the new employment numbers released last Friday.

Minister Freeland went on to say that Canada had the strongest economic growth among G7 countries in 2022. Our real GDP grew by 3.1% in the first quarter of this year — the highest in the G7 — and Canada has both the lowest deficit-to-GDP ratio and the lowest net debt-to-GDP ratio in the G7.

Honourable senators, Canada's economy is faring quite well. In fact, I would even argue that we are leading the pack in many ways, and we should be proud of that impressive track record. Of course, we could be doing better, but the situation is not as dire as some might suggest. I think we have reasons to be hopeful that things will only become better as Canada's economy keeps rebounding with gusto after a few difficult years.

The job is never done. We must continue to work toward greater economic prosperity; create and sustain higher-paying jobs; accelerate productivity growth; increase our overall competitiveness by attracting more domestic and foreign investments; and find innovative ways of generating more wealth.

I know that the government has the same objectives. Indeed, there are many measures in Bill C-47 that hope to achieve some tangible and long-lasting positive results.

Having said that, I now wish to shift our attention to the actual measures in the bill. I will begin with the changes being proposed to the Income Tax Act which appear in Part 1 of Bill C-47.

In Part 1 of the bill, according to paragraph (b) of the summary, the government is proposing to double the deduction for tradespeople's tools from $500 to $1,000, effective for the 2023 and subsequent taxation years. We expect this measure to cost $11 million over six years. You may recall we adopted another measure last year for the tradespeople: the Labour Mobility Deduction. Canada's Building Trades Unions told our National Finance Committee that they support this measure which, as they stated, puts "money directly back in the pockets of the skilled tradespeople that build our country."

In paragraph (c), the government is expanding the residential property flipping rule, which we adopted last year, by extending it to assignment sales. Exceptions will continue to apply for certain life events, such as death, disability and divorce. This measure could affect about 1,400 Canadians per year, and increase the government's tax revenues by about $1 million annually.

The government is making changes to the Canada workers benefit, or CWB, as explained in paragraph (g) of the summary. The CWB is a refundable tax credit that supplements the earnings of low-income and modest-income workers. As it currently stands, beneficiaries claim this benefit when completing their tax return. This measure would automatically issue quarterly advance payments of the CWB to those who qualified for the benefit in the previous year. This proposal would cost an estimated $4 billion over six years, including $68 million in administrative costs.

The government hopes to raise $635 million over five years with its new measure on hedging and short selling by Canadian financial institutions, as stated in paragraph (m) of the summary. This measure was proposed in Budget 2022 and seeks to make the tax system fair. The government is concerned that certain financial institution groups are engaging in aggressive tax planning arrangements, whereby a dividend received deduction is claimed in circumstances giving rise to an unintended tax benefit.

I thought I would also address paragraph (p) of the summary of Part 1 since we adopted Bill C-228 in April. In this section, the government will give defined benefit registered pension plans the ability to borrow additional money up to 20% of the plan's assets. Plan administrators must continue to comply with the provisions of federal or provincial benefit standards legislation — which ensure that pension funds are administered with a duty of care, that investments are made in a reasonable and prudent manner and that the plan is funded in accordance with prescribed funding standards. However, this change will give greater flexibility for administrators in their investment and liquidity strategies.

I appreciate that I'm only scratching the surface here, but those were 5 of 17 measures in Part 1 that amend the Income Tax Act.

I'll now move on to Part 2, which includes four GST/HST measures.

The first measure clarifies the GST/HST treatment of cryptoasset mining by providing that where a person performs mining activities — either solo or as part of a mining pool in which the miners share rewards — that person would not be required to collect tax on the provision of their mining services, and would also not be entitled to recover the GST/HST paid on inputs to those mining services.

For instance, the Digital Asset Mining Coalition appeared before our Banking Committee and National Finance Committee, and argued that this measure may have some unintended consequences and make Canadian computing companies less competitive in the international marketplace. They are calling for an exception to the GST changes being proposed to clearly state that if a Canadian company supplies its computing power to a mining pool operator who is a non-resident of Canada, the ordinary GST rules apply to them.

In our report, senators on the Banking Committee wrote:

> The committee is concerned that despite the consultations held by the Department of Finance Canada in 2022 on this topic, there is still ambiguity that arises on its implementation. The committee suggests that the department consult again with stakeholders, in particular to address concerns of the Digital Asset Mining Coalition.

Minister Freeland told our National Finance Committee that:

> Computing service companies and their representatives have been consistently assured by the Department of Finance that the proposed measures will not jeopardize the input tax credits to which they may be entitled per the ordinary application of the GST/HST rules where these companies are selling computer services for a fixed price — and not sharing in mining rewards received by mining pool operators.

In Part 2, the government is also proposing to clarify that payment card clearing services are subject to GST/HST. This measure is in response to a recent court decision that found that GST/HST does not apply to these types of services. It has always been understood that these services were subject to tax. The proposal being considered here is to clarify and restore the long-standing policy that payment card clearing services are administrative in nature and, therefore, excluded from the GST/HST definition of "financial services."

Of all the meetings I attended at our National Finance Committee and Banking Committee, I think this is the one measure that might have generated the most interest and, dare I say, the most head-scratching. Admittedly, I am also concerned about the retroactive application of the measure, but I understand the government's rationale.

The government contends that the retroactivity of the measure is to protect GST/HST revenues, and to ensure that the court's decision does not result in payment card issuers, such as banks who purchase these services, receiving windfall gains. The retroactivity likewise protects the providers of these services who correctly claimed input tax credits in the past and were at risk of losing them. The government expects this measure to prevent windfall gains of $195 million. I have no doubt that we will hear about this issue from other senators.

• (1530)

Moving on to Part 3 of the bill, this section only contains two measures. Division 1 will temporarily cap the inflation adjustment for excise duties on beer, spirits and wine at 2%, for one year only, as of April 1, 2023. As you know, alcohol excise duties are automatically indexed to total Consumer Price Index inflation on April 1 of each year. We know industry lobbied the government for this change, and the restaurant and tourism industries certainly welcome this tax freeze. You may also recall that when the indexation mechanism tax was introduced in 2017, the budget implementation act at the time was amended in the Senate to remove it but that was ultimately rejected by the House. I wasn't a senator at the time, but it turns out the Senate may have been right five years ago.

The government is also increasing the air travellers security charge, or ATSC, by 32.85%. This is the charge paid by passengers when purchasing airline tickets that goes towards financing the costs of Canada's air travel security system, including the Canadian Air Transport Security Authority. The last time the ATSC increased was in 2010, when it rose by 52.4%. The government estimates that the charge on a return trip within Canada would increase from $14.96 to $19.87. The government expects this measure to raise $1.25 billion in revenue over the next five years. This measure will apply as of May 1, 2024.

I would now like to take some time to address Part 4 of Bill C-47, which includes 39 divisions, 36 of which have been sent to eight Senate committees for their review, either in whole or in part. I want to thank them for the important work they did. Your reports have been very helpful for me in my role as sponsor.

Once again, for the sake of time and my own sanity, and perhaps even yours, I will not address every single division in Part 4. I will focus on those I feel are most important and have generated the most interest among our colleagues.

In Division 1, the government is amending the Bank Act to provide for the establishment of a single, non-profit external complaints body to ensure Canadians have access to a fair and impartial process to address unresolved complaints with their banks. Right now, there are two bodies, and banks can choose which one they refer complaints to.

The government aims to select the new body later this year upon recommendation of the Commissioner of the Financial Consumer Agency of Canada following a selection process led by the FCAC. Witnesses before the Banking Committee welcomed the creation of this new entity. I also believe it's a good idea.

In our report, our committee agrees that:

> . . . switching to a single external complaints body is beneficial for consumers, but suggests that a deadline, such as one year after Royal Assent of the bill, be considered for the designation of the external complaints body . . . .

We also call for the Financial Consumer Agency of Canada:

> . . . to use its powers to ensure that it is held to the highest standard of transparency and accountability and that it is fair for all parties.

Through Division 5, the government is indefinitely withdrawing the preferential Most-Favoured-Nation Tariff treatment for Russia and Belarus. This is not a controversial measure or one that has attracted much attention, but I think it's worth mentioning in light of the ongoing conflict in Ukraine. This measure achieves the policy objective of incentivizing importers to source away from Russian and Belarusian imports. It is worth noting that Canada was the first country in March 2022 to revoke Russian and Belarusian eligibility for Most-Favoured-Nation status. Many other nations have since followed suit.

In Division 6, changes are being brought to the Bank of Canada Act. As you may recall, in response to the financial market stress arising from the pandemic, the bank introduced the Government of Canada Bond Purchase Program, or GBPP, Canada's first quantitative easing program. As a result of interest rate increases, the bank is now incurring net interest losses. According to the act, the bank must remit any surpluses or profits it generates to the government. The changes will allow the bank to retain future profits until such time as the bank's GBPP losses are covered, which will help it exit negative equity. Australia did the same.

The next division I want to address is one I feel is quite timely. In Division 7 of Part 4, the government is establishing the Canada innovation corporation, known as the CIC. The mandate of this new Crown corporation will be to maximize Canadian business investments in research and development across all economic sectors and regions of Canada and to promote innovation-based economic growth, including working with businesses to promote the creation and retention of intangible assets in Canada. Prior to introducing the legislation, the government consulted broadly with stakeholders in the summer and fall of 2022.

The CIC will be run by private-sector experts and operate at the speed of business. The corporation will be funded through an annual statutory transfer, giving it some consistency and operational stability and the ability to establish long-lasting partnerships with the private sector. Its initial budget will be $2.6 billion over four years.

The Banking Committee reviewed this section of the bill. In my assessment of our deliberations in committee, I feel senators, including myself, want to make sure the new corporation will not repeat the mistakes of the Infrastructure Bank, which was slow to take off. As such, we suggested in our report that the government conduct an evaluation of the CIC three years after its establishment to determine whether it has been successful in meeting its mandate and to publish the results of this in-depth evaluation in its annual report.

There are four divisions in Part 4 of the bill that relate to Canada's immigration and citizenship policies and programs.

For example, Division 17 proposes to amend the Immigration and Refugee Protection Act to enable the minister to issue instructions to cap the number of privately sponsored refugee applications submitted by Groups of Five and a Community Sponsor.

Not having these caps in place has led to a growing application inventory and longer processing times. The government feels this measure will provide refugees and their sponsors with shorter, more predictable processing times.

The Social Affairs Committee is worried that imposing a cap on privately sponsored refugee applications as a backlog management strategy:

> . . . may have the effect of excluding some of the most vulnerable people in dangerous and high-risk situations from seeking the protection of Canada.

Division 19 will make amendments to the Citizenship Act with the overall objective of improving client service. If adopted, IRCC — Immigration, Refugees and Citizenship Canada — would be able to electronically administer and enforce the citizenship program, require online applications and services and collect and use biometric information to confirm, quickly and reliably, the identity of clients and screen for criminality. The hope is that these changes will help IRCC deliver a program that is more efficient and better meets the needs of newcomers by leveraging new technologies for expedited processing. With these changes, online applications will become standard, automation and machine-assisted decision-making tools will be used to process applications faster and fingerprints and digital photos will be collected from clients.

In its report, the Social Affairs Committee voiced some concerns regarding the use of automated and machine-assisted processing. It wrote:

> Bias in artificial intelligence, automation and other machine-assistance tools has been well documented, especially against racialized people and other vulnerable populations. . . . your committee is concerned that these tools and their sorting decisions could influence the final decisions made by officials.

The committee is calling on the government to create and implement safeguards around the use of machine-assisted decision-making tools in this program in order to avoid negatively influencing application decisions with bias. I think that is a very sound and thoughtful observation, which I completely agree with.

Several changes are being proposed to the Canada Transportation Act to enhance the sharing of information between the Government of Canada and entities involved in transportation supply chains.

In addition, Division 22 proposes to increase the interswitching limit for rail from 30 kilometres to 160 kilometres in Alberta, Saskatchewan and Manitoba on a temporary basis with the goal of enhancing competitive dynamics and providing shippers with alternatives for rates and service.

This is a new pilot project, one that builds on a similar pilot that took place between 2014 and 2017 and responds directly to a recommendation of the Final Report of The National Supply Chain Task Force 2022.

Rail companies question the value of this measure and oppose it on the basis that it may have an impact on the competitiveness of our railways with American railways. It's a valid argument and one that I appreciate, but we must also keep in mind that this pilot project is limited to the Prairie provinces and seeks to gather data to assess the value of extending interswitching. On the other hand, representatives from the Canadian Canola Growers Association, who represent 43,000 farmers, welcome this amendment, and told us in committee that "the beneficiaries of the system would also be mining, fertilizer, forestry and consumer goods." Our Transport and Communications Committee also reported that briefs submitted by rail transport stakeholders suggest that there is not a consensus on the extended interswitching provisions.

• (1540)

Division 23 is one that has many people talking, and I thank our Transport and Communications Committee for the work it conducted on the proposed amendments to the Canada Transportation Act to strengthen air passenger rights, streamline the process of administering air travel complaints and shift some of the financial burden from government to industry.

The overarching goal of these changes is to enable the Canadian Transportation Agency to carry out its mandate more efficiently and allow it to offset the costs of administering the air passenger rights regime through appropriate cost recovery from the industry.

These changes are in response to the challenges we witnessed with airlines and airports last year. There are many provisions in this section, but perhaps the most important one is the overhaul of the current dispute resolution process of passenger complaints.

The government explains that air passenger rights will improve because these amendments would simplify and strengthen the system by removing the complexity and ambiguity of the regime. This will be achieved by making compensation the default for delays and cancellations unless it is due to an exception that will be prescribed by regulations. This is where some stakeholders within the air travel ecosystem have expressed some reservations.

For instance, the National Airlines Council of Canada appeared before our National Finance Committee last week and called for adherence to safety to be the primary guiding principle when defining the exemptions that airlines can claim from paying compensation over and above refund and duty of care. In a written submission, NAV CANADA also asks that:

> . . . safety-driven decisions resulting in delays and/or cancellations by any player in the system — including airlines — should continue to be protected from compensation requirements.

I have no doubt safety will always be the number one priority for the government, and officials confirmed this before our committee last week.

Another issue the National Airlines Council of Canada raised was the sharing of responsibility and accountability among all entities in the air travel ecosystem, while NAV CANADA seeks to be exempted from any assignation of financial responsibility for refunds or compensation. Clearly, a lot needs to be ironed out in the regulatory process, and I trust Transport Canada will consult adequately and seek industry feedback on these proposals.

Our National Security and Defence Committee looked at Division 24, which seeks to amend the Customs Act and enact some of the priorities of the Canada Border Services Agency, or CBSA, with respect to the Traveller Modernization initiative. The goal is to enable faster border processing and improve the border experience for travellers entering Canada by, among other things, offering more automated, self-service options and streamlining identity verification.

I note the observation made by the committee that it "supports the principle of using technology to help process travellers entering Canada," noting that the results "could be an improved traveller experience and better prioritization of CBSA resources." Witnesses before the committee did offer some comments on four issues of general concern, namely, privacy considerations; the differential impacts on various groups of travellers; border security in general; and consultations with the CBSA officers' union.

The changes being proposed to the natural health products in Division 27 are in response to the Commissioner of the Environment and Sustainable Development who found gaps in the oversight of natural health products. The government's proposed legislative amendments to the Food and Drugs Act would extend the definition of "therapeutic product" in the act to include natural health products. This will improve Health Canada's ability to collect information and take quick and appropriate action when a serious health risk is identified.

The natural health product sector is not pleased with these changes, but as the government explains Health Canada has seen evidence of industry non-compliance with the Natural Health Products Regulations, resulting in health and safety risks. This is occurring at a time when Canadians are using these products more frequently.

For example, the Canadian Health Food Association advances that Health Canada did not properly engage with stakeholders and feel these changes are being rushed, although they remain hopeful there will be an opportunity for meaningful stakeholder engagement during the regulatory process. As they put forward, a

proper consultative approach ensures that decisions regarding regulations for natural health products are well-informed, balanced and in the best interest of Canadians.

I am confident the government agrees, and that Health Canada will engage adequately and fairly.

In Division 28, the government is proposing to ban the testing of cosmetics on animals in Canada, prohibit false or misleading labelling pertaining to the testing of cosmetics on animals and prohibit the sale of cosmetics that rely on animal testing data to establish the product's safety, with certain exceptions. These exceptions will ensure that existing cosmetic products remain on the market and that the proposed ban would not interfere with other legislative regimes in Canada where animal testing is still needed to demonstrate safety.

Health Canada's ban is modelled on the European Union's ban. Canada would join 41 other countries in enacting this measure. I'm sure our former colleague Senator Stewart Olsen would welcome this measure as she had been a vocal advocate for animal rights and introduced a bill to prohibit cosmetic animal testing some time ago.

Division 30 is worth mentioning because it introduces a reasonable grounds to suspect standard to the Canada Post Corporation Act to address a Supreme Court of Newfoundland and Labrador decision. It also gives me an opportunity to refer to the report from our Legal Committee. I would like to read an excerpt from the report:

> The committee notes that the restrictions on the ability to open mail are stricter for Canada Post than other private carriers operating in Canada . . . these rules prevent police from searching and seizing any letter or nonletter mail that is in the care of Canada Post.

The report goes on to say that the proposed changes in the budget implementation act do not address the issue of trafficked contraband, particularly fentanyl, using letter mail through Canada Post, and senators are calling on Parliament and the Government of Canada to give urgent attention to addressing these concerns. I know one senator who might already have a solution to this issue.

Division 31 will amend the Royal Style and Titles Act and give our new king a different Canadian title than his mother had. Unlike Queen Elizabeth, King Charles's royal title in Canada will have no reference to the United Kingdom and no reference to his role as defender of the faith.

Division 32 is one I am quite interested in, which deals with the Canada Growth Fund. Our National Finance Committee looked at the Canada Growth Fund last fall as part of the Fall Economic Statement Implementation Act, Bill C-32. Many questions that were left unanswered at the time are now being addressed. The big novelty is that the government has decided to entrust the Public Sector Pension Investment Board, or PSP, with the management of the assets of the Canada Growth Fund and to deliver on the fund's mandate of attracting private capital in Canada's clean economy.

Division 32 will also increase the amount that the Minister of Finance may requisition out of the Consolidated Revenue Fund to acquire shares of the Canada Growth Fund, up to $15 billion in total. It's worth mentioning that the fund will be independent from the government.

The Canada Growth Fund will use investment instruments that absorb certain risks in order to catalyze private investments in low-carbon projects, technologies, companies and supply chains. PSP was chosen so the Canada Growth Fund will be able to move quickly and begin making investments in the near term.

In response to my question during our National Finance Committee, the Minister of Finance explained that to provide concessional financing properly for the green transition to happen at the speed and scale that is necessary, we need investment professionals. As she put it:

> That is, people who have a long background doing this and who do it every day. . . . That is why PSP, which makes professional investments every day, has been charged with this responsibility.

She went on to say that with having PSP manage the fund:

> . . . the people of Canada and the Government of Canada will have access to truly world-class, professional investors, putting our money to work.

When I spoke to Bill C-19, the Budget Implementation Act, 2022, in June of last year, I explained how it's so much easier to distribute wealth than attract and create wealth. I called on the government to come up with a plan to address our lacklustre productivity and growth performance. Twelve months later, I feel the Canada Growth Fund, along with the Canada Innovation Corporation, are part of solutions to this problem.

I appreciate the government is making these targeted investments. If properly managed, these billions of dollars that will be injected into our economy have the serious potential of stimulating growth, increasing business productivity, improving our competitiveness and helping us transition to a net-zero economy. I am hopeful these two entities will work with all relevant partners in ensuring their success.

Moving on to Division 34 — which, I'm sure, Senator Ringuette was happy to see included in the budget implementation act. This division will lower the criminal rate of interest from the current 60% effective annual rate to 35% annual percentage rate. By lowering the criminal rate of interest, Canadians who use high-cost credit products will face lower interest charges.

• (1550)

As our Legal Committee advances in its report:

> . . . having a clear and consistent criminal rate of interest that is set at a reasonable level to protect Canadians from unfair or otherwise problematic lending practices —

— is of the utmost importance, particularly because economically marginalized individuals must often resort to these lenders ". . . and are likely to remain trapped in cycles of debt."

With Division 35, the government is supporting seasonal Employment Insurance claimants by investing approximately $147 million over three years to extend the current temporary rules that provide up to five additional weeks of EI regular benefits, for a maximum of 45 weeks. This measure, available in 13 targeted EI regions, is being extended to October 26, 2024.

This temporary policy was first introduced in 2018 and has been extended ever since. Senators on the Social Affairs Committee are looking forward "to the development of a more permanent solution." About 60,000 workers are expected to benefit from this extension.

Division 37 amends the Canada Deposit Insurance Corporation Act to authorize the Minister of Finance to increase the deposit insurance coverage limit until April 30, 2024. A similar authority was granted to the minister during the pandemic, which was never used but is being sought again considering the recent developments in the global financial sector.

Some have argued that this measure sends the message that our banking sector is unstable. Rest assured, colleagues, our banks are healthy and stable. This is only a precautionary and temporary authority just in case something would happen.

As officials told our Banking Committee:

> Canada's banks are very well regulated, they are resilient, they are robust, but there has been some turmoil in the U.S., and the minister thought it would be prudent to have a temporary measure put in place.

The government feels this measure is necessary to provide consumer confidence in the banking system, and I would offer that the authority would likely not be used.

The last division I wish to address is Division 39, which proposes to establish a uniform national regime in relation to the use, collection, disclosure and retention of personal information of federal political parties by amending the Canada Elections Act. It's worth noting that political parties already have privacy policies in place that include six specific elements.

When the Chief Electoral Officer appeared before the Legal Committee, he indicated that these new requirements improve transparency about the handling of personal information held by political parties, but the legislation does not impose any minimum standards, nor does it provide any oversight mechanisms to verify whether parties are complying with their policies or any sanctions for non-compliance.

In its report, the committee reminds us, "The amendment creates a framework for a potential future regime. It does not actually establish any such regime."

I appreciate some may feel the division is not robust enough and does not go far enough, fast enough. So I would urge the government to make this a priority and not delay any further. I expect we might hear something about it from our colleagues.

In conclusion, honourable senators, these were, in a nutshell, some of the measures contained in Bill C-47. As I indicated at the outset, limited speaking time only allowed me to scratch the surface of the bill's content — and I am content to have scratched the surface of the bill's content. Forty-five minutes of speaking takes a toll on you, too. I am sure most of you are disappointed I was only able to address about half of the measures in the bill, but I trust you have read all 430 pages of the bill and feel adequately informed and well equipped to vote in favour of Bill C-47.

Before I wrap up, I wish to make two final points. First, as you may know, the bill was amended in the other place. Of note, you will recall that the two main provisions contained in Bill C-46, which we adopted last month, were also included in Bill C-47. These two measures — the $2-billion health transfer to the provinces and territories and the $2.5 billion for the one-time increase to the GST credit, also known as the Grocery Rebate — have effectively been removed from the BIA through coordinating amendments.

Second, I also wish to convey my disappointment once again in the nature and size of budget bills. I'm sure many senators will agree with me that non-budgetary measures should not appear in budget implementation acts. In fact, through their Bill C-47 pre-study reports, committees have voiced similar frustrations.

As the Transport and Communications Committee wrote:

> Having no clear connection to the government budgetary policy, the committee hopes that, in the future, such content —

— meaning changes such as those included in Divisions 22 and 23 —

> — would be introduced in separate legislation.

Our Legal Committee feels the same way and emphasized that "amendments to criminal laws should be introduced in a separate bill to allow for thorough study."

I appreciate this is a long-standing practice, and this is a recurring theme we hear year after year, but omnibus bills are not optimal. Some measures, like the new act to create the Canada innovation corporation or the changes to the air passenger complaints process or the amendments to the Citizenship Act probably deserve their own legislation. Nevertheless, I still think our committees did outstanding work and properly examined the subject matter of the bill. They heard the concerns of many affected stakeholders and received dozens of written briefs.

Thank you once again for the excellent work.

In closing, honourable senators, Bill C-47 is a good bill. As an independent senator with no ties to the governing party —

An Hon. Senator: Oh, oh!

Senator Loffreda: — it has been an honour to sponsor this bill in the Senate. Is the bill perfect?

An Hon. Senator: No.

Senator Loffreda: Of course not. No bill is ever perfect, perhaps with the exception of the one I'm sponsoring, Bill S-259, the bill on the Hellenic heritage month. That might be perfect — just kidding.

But I do feel the government has put forward a series of amendments and new measures that will benefit Canadians as well as many different sectors of our economy, and they send a strong signal that we are on the right path towards more growth and greater economic outcomes and positive social changes.

I would humbly urge all senators to vote in favour of sending Bill C-47 to the National Finance Committee today, so we can undertake the clause-by-clause consideration of the bill. Thank you.

The Hon. the Speaker: I see two senators standing with questions. I'll start with Senator Gignac and then Senator Batters. Will Senator Loffreda take a question?

Senator Loffreda: Yes, with pleasure.

[*Translation*]

Hon. Clément Gignac: Senator Loffreda, thank you for agreeing to answer the question. Congratulations on the leadership that you've shown as the sponsor of this bill.

I learned that it is complicated to request an amendment to a bill, especially a budget implementation bill. That has happened only three times since 2009. I got the message that I wouldn't be moving any amendments to the budget implementation act.

However, I'd like to ask you about clauses 114 to 116 of the bill. You referred to the threshold for the application of the GST and the payment card compensation services. For those senators who are listening, it is important to understand that the federal government lost its case before the Federal Court of Appeal in January 2021, because, basically, these payment cards aren't taxable and are considered non-taxable since they are financial services. However, the government is claiming that they are actually administrative services.

Are you comfortable with including an observation at the end of our report stating that it is completely unacceptable for the federal government to have waited 26 months after losing its appeal to introduce a measure in the budget? What's more, this measure is retroactive and could go back as far as 1991. How comfortable are you with that and would you at least agree to let the committee present an observation?

Senator Loffreda: Thank you for the question, Senator Gignac. As you know, we're both members of the committee and have debated this issue there many times. The committee heard from Department of Finance officials, who told us that this measure shouldn't come as a surprise to the banks. They told us retroactivity is perfectly reasonable, in their opinion, and something the banks should expect because it was never acceptable as such. I have a great deal of confidence in our Department of Finance and our National Finance Committee. I agree to adding an observation because it's an observation, as such.

[*English*]

Legislating 26 months after a court decision is a delay that should not be acceptable. Going retroactively is a concern. The independence of our judicial system is also a concern. I trust the finance officials who appeared before our committee and explained that it should not be a surprise to the banks and that it was discussed with the banks that this was not permissible. We are discussing a windfall of $195 million to the banks. I think a strong observation will be well accepted. Going forward, I think this will be in discussion with the government. I am looking forward to your observation.

• (1600)

[*Translation*]

Thank you for your question, Senator Gignac.

[*English*]

Hon. Denise Batters: Senator Loffreda, in your remarks you briefly mentioned the Canada Infrastructure Bank and said how that was a lesson to be learned from as you referred to the Infrastructure Bank as being "slow to get off the ground."

The last I heard, this particular Infrastructure Bank had spent $35 billion and did not yet have one project completed. Do you have information that is different than that?

Senator Loffreda: I mentioned it as part of the budget implementation act, or BIA, to not repeat those errors that have happened with respect to the Infrastructure Bank. But the Infrastructure Bank is not part of this BIA, as you know. At times it is not easy to start a corporation. A start-up is never easy. It takes a lot of effort, resources and the right people in place. I am confident that, with the Canada innovation corporation, we'll get the right people and resources in place. We saw with the Canada Growth Fund that the right measures have been taken and going forward it will help the economy.

With respect to the Infrastructure Bank, I don't think it's relevant in our discussion here, but you could ask the government that question in one of your questions during Question Period and they will have the up-to-date information. I'm certain that they do have that up-to-date information. But I want to keep it relevant to the BIA, and not everything in the budget makes it to the BIA. I'm willing to answer economic questions if there are any. But I will leave the Infrastructure Bank up to the government to respond to that issue.

Hon. Pamela Wallin: I wanted to follow up, Senator Loffreda, on the ATSC, the air travellers security charge for safety and security put on passengers. It is going up by 33%. This is paid for exclusively by the flying public. You said that it would generate $1.25 billion a year. That funding is supposed to be recycled back into the system for security and upgrades, but I am told that it goes back into general government coffers for spending on a wide range of things. Do you have any further information on that? Again, it is one of these circumstances where, because it is a separate bill, we did not have time to look at it.

[*Translation*]

The Hon. the Speaker: Senator Loffreda, your time is up. Are you asking for five more minutes?

Senator Loffreda: Yes.

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

Hon. Senators: Agreed.

[*English*]

Senator Loffreda: Thank you for the question, Senator Wallin. Our committees did look at that issue. I think everything pretty much goes into the general coffers, but I will get back to you with a clear answer on that issue and get back to our committee that reviewed that portion of the bill.

Senator Batters: I noticed that you only noted in passing the fact that the Legal Committee in our report made significant observations stating how concerning we found it that major criminal law sections were included in a 430-page budget implementation act rather than in stand-alone bills. Those included a couple of the sections that you mentioned.

One part that you didn't note was the digital asset section dealing with changes to the Criminal Code. Our Legal Committee didn't even have time to hear any evidence about that part. Would you agree that is a concerning thing, and that these types of criminal law changes should be dealt with in stand-alone bills rather than in a 430-page budget implementation act?

Senator Loffreda: Thank you. As I said, no bill is perfect. It is common practice now to have omnibus bills. I think, yes, certain measures should be dealt with in separate bills. I mentioned a few of the ones which could have been dealt with separately. That is one, maybe, that should have been dealt with separately. As I said, no bill is perfect, but this is a good bill. It will support Canadians and help our economy going forward. I thank you for your question.

Hon. Elizabeth Marshall: Honourable senators, I also rise to speak to Bill C-47, the budget implementation act. I would like to thank Senator Loffreda for his comments and also for going through the bill because I won't have to do that now. I can talk about the economy and government's fiscal position and Canadians.

Canadians are facing many challenges in these difficult times. Inflation has increased, making the cost of living more expensive. While inflation had begun to decelerate after peaking at 8.1% in June of 2022 and falling to 4.3% in March of this year, it increased again in April to 4.4%. This does not mean that prices are coming down. It just means that prices aren't going up as fast. However, food prices remain high, affecting all Canadians. In fact, inflation on food remains elevated at 8.3% as of April of this year.

To cope with the increasing cost of living, many Canadians have reduced their food consumption. They have changed their eating habits and those of their families. Some Canadians are using their credit cards to pay for food. The CEO of Canada's largest food bank, located in Toronto, said at a recent meeting of the House of Commons Finance Committee that there were 60,000 client visits every month before the pandemic, which increased to 120,000 visits during the pandemic and to 270,000 visits during the month of March.

Second Harvest, the national service that rescues surplus edible food that businesses cannot use and distributes it through a network to people who need it, surveyed 1,300 non-profits in December of last year to understand how food charity is likely to change in 2023. Their survey indicated that 2 million people were served monthly across Canada pre-COVID. That increased to 5 million people in 2022, and it is expected that 8 million people will be using these charities in 2023, which represents 20% of the population of Canada. In other words, one in five Canadians are expected to access food banks or other food-related programs this year. It is certainly a sobering statistic.

If the government thinks the economy is doing so well, it should speak to some of the millions of Canadians lined up at food banks if they truly want to know how the economy is doing.

Rents have also increased significantly in most cities and towns across the country. A Canadian Press article in April of this year reported that rents in Canada increased over 10% between March of last year and March of this year, bringing the average rent to over $2,000. Renting was most expensive in Vancouver, where a one-bedroom apartment was $2,743, an increase of 17% from last year. Toronto was less expensive than Vancouver, where a one-bedroom was $2,506, an increase of 19% from last year. According to the 2021 Census, almost 5 million households in Canada are renting, so increasing rental costs are affecting a significant portion of the Canadian population.

To help with the increasing cost of groceries and rent, the government has provided some financial assistance. For example, Bill C-46 provided financial assistance to some families to help with the cost of groceries based on the GST rebate program. However, as the CEO of the Daily Bread Food Bank said at a

recent House of Commons Finance Committee meeting, ". . . the benefit is helpful . . ." but it ". . . will not shorten the lineups outside of food banks . . . ."

The CEO of The Mississauga Food Bank also said that any additional money is good, "but . . . will not make a significant difference beyond the week or month when it's received."

The Grocery Rebate was based on the GST rebate. This assistance was provided to 11 million beneficiaries referenced by government as low and modest income. That equates to 30% of our population receiving financial assistance to buy food. This is in addition to the support provided by the food banks.

• (1610)

Bill C-31, which was passed last year, provided $500 to individuals who rent and meet the program criteria. Government estimated that 1.8 million renters would qualify for the financial assistance at an estimated cost of $1.2 billion. Since there are almost 5 million households renting, 36% of renters received financial assistance under this program, another sobering statistic.

When the Associate Deputy Minister of Finance appeared at our National Finance Committee, I asked him how the government knows that the GST rebate for groceries actually reaches those most in need. The same could be asked for the rental rebate program and all of the programs providing financial assistance to certain segments of the Canadian population. Given the myriad of financial assistance programs to help Canadians with living and other expenses, government needs to evaluate these programs to ensure that the money actually goes to help those who need it most.

The Bank of Canada, in its attempt to control inflation, began to raise interest rates in March 2022, which created further problems. Over the past year, the Bank of Canada has increased its benchmark interest rate from 0.25% to 4.75%, the highest it has been since 2001. That was a generation ago. Since Canadians are highly indebted, this has had a significant impact on their mortgages and other household debts. Unlike Canadians who rent, those with mortgages receive no financial help from the government. The cost of carrying a mortgage increased significantly; Statistics Canada reported that mortgage interest costs rose by 26%.

Many Canadians with mortgages are finding it increasingly difficult to pay the increasing costs of their mortgages. Many are extending the length of their mortgages, while others are adding increasing interest costs to their mortgage balances.

In its fourth-quarter financial results released on May 4 of this year, the Canada Mortgage and Housing Corporation, or CMHC, reported that a growing share of its mortgage insurance program is covering homes that are close to or "under water," as the recent drop in home prices has eroded the borrowers' equity. The term "under water" is used when the value of the home is less than the outstanding mortgage, so the value of their mortgage is higher than the value of their home. In the fourth quarter of last year, $2.3 billion of CMHC's insured mortgages, or 1.2% of its portfolio, were at a loan-to-value ratio above 95%, but this year, that $2.3 billion has increased to $10 billion, or 5.8% of its portfolio.

That is significant because it demonstrates the financial stress of Canadians, but it is also concerning because this government is backing the insurance on those mortgages. The two private-sector institutions that also provide mortgage insurance show similar results. Canada Guaranty Mortgage Insurance Company reported that 5% of its outstanding insured mortgages, or almost $4 billion worth, are mortgages that exceed the value of the home. Compare that $4 billion this year to $532 million last year, which was less than 1% of its portfolio.

Sagen MI Canada Inc. reported that $14 billion, or 10%, of its outstanding insured mortgages exceed the value of the home insured. This has increased since last year, when $7 billion, or 5%, of its insured mortgages exceeded the value of the home. So it has actually doubled in a year.

Increasing interest rates are not over yet. Last week, the Bank of Canada increased its interest rate from 4.5% to 4.75% and indicated there will be further increases. Last month's inflation report suggests that inflation may be reaccelerating, which will add further pressures on the economy and on Canadians.

The Bank of Canada's Governor Macklem and former governor Mark Carney told the Senate Banking Committee last fall that inflation in Canada is domestically generated and reflects what is happening in Canada.

Carleton University business professor Ian Lee, in a recent interview with *The Hill Times*, said that the Bank of Canada is cooling the economy with rate increases, but the government is turning around, putting money into the economy. He said that even if it denies that it's stimulus, any deficit is stimulative. Economist Don Drummond, a former Associate Deputy Minister of Finance and Chief Economist at the TD Bank, agreed that the deficit spending of the government is "absolutely" behind this increase in inflation.

Several months ago, Canadians were told that interest rates would start decreasing in the summer. Then it was said they would decrease in December, and then it was said they would decrease in the spring. Those interest rates, even higher rates, might be with us for a long time yet.

Last month, the Bank of Canada released its annual *Financial System Review*, indicating that higher interest rates are exposing vulnerabilities in the global financial system. While the bank

reminds us that Canadian banks remain robust, it also said that they are not immune to international developments. The bank concluded that it is ". . . more concerned than it was last year about the ability of households to service their debt." They said:

> More households are expected to face financial pressure in the coming years as their mortgages are renewed. The decline in house prices has also reduced homeowner equity, and some signs of financial stress—particularly among recent homebuyers—are beginning to appear.

The bank, in its review, also said that:

> The share of households affected by higher interest rates will continue to rise over the next few years as homeowners renew their mortgages.

One third of mortgages have had their payments increase so far, and this year, that will rise to nearly all mortgages over the next three years.

In addition, homebuyers have increased their reliance on credit card debt. In its *Financial System Review*, the bank goes on to say:

> A large negative shock, such as a severe global recession with significant unemployment that further depresses house prices, could increase loan defaults among households. If defaults on uninsured mortgages with negative equity were to occur on a large scale, they could result in sizable credit losses for Canadian lenders —

— including Canadian banks.

The Bank of Canada says that the share of indebted households that are behind on payments for at least 60 days in any credit category is below the pre-pandemic average, but it has been increasing since mid-2022. The Governor of the Bank of Canada recently said that nobody should expect that interest rates will return to the very low levels that we have seen over the last decade or so. We should not count on near-zero interest rates seen in the first two years of the COVID-19 pandemic or in the years following the financial crisis. Interest rates will be higher than what people have gotten used to, and the transition creates some risk.

At 4.75%, the central bank's benchmark rate is now the highest it has been since 2001. In fact, Canada has the highest level of household debt in the G7. CMHC recently told us that household debt in Canada has been rising significantly, owing to rising home prices. Mortgages currently make up about three quarters of household debt in Canada. Household debt in Canada made up 80% of the overall Canadian economy during the 2008 recession. It rose to 95% in 2020, and in 2021, it exceeds the size of the overall Canadian economy. In contrast to other G7 countries, household debt in the U.S. fell from 100% of GDP in 2008 to 75% in 2021. Household debt also dropped in the U.K. and Germany and was nearly unchanged in Italy, but in Canada, it keeps increasing.

If there is a recession or other negative economic shock, debtors might find it difficult or impossible to repay their debts.

The Deputy Chief Economist at CMHC also said that the Crown agency already sees early warning signs that more and more consumers are getting into financial trouble. A recent report from RBC Economics states that a looming recession and an unemployment rate projected to increase to 6.6% by early 2024 are likely to "tip more Canadians into loan delinquencies and insolvencies." The report goes on to say that with pandemic-related government support measures now over and living costs soaring, mortgage delinquencies could rise by more than a third of current levels in the coming year.

Economists at Desjardins Capital Markets published a report last month, warning that high interest rates could inflict much more damage yet on the mortgage and housing market. They labelled Canada's mortgage debt as "a ticking time bomb." The report says the pain for mortgage holders has barely started. The bulk of mortgages taken out during the COVID-19 pandemic — when rates were low and house prices high — will be renewed in 2025 and 2026. If interest rates remain high, many households will be impacted by significant increases in their mortgage payments.

• (1620)

It is not only Canadians who are paying increasing interest costs. Our government is carrying a significant amount of debt — over $1.6 trillion. Higher interest rates, along with more borrowings, are increasing the government's debt servicing cost.

The government's debt servicing cost between 2013 and 2022 were in the range of $20 billion to $25 billion annually. However, as the government borrowed more money and interest rates began to rise, public debt charges increased. For the year that just ended in March, public debt servicing charges were $34.5 billion. The government thought that debt servicing charges this year would increase from the $34.5 billion last year to $43.9 billion, and continue increasing each year after that. By 2027-28, the budget document estimated that the government would be paying about $50 billion in debt servicing costs.

However, with the increase by the Bank of Canada last week, debt servicing costs will now increase. When the Minister of Finance appeared at the Standing Senate Committee on National Finance last week, I asked her how much our debt servicing costs will increase as a result of the increase in the bank rate. She would not disclose the amount. She said that the government would regularly update Canadians as the economic situation changes — and the government, she said, will certainly do that in the fall economic update; that will be in December. I think the minister did not want to scare us with the new numbers.

The debt servicing cost is now one of the government's most expensive programs — exceeding the costs of the Equalization program, the Department of National Defence and the new child care program, and it is closing in on the cost of the Canada Health Transfer. In fact, if the government did not have debt servicing costs, there would be a surplus of $3.8 billion this year.

How reliable are the government's projections on debt servicing costs? In the fall fiscal update in December 2020, the government estimated debt servicing costs would be just over $25 billion for this fiscal year.

Now, 30 months later, it is at $43.9 billion and climbing, or at least 70% more than what the government estimated a mere 30 months ago.

We know now that with the increase in the Bank of Canada's benchmark interest rate last week, debt servicing costs will exceed the $43.9 billion disclosed in the budget. Many analysts and economists expect the bank to increase its benchmark rate again in July or September, or maybe both.

In Budget 2023, the government defends its increasing debt servicing costs by explaining that debt servicing costs are projected to rise to 1.6% of the GDP until 2024-25, and then fall to 1.5% of the GDP for the remainder of the forecast horizon or, as the government says in its budget, to "a level that is low by historical standards." But this is not true.

Public debt charges were actually 0.9% of the GDP in 2021, 1% of the GDP in 2021-22 and 1.2% of the GDP in 2022-23, and it jumped to 1.6% this year.

There are other ways to measure the government debt servicing costs. For example, David Dodge, former governor of the Bank of Canada, in a paper published in Public Policy Forum, proposed to move away from the debt servicing costs to GDP ratio, and adopt one relating to revenue — where sustainable service costs are not to exceed 10% of annual government revenues.

But debt servicing costs as a percentage of revenues are also escalating. Just two years ago, it was 5.9% of revenues. This year, it will be 9.6%. This is just below the 10% limit advocated by the former governor of the Bank of Canada. In fact, the Parliamentary Budget Officer, in his March 23 Economic and Fiscal Outlook, calculates debt servicing costs as a percentage of tax revenues and not all revenues, in which case this year's percentage would be 11.5% — well above the 10% advocated by Mr. Dodge.

How much faith can we place in the government's projections of debt servicing costs when past projections have been so wrong and so low?

In any event, debt servicing costs as a percentage of revenues are also on an upward trajectory. Debt servicing costs are escalating significantly regardless of how you measure it. Parliamentarians, Canadians and, yes, even the Government of Canada should be concerned.

Honourable senators, as I mentioned before, Canadians are the most indebted of the G20 nations, and have the highest household debt in the G7, but it is not only Canadians who are carrying a high debt load. Our own government has also significantly increased our debt since 2015.

In 2015, the government debt was $665 billion. This year's budget indicates that the government will need to borrow $63 billion this year, bringing this year's debt to $1,319 billion. Compare the $1,319 billion this year to the $665 billion in 2015. It has almost doubled — well, it's 98.3%. Hence, the reason for our increasing debt servicing costs is a combination of more debt and higher interest rates.

The government's current debt ceiling is $1.831 trillion, which was increased from the original debt ceiling in December 2021 by Bill C-14. Many parliamentarians and others were alarmed by the significant increase. However, the minister tried to assure us by saying that the $1.831 trillion is the upper limit — it does not mean that the government will undertake those borrowings. But the government is getting close to the ceiling.

The debt ceiling of the $1.831 trillion includes not only the government's borrowings, but also the debt of Crown corporations. The Parliamentary Budget Officer estimates that total borrowings are expected to be $1.622 trillion by the end of this year. Since this government has never paid down any of its debt, this is our legacy to our children and our grandchildren. We are telling them that in their future, they will be paying for the government programs that we are enjoying today.

Honourable senators, I want to talk about the Budget 2023 document because it supports Bill C-47, and also the financial projections are outlined in the Budget 2023 document.

The document that supports Bill C-47 is referenced; it is 255 pages long. It identifies new initiatives which the government intends to undertake, and provides costing information on the two new initiatives, as well as details of economic and fiscal projections. It also includes the government's debt management strategy and a summary of the legislative measures which showed up in Bill C-47.

In 2015, the government promised modest deficits for three years, followed by a balanced budget. Specifically, it promised a $10-billion deficit for 2016-17, followed by a deficit of less than $10 billion in 2018 and a plan to balance the budget in 2019. There was also a promise to reduce the federal debt-to-GDP ratio to 27%.

Since 2015, we have seen deficits every year. For the year that just ended in March, the government is estimating a deficit of $43 billion, followed by a deficit of $40 billion this year — 2023-24 — then a $35-billion deficit next year, a $27-billion deficit the following year, and then a $16-billion deficit and a $14-billion deficit. In other words, the deficit as presented in the budget document is supposed to decrease every year.

But there is no balanced budget in our future. There is no balanced budget showing up in that budget document.

When the government released its Fall Economic Statement last November, it projected a return to surplus of $4.5 billion in 2027-28. However, when Budget 2023 was released just four months later — in April — the surplus had evaporated and was replaced by a deficit of $14 billion because the government's fiscal projections tend to deteriorate over time.

For example, in November's Fall Economic Statement, the government estimated the deficit for the year that just ended would be $36 billion. However, just four months later — in March — the $36-billion deficit had increased to $43 billion.

And then the government estimated, in November's Fall Economic Statement, that the deficit for this year would be $30 billion. Now, just four months later, the $30-billion deficit has increased to $40 billion, and the year is not over yet. The numbers in this budget are going in one direction only: up. This trend continues into future years. Projected deficits for each year will increase as time passes.

• (1630)

The total deficit estimated in the budget for the six years between 2022 and 2028 is $69 billion higher than the total deficits estimated in the Fall Economic Statement just four months earlier.

The Budget 2023 document also identifies another issue, which is that three large transactions in this fiscal year are being recorded in last year's accounts, increasing the deficit last year by $7.5 billion, so the deficit goes from $35.5 billion to $43 billion. Two of the transactions were included in Bill C-46 — Senator Loffreda already spoke about that — and the third transaction is the $2.8 billion for the Gottfriedson Band class settlement agreement, which is included in this year's Main Estimates but has yet to receive parliamentary approval.

Why has the government decided that these transactions should be recorded in last year's accounts? Why are their other transactions not included? For example, maybe some of the cost of the F-35 fighter jets should be recorded last year — or some of the wage settlement with the union. It appears to me — and this is me speaking as a former auditor — that the government is trying to keep each annual deficit within a certain range and not have deficits fluctuate materially from year to year. If you look at the Budget 2023 document, the deficits projected over the next several years — according to Budget 2023 — neatly decline each year.

I also want to bring up the issue of the omnibus bills. Senator Loffreda mentioned this. In fact, prior to becoming Prime Minister, Justin Trudeau said that ". . . omnibus bills . . . prevent Parliament from properly reviewing and debating . . . proposals." He went on to say that, "We will . . . bring an end to this undemocratic practice." So here we are with an omnibus bill, Bill C-47, which is 430 pages long and amends or introduces 51 acts of Parliament, including a number of amendments to the already-complicated Income Tax Act and two new acts — one creating the Canada innovation corporation and the other creating the Canada dental care plan.

A number of committees — and Senator Loffreda mentioned this in his remarks, but I didn't think he did the committee reports justice — in their reports on Bill C-47 expressed concern over the omnibus bill and the lack of time provided to review the bill. I would encourage my Senate colleagues to go and read those reports from the committees because I was really struck by the tone of many of the committees' comments. They were quite negative and almost uncomplimentary to the government. Committees expressed concern that many of the amendments were unrelated to the budget and many of the amendments should have been stand-alone bills so they could be properly studied.

The Standing Senate Committee on Legal and Constitutional Affairs expressed concern that there was not enough time or opportunity to analyze the sections of the bill assigned to them and to determine the impact. They continued on to say that this does a disservice to the legislative process. They said it is particularly concerning regarding the proposed amendments to the Criminal Code and the Canada Elections Act, which should have been introduced in separate bills.

The Standing Senate Committee on Energy, the Environment and Natural Resources expressed its discontent with responses given by officials representing Environment and Climate Change Canada regarding the proposed amendments to the Canadian Environmental Protection Act.

The Standing Senate Committee on Banking, Commerce and the Economy stated in their report that it continues to be concerned that the government continues to include substantive changes to Canadian law in a budget implementation bill, which means there is insufficient time to properly examine the bill and hear stakeholders' concerns.

And the Standing Senate Committee on Transport and Communications said that the subject matter in Divisions 22 and 23 of Part 4 of the bill is very complex in nature. They went on to say that, having no connection to the government's budgetary policy, the committee hopes that, in the future, such amendments would be introduced as separate legislation.

I think it would be really beneficial if everybody went back and read those reports.

I'm looking at the time, and I'm thinking I might run out of time.

If you look at the budget details, the $5.3 billion that is assigned to the cost of the new budget initiative is really the net cost. The gross cost is actually $10.9 billion. There are a lot of numbers that show up in the budget that don't have any reference. You can't really tell what they're for. They reduced the cost of the budget measure by applying a number of adjustments. There was one for $3.4 billion that was called "Realigning Previously Announced Spending." Then there was one for $665 million, referenced as "Previously Provisioned in the Fiscal Framework." Then there was $500 million for savings on consultants and travel.

For the $665 million, $561 million of it related to the Department of National Defence. I asked them where that money was in the fiscal framework. I couldn't find it, and they couldn't tell me. I had the impression they did not know. They committed to providing the Finance Committee with the information, but we never received it, and it has been quite a while since we asked for that information.

When I asked the Parliamentary Budget Officer about all these adjustments in the budget, he said that anybody with even the best intentions and best knowledge could not find them in the budget documents. He said these provisions were made in the fiscal framework, they're not easy to follow and they're not always transparent. That's something from a government that keeps telling us how transparent they are.

There's also $500 million in savings this fiscal year for consultants and travel. The Parliamentary Budget Officer did say that it should be relatively easy to achieve those savings, but he went on to say that there's capacity for some of the work of the consultants to be done within the public service. So while the $500 million in savings is estimated for this fiscal year, $15 billion has been identified in savings over the next four years. The $15 billion in savings includes further reductions in consulting, another $7 billion in reductions throughout government departments and agencies and $1.2 billion in savings from Crown corporations. But there's nothing there to indicate how government will save all that money. It adds up to $15 billion in savings to be realized beginning next year.

This information is relevant because these savings are incorporated into the government's fiscal plan and deficit projections for the next four years, and $15 billion in savings over the next four years is a big commitment.

I want to move on to the Canada Growth Fund because I spoke about this last year, and I know Senator Loffreda mentioned it. I want to go back to last year and tell you what transpired. I still have concerns. Actually, I have more concerns this year than I did last year about the Canada Growth Fund.

Last year's budget announced the government's intention to create the Canada Growth Fund. It was to be an arm's-length public investment vehicle intended to attract private capital — like the Canada Infrastructure Bank — to help meet the government's economic policy objectives and help close the underinvestment gap in Canada's economy.

It was established last year by Bill C-32. I spoke to the bill at that time. There's no information on the fund except to say that it would be a wholly owned subsidiary of the Canada Development Investment Corporation, which would be responsible for administering the funds. There's nothing to say how they are going to administer the funds.

Unlike the Canada Infrastructure Bank and the newly created Canada innovation corporation, the Canada Growth Fund wasn't enacted under its own legislation. Bill C-32 was very short: It created the fund, and there was no requirement that the fund would report to Parliament. There's very little information on it.

The Fall Economic Statement said at the time that the fund would operate at arm's length from the federal government and would invest using a broad suite of financial instruments using all forms of debt equity guarantees and specialized contracts. It would invest on a concessionary basis with the goal that every dollar invested with government funding would aim to attract at least $3 of private capital. The objective of attracting private capital is identical to that of the Canada Infrastructure Bank, which, as we all know, has experienced underwhelming success. The objective is to attract $45 billion of private investment along with $15 billion provided by the federal government for a total investment of $60 billion.

• (1640)

In addition to my concerns over the absence of legislation defining the mandate and governance structure of the fund, Bill C-32, if you will remember, provided $2 billion to the minister to buy shares in the subsidiary corporation. The problem was that the subsidiary corporation didn't exist. The minister, in response, explained that by saying that the Canada Growth Fund needs to act swiftly and partner with fast-paced private sector entities. Delays, she said, are likely to lead to many lost opportunities. The fund was eventually incorporated as a subsidiary of the Canada Development Investment Corporation later in December.

The Financial Administration Act comes in here. It establishes a very important piece of legislation. It establishes the financial management framework of the government, and it provides direction to government departments, agencies and Crown corporations on financial matters. It's one of the foundation pieces of legislation within the Government of Canada. That section of the Financial Administration Act requires that certain transactions by a parent Crown corporation or a wholly-owned subsidiary of a Crown corporation must receive Governor-in-Council approval if they have certain types of transactions. That means they have to go to cabinet to get approval. These types of transactions would include acquiring shares of a corporation, acquiring assets or substantially all of the assets of another corporation or selling or disposing of shares.

On December 21 of last year, regulations amending the Crown Corporation General Regulations were published in the *Canada Gazette* exempting the Canada Growth Fund and its wholly-owned subsidiaries on that section of the Financial Administration Act. Given that the Canada Growth Fund does not have to comply with section 91 of the Financial Administration Act, that there is no requirement for the fund to report to Parliament and that there is no enacting legislation, the Canada Growth Fund is going to operate beyond an opaque wall. Access to information about the Canada Growth Fund will not be available.

The Regulatory Impact Analysis Statement indicated that this exemption to section 91 of the Financial Administration Act is necessary because approval requirements by cabinet would slow down the fund's ability to enter into transactions. The intent was to enable the fund to make investments in the first quarter of 2023.

Division 32 of Part 4 of Bill C-47 proposes to amend the Public Sector Pension Investment Board Act to enable the Public Sector Pension Investment Board to manage the assets of the fund. It will allow the board to incorporate a subsidiary for the purpose of providing investment management services to the fund. But it's also going to amend Bill C-32 to increase the $2 billion that was approved in December by the Fall Economic Statement Implementation Act, so the payout in December is going to increase the amount to $15 billion. That $15 billion will

go out right away. We think that's going to be the end of it, but the funding is not capped at $15 billion because Bill C-47 also provides for additional funding through an appropriation bill.

The Canada Growth Fund has no enacting legislation and no governance structure. Although Bill C-47 provides the fund with $15 billion, there's no requirement to provide annual reports to Parliament and the fund has been exempted from the accountability requirements of section 91 of the Financial Administration Act.

There's also confusion over the eventual structure of the fund. The regulatory impact analysis said that the fund was intended to be a subsidiary of the Canada Development Investment Corporation only on an interim basis, yet officials testifying at our Finance Committee last week indicated that the fund will remain as a subsidiary of the Canada Development Investment Corporation.

While it was the objective of the government to enable the fund to make investments in the first quarter of this year — as the minister said, the fund had to act quickly — the fund is yet to begin operating. So much for the fund acting swiftly with the fast-paced private sector. The government hasn't even been able to get the fund set up properly. In any event, I've seen enough of the Canada Growth Fund that I do not think it's going to end well.

I want to talk about the Canada innovation corporation act. Division 7 of Part 4 of the bill proposes to enact the Canada innovation corporation act. That one does have its own legislation. The act says:

> . . . to maximize business investment in research and development across all sectors of the economy and in all regions of Canada to promote innovation-driven economic growth.

What does maximize business investment mean, what does innovation-driven economic growth mean and how will the government measure it if they're going to put money into this organization?

The legislation does not indicate any specifics as to what the government expects the corporation to deliver, achieve or how the government will measure the corporation's success or lack thereof. This is especially concerning because numerous funds already exist within the government with the objective of driving economic growth.

For example, there's the Strategic Innovation Fund, the Greening Government Fund, the Innovative Communities Fund and the funding to support clusters and superclusters, all of which are funds disbursing billions of dollars. Yet the Deputy Minister of Innovation, Science and Economic Development Canada and the Deputy Minister of Finance told the Senate Banking Committee that none of these funds have ever been evaluated to determine what their impact has been on the economy. This means that the government does not know whether these existing funds disbursing billions of dollars have actually achieved any economic benefit.

Since this corporation has been created to maximize business investment and promote innovation-driven economic growth, the government needs to define the structure and criteria against which the corporation will be evaluated.

Section 20 of the proposed Canada innovation corporation provides the money for the government to operate. Because the money is coming from the Consolidated Revenue Fund to the corporation and is provided for in the act, the payments are statutory. That means that the money will be paid out each year automatically and the money doesn't need to be requested in an appropriation bill, so there will be no more parliamentary debate about this money.

According to Bill C-47, the corporation will receive $198 million this year. Next year, they're going to receive $775 million, $800 million the following year and another $800 million the next year. That adds up to more than $3 billion to be paid to the corporation in its first four years.

The money for the corporation doesn't end there. The act requires that the minister will pay the corporation $525 million each and every year after March 2027, and there's no end date. The legislation specifically says for each subsequent financial year, $525 million, and that's it. As I said, this amount is also statutory.

Once Bill C-47 is approved, the government has the authority to pay out this money and there will be no further parliamentary debate. But the money for the Canada innovation corporation doesn't end there. While Bill C-47 specifically provides $3 billion for the first four years and $525 million for each year starting in 2027-28 and never ending, Bill C-47 also provides for additional funding above and beyond these amounts through an appropriation act. Billions of dollars for a corporation whose mandate has not been well-defined, nor do we know specifically what the corporation is supposed to achieve with all those billions of dollars.

The act also states the corporation is not an agency of the Crown, with the exception of more specific activities, but officials could not clearly explain what benefit this provides to the corporation or what benefits or disadvantages this has for the government. Even though Bill C-47 states that the corporation is not an agency of the Crown, the corporation is actually being created by an act of Parliament and is being funded by the public purse, and it carves out numerous roles and responsibilities for both the Minister of Finance and the Minister of Innovation, Science and Industry. In fact, the word "minister" appears 46 times in the Canada innovation corporation act.

• (1650)

While Bill C-47 includes some elements of a governance structure, noticeably absent is any reference to the appointment of auditors or the requirement of the corporation to table its annual reports in Parliament. The bill does reference the Financial Administration Act, which requires certain information to be included in the quarterly and annual reports of the corporation, but it stops short of requiring that the reports be tabled in Parliament.

As Senator Loffreda mentioned in his speech, the Standing Senate Committee on Banking, Commerce and the Economy in its report on Bill C-47 suggests that the government evaluate the corporation three years after its creation to determine whether it has been successful in meeting its mandate and publish the results of this in-depth evaluation in its annual report that should be tabled in Parliament.

I came across a survey that I found very interesting, and it relates to these two organizations that receive a lot of money from the government. The government is looking to the private sector to increase investment in Canada. I found the results of this survey very interesting and informative. It was a survey of 30 CEOs that was carried out by Nanos Research between March 15 and April 12 of this year for *The Globe and Mail*. The 30 CEOs oversee public and private companies from all sectors of the Canadian economy. The results of the survey won't be surprising to members of the Banking Committee because they reflect the testimony that we heard at our Banking Committee, which is studying business investment in Canada.

More than 6 in 10 CEOs believe Canada is on the wrong track when it comes to being a place for business to invest. Only one third of the CEOs held a positive view that Canada is a good place to invest right now, which is a decline from five years ago. Issues raised include a lack of clarity on overall industrial and business policy, government's hostility to business in general and the lack of consultation or collaboration with large businesses.

The results of the survey were consistent with the Business Council of Canada, whose members include the largest companies in Canada. The CEO of the Business Council of Canada also said that the federal government's support for low-carbon energy, critical minerals strategy and clean-technology manufacturing needs projects that can move ahead, and if the government's policy cannot provide assurance that projects can be approved and executed, then companies will be reluctant to invest. We've heard a lot about the government's regulatory regime and how difficult it is for projects to be approved.

Taxation was another area of concern, where they said that Canada has the fourth-highest marginal income tax rate among its peers, and corporate tax rates that put Canadian companies at a disadvantage compared to the U.S. New taxes, including the bank tax, a tax on dividends from financial services companies and a share buyback tax aren't helping businesses stay competitive. About 8 in 10 CEOs think that Canada will be in recession in the second half of the year — this was also included in the survey.

Unlike our federal government, which continues to spend, CEOs surveyed have been proactively preparing for a downturn in the economy by managing their costs and fortifying their balance sheets.

I think I still have a few more minutes.

The Hon. the Speaker pro tempore: Senator Marshall, you don't. If you want a few more minutes, you can ask. Senator Marshall, are you asking for five more minutes?

Senator Marshall: Can I have five minutes to speak about Canada's health care system?

The Hon. the Speaker pro tempore: Do we have consent?

Hon. Senators: Agreed.

Senator Marshall: Thank you to all my colleagues.

I wanted to talk about the Canada Health Transfer, because there's an extra $2 billion provided for under Division 8 of Part 4 of the bill. It's being disbursed to all the provinces and territories on a per capita basis. We talked earlier about the economy, and I was talking about the food banks and about people finding it difficult to pay for their rent and mortgages. I know on one side we have a group saying the economy is doing fine, but there's another group that is really struggling.

For the Canada Health Transfer, the introduction to Chapter 2 of the budget starts with this sentence:

> Canadians are proud of our universal publicly funded health care system. No matter how much money you make, or where you were born, or what your parents do, you will receive the care you need.

But we now know that's not true. Our universal health care system is not accessible to many Canadians. In fact, many Canadians are saying that our health care system has collapsed and is in crisis. Healthy Debate, which publishes journalism about health care in Canada, conducted a survey between September and October of last year, which included more than 9,000 responses across the country. Results from the survey estimated that more than one in five Canadians — this is a big number: 6.5 million people — do not have a family physician or nurse practitioner they can see regularly for care. That's true, because I'm one of those people in Newfoundland and Labrador.

The survey found that the situation is particularly bleak in some parts of the country — in British Columbia, Quebec and the Atlantic provinces, where approximately 30% of adults, or one in three, report not having a family doctor or nurse practitioner. But the percentage is better in Ontario, because they say only about 13% don't have a family doctor or nurse practitioner.

But 21% of those without a family doctor had to pay a fee, and the survey indicated that some people may be paying for primary care services. I assure you that some people are actually paying for primary care services that should be covered under the Canada Health Act, adding to the debate of a two-tiered health care system in Canada.

Emergency rooms are full as Canadians queue up to obtain medical care, waiting for long hours. In some communities, emergency rooms have closed and ambulance services are sporadic. A trip to the emergency department or health clinic requires you to bring a pillow, a blanket and a lunch.

Over the past 30 years, the Fraser Institute has regularly assessed the state of health care in Canada. I spoke about their report last year, but they've completed a more recent one.

In December of last year, specialist physicians surveyed reported a median wait time of 27.4 weeks from the time of referral from a general practitioner and receipt of treatment, which exceeded the wait time of 25.6 weeks reported in 2021 and the 20.9 weeks reported in 2019. So this year's wait time is the longest wait time recorded in the survey's 30-year history, and is 195% longer than in 1993 when it was just 9.3 weeks.

Canadians also had to wait for various diagnostic technologies. This year, Canadians can expect to wait 5.4 weeks for a CT scan, 10.6 weeks for an MRI and 4.9 weeks for an ultrasound.

Division 8 of Part 4 of Bill C-47 authorizes the Minister of Health to provide an additional $2 billion to the 10 provinces and 3 territories allocated, as I said earlier, on a per capita basis to address urgent pressures in emergency rooms, operating rooms and pediatric hospitals. New funding of $46.2 billion will also be provided over the next 10 years in addition to the $195.8 billion in health transfers.

I have to say that Chapter 3 of the budget book outlines the funding. There's a graph there, and I've been trying for quite a while to get the numbers associated with that graph because the lines aren't legible. So I can't give you an idea as to what is increasing in what year, but I did add it up and there is new funding of $46.2 billion indicated. However, health care professionals are saying that the extra money isn't enough to fix health care and is not enough to bring fundamental change to the health care system.

Last year, the Fraser Institute released a report that compared the performance of Canada's health care system relative to its international peers. The report studied the cost of health care systems along with the provision of health care services. The provision of health care services focused on the availability, use and access to resources, along with clinical performance and quality.

All of the indicators used by the institute for the report are either publicly available or derived from publicly available data from the OECD, the Commonwealth Fund and the World Health Organization. To be considered a participant in the study, each country has to be a member of the OECD, must have universal or near-universal coverage for core medical services and must be classified as a high-income country by the World Bank. Of the 37 OECD countries —

• (1700)

The Hon. the Speaker pro tempore: Senator Marshall, I hate to disturb you, but do you have a quick conclusion?

Senator Marshall: Our health care system is expensive, and our results are modest to poor.

Some Hon. Senators: Hear, hear.

[Senator Marshall]

Hon. Colin Deacon: Honourable senators, I am rising to speak to Bill C-47, the budget implementation act, 2023, no. 1. You might expect me to focus on the billions intended to spur business investment, but I think Senators Loffreda and Marshall have done a great job there, and I will move on to something else that I am a little bit more focused on, and that is Division 39 of Part 4, at the very end of this 430-page bill.

It appears innocuous enough, introducing what seems to be a reasonable amendment to the Canada Elections Act, the stated purpose being:

> . . . to provide for a national, uniform, exclusive and complete regime applicable to registered parties and eligible parties respecting their collection, use, disclosure, retention and disposal of personal information.

When I read this, however, a couple of thoughts came to mind. One, using a budget bill to change the Canada Elections Act challenges the long-standing practice of openly debating these changes in Parliament and arguably sets a troubling precedent. Two, given that there is actually no national, uniform and complete privacy regime governing how federal political parties currently collect, use, disclose, retain and dispose of personal information, what's going on?

You may recall that we passed the Elections Modernization Act in December 2018. It allowed political parties to self-regulate their collection and use of personal information linked to Canadian voters as long as they published their privacy policies. This is what the Privacy Commissioner was referring to when he spoke to our Legal Committee — that it was a good first step that they publish those privacy policies, but that those policies don't live up to the 10 principles under PIPEDA. He also stated that he has no jurisdiction in which to investigate or comment on those privacy policies.

These voluntary policies are not uniform and they are not complete, especially when compared to any reasonable international norms. These voluntary policies don't reflect the privacy protections that corporations or governments must follow, particularly as it relates to the areas of consent, transparency and accountability. Looking back, I was a bit naive to think any group should be entirely free to regulate their privacy policies, but that's where we are; no uniform and complete privacy policies govern federal political parties at this time.

In their study of Bill C-47, our Legal and Constitutional Affairs Committee noted that privacy safeguards, or the lack thereof, can impact Canadians' trust in political parties and, by extension, the electoral process. They recommended that amendments to the Canada Elections Act should follow consultations with the Chief Electoral Officer and the Privacy Commissioner and be introduced in a separate bill to allow for thorough study, noting that neither occurred in this case.

Well before the Facebook–Cambridge Analytica scandal, which was the non-consensual use of private information of tens of millions in a malicious way to influence voters in various elections, Canada's Privacy Commissioner and Chief Electoral Officer were speaking about voter privacy. For example, in 2012, they raised serious concerns about the lack of privacy protections for Canadian voters.

Two years later, in 2014, then-Minister of State (Democratic Reform) Pierre Poilievre introduced Bill C-23, which was called the Fair Elections Act. It offered no privacy protection to Canadian voters.

Another four years passed. In 2018, Karina Gould, then Minister of Democratic Institutions, testified in defence of Bill C-76, the Elections Modernization Act, before our Legal Committee. When asked about self-regulated privacy protection, she pointed to the need for:

> . . . a study to be conducted for parliamentarians, to examine how political parties could be a part of a system to protect personal information.

Interestingly, just as Bill C-76 received Royal Assent, the House of Commons Standing Committee on Access to Information, Privacy and Ethics published just such a study called *Democracy under Threat: Risks and Solutions in the Era of Disinformation and Data Monopoly*. The House Ethics Committee study was in direct response to the Facebook–Cambridge Analytica scandal. This group of elected MPs from across the political spectrum recommended urgent action, including subjecting political parties to the Personal Information Protection and Electronic Documents Act, along with their contractors, like social media platforms, data brokers, polling firms and consultants. Another recommendation read:

> . . . grant the Office of the Privacy Commissioner and/or Elections Canada the mandate and authority to conduct proactive audits on political parties . . . regarding their privacy practices and to issue orders and levy fines.

The authors also suggested that the government enact legislation requiring social media companies to create publicly searchable databases of online political advertising; label political advertising; label content that is produced automatically or algorithmically; remove accounts that impersonate others for malicious reasons; and remove harassing, threatening or maliciously manipulated content like "deep-fake" videos, among other recommendations.

To date, Canada's federal political party leadership has ignored these recommendations from their own caucus colleagues on the House Ethics Committee.

Soon thereafter, the Privacy Commissioner and the Chief Electoral Officer issued a joint statement requesting that our federal political parties voluntarily adopt privacy policies that align with international privacy law standards and that are based on the principles of consent, transparency and accountability. Little or nothing has changed.

I encourage you all to read the various privacy policies of our federal political parties to find evidence that any party has voluntarily implemented the recommendations I have just cited. I did not.

So why is Division 39 even in this budget bill? It seems to be that in 2022, British Columbia's Information and Privacy Commissioner ruled that federal political parties must adhere to B.C.'s privacy regime governing political parties, and I suspect that is in response to persistent inaction.

The commissioner listed the array of personal data collected without voter consent. It's eye-opening. Political party privacy policies give voters the right to correct inaccurate information, but those voters have no right to access that information. It includes information from the voter registry but also information scraped from the internet, gathered through apps and social media and by door-to-door canvassers. You currently have no right to ask political parties to stop sharing your information with a third party, like a consultant, polling firm or social media platform. If they suffer a cyber breach, like the government database breach that affected 100,000 Nova Scotians this past week, they have no obligation to let anyone know. Corporations and governments are obligated, and for good reason.

These federal political parties have ignored more than a decade of recommendations from the two officers of Parliament responsible for these issues. They've ignored the House Ethics Committee's carefully researched recommendations. And when B.C. decided enough was enough, the Liberal, Conservative and NDP parties challenged that decision in B.C. Supreme Court. In these hyper-partisan times, I have to say it's truly remarkable that this is the one issue that Conservatives, NDP and Liberals all agree on.

So why are they fighting so hard? One reason is that each party has an enormous database of granular data linked directly to identified voters. The Conservatives have their Constituency Information Management System, or CIMS; the Liberals have Liberalist; and the NDP has NDP Vote. Each party also has apps that gather extensive data and advanced information management systems to process all that data.

Canadian voter data has many uses, including enabling the micro-targeting of political messaging to like-minded voters within the broader population. When these political party databases are combined with the staggering amounts of highly personal data held by Facebook and other social media and big

tech companies, their sophisticated methods can accurately predict who will respond to which type of political messaging with almost instant results.

• (1710)

I liken micro-targeting to digital gerrymandering, and it turbocharges highly divisive wedge politics.

Political organizers openly admit that voters no longer choose their political parties — political parties choose their voters. I, for one, find this troubling.

I first learned about micro-targeting 11 years ago while listening to "Under The Influence," which is a CBC Radio One show hosted by Terry O'Reilly. I encourage you to listen to his 30-minute archived podcast from April 28, 2012. You will start to understand why the House of Commons Standing Committee on Access to Information, Privacy and Ethics titled their report *Democracy Under Threat: Risk and Solutions in the Era of Disinformation and Data Monopoly*. They saw the current political party privacy regime was posing a risk to our democratic and electoral reform process, and they recommended urgent action to protect Canadians and democracy.

What do Canadian voters think about political party privacy?

In their report on the 2021 election, Elections Canada found that 96% of Canadian voters want laws to regulate how political parties collect and use their personal information. Our current federal laws are completely at odds with Canadian voters on this issue of trust.

Regardless, the three political parties continue to defiantly ignore the repeated recommendations that they begin to adhere to international privacy standards and third party oversight; to obtain content prior to collecting personal information; and to inform citizens of a personal information breach that might cause them significant harm.

These risks are not hypothetical. In January of this year, the Green Party voluntarily announced the accidental release of names, addresses, phone numbers, birthdates and other data related to party members and supporters. Importantly, they were under no obligation to do so. Would other parties do the same? We may never know.

Does the highly personal data held by the other three national political parties benefit from some exceptional cybersecurity protections? I certainly hope so.

That's because foreign adversaries could use these troves of detailed personal information to sow division right across Canada. There has been a lot of talk about foreign interference in our democracy this year, yet these parties continue to ignore the risks highlighted by their own MPs five years ago.

Just imagine how unprecedented volumes of granular data tied to identified Canadian voters could enhance the clandestine efforts of Canada's adversaries, especially as we enter the era of generative artificial intelligence, or AI, built on large databases. This makes our political parties highly valuable cyberattack targets. If it happens, they are under no obligation to tell us.

Canadians are increasingly at the wrong end of a data vacuum. It is now estimated that each Canadian generates an average of about two megabytes of data every second. For perspective, the complete works of Shakespeare are five megabytes of data. That is about two and a half seconds' worth of the data that each of us generates from our digital devices and activities. That is why citizens want control of their data. In most countries, they have it. We know that there is a lot of it, but we don't know what is done with it.

Our Standing Senate Committee on Banking, Commerce and the Economy has been examining the issue of business investment in the digital era. We have heard from venture capital investors and founders of some of the most incredibly fast-growing tech companies. Each one relies on data to create value that they export globally. They all emphasized that their company's success demands that they establish and maintain a strong social contract with citizens — this being the right for individuals to control their data, and to have confidence and trust in how that data is used.

In the opinion of those globally successful investors and entrepreneurs, this social contract — this trust — is foundational to Canada's future prosperity.

In a recent op-ed in *The Hill Times*, University of Victoria political science professor Colin Bennett, who has been researching this for a decade, wrote:

> Political parties are regulated under privacy law in almost every other democratic country in the world, including those regulated under the European Union's General Data Protection Regulation.

He also stated that the regulatory gap in Canada has become untenable and indefensible.

Where to from here?

Well, we know what has not worked. The leadership, executives and boards of the New Democratic Party, Liberal Party and Conservative Party have consistently ignored the will and advice of the two officers of Parliament responsible for privacy and elections. They have ignored the House of Commons Ethics Committee, and they have refused to voluntarily adopt privacy policies that align with global norms.

Instead of heeding this advice, the government is now including — in the budget implementation act of all places — a Band-Aid clause that allows the three parties to maintain the status quo. Perhaps we should invite the presidents of these federal political parties to explain the reasons and evidence behind their inaction. Maybe they have evidence that, somehow, democracy in Europe has been undermined by the General Data Protection Regulation's voter privacy protections.

BUSINESS OF THE SENATE

The Hon. the Speaker pro tempore: Senator Deacon, I'm sorry, but I have to interrupt you. We have to move forward for the vote on Bill S-5.

I believe that there is agreement on a bell.

Honourable senators, it being 5:15 p.m., I must interrupt the proceeding. Pursuant to rule 9-6, the bells will ring to call in the senators for the taking of a deferred vote at 5:30 p.m. on the motions responding to the message on Bill S-5.

Call in the senators.

• (1730)

STRENGTHENING ENVIRONMENTAL PROTECTION FOR A HEALTHIER CANADA BILL

BILL TO AMEND—MESSAGE FROM COMMONS—MOTION FOR CONCURRENCE IN COMMONS AMENDMENTS ADOPTED

On the Order:

> Resuming debate on the motion of the Honourable Senator Gold, P.C., seconded by the Honourable Senator LaBoucane-Benson:
>
> That, in relation to Bill S-5, An Act to amend the Canadian Environmental Protection Act, 1999, to make related amendments to the Food and Drugs Act and to repeal the Perfluorooctane Sulfonate Virtual Elimination Act, the Senate agree to the amendments made by the House of Commons; and
>
> That a message be sent to the House of Commons to acquaint that house accordingly.

The Hon. the Speaker: Honourable senators, the question is as follows: It was moved by the Honourable Senator Gold, P.C., seconded by the Honourable Senator LaBoucane-Benson:

> That, in relation to Bill S-5, An Act to amend the Canadian Environmental Protection Act, 1999, to make related amendments to the Food and Drugs Act and to repeal the Perfluorooctane Sulfonate Virtual Elimination Act, the Senate agree to the amendments made by the House of Commons; and
>
> That a message be sent to the House of Commons to acquaint that house accordingly.

Motion agreed to on the following division:

YEAS
THE HONOURABLE SENATORS

Anderson
Arnot
Audette
Bernard
Boehm
Boniface
Boyer
Brazeau
Burey
Busson
Cardozo
Clement
Cordy
Cormier
Cotter
Coyle
Dagenais
Dalphond
Dasko
Deacon (*Nova Scotia*)
Deacon (*Ontario*)
Dean
Downe
Dupuis
Forest
Francis
Galvez
Gerba
Gignac
Gold
Greenwood
Harder
Jaffer
Klyne
Kutcher
LaBoucane-Benson
Loffreda
MacAdam
Massicotte
McPhedran
Mégie
Miville-Dechêne
Moncion
Moodie
Omidvar
Osler
Pate
Patterson (*Ontario*)
Petitclerc
Petten
Quinn
Ravalia
Ringuette
Saint-Germain
Simons
Sorensen
Tannas
Woo
Yussuff—59

NAYS
THE HONOURABLE SENATORS

Ataullahjan
Batters
Boisvenu
Carignan
Housakos
MacDonald
Marshall
Martin
Mockler
Oh
Patterson (*Nunavut*)
Plett
Poirier
Richards
Seidman
Smith
Verner
Wallin
Wells—19

ABSTENTIONS
THE HONOURABLE SENATORS

Nil

[*Translation*]

The Hon. the Speaker: Resuming debate on Bill C-47.

[*English*]

BUDGET IMPLEMENTATION BILL, 2023, NO. 1

SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Loffreda, seconded by the Honourable Senator Boehm, for the second reading of Bill C-47, An Act to implement certain provisions of the budget tabled in Parliament on March 28, 2023.

Hon. Colin Deacon: I'll finish off my last two sentences now. Like corporations and governments, political parties need to start adhering to strong international norms and give individual Canadians control over their personal data and its use. Not only is this resulting trust central to individual and collective sovereignty of Canadians, it's foundational to our future prosperity and democracy. Thank you, colleagues.

The Hon. the Speaker: Your time has expired. I see that Senator Simons has a question. Are you asking for five more minutes?

Senator C. Deacon: With the will of the chamber, Your Honour.

The Hon. the Speaker: Five more minutes?

Hon. Senators: Agreed.

Hon. Paula Simons: Senator Deacon, you touched quite disturbingly on the power of political parties and bad actors to weaponize this kind of data. But I wanted to ask about something much simpler. Given the low voter turnout that we've seen over the last decades, is there a danger that if people don't feel that parties can be trusted to keep their data, that they won't volunteer, that they won't donate, that they won't answer questions in a poll? What is the impact of this kind of lack of privacy protection on our day-to-day relationship with our democracy?

• (1740)

Senator C. Deacon: Thanks, Senator Simons. I would say that businesses will tell you how it affects customer bases. If the customer base doesn't trust how they are using data, what data they're collecting, what they're using it for and how that benefits individuals, they tend to lose engagement with those customers.

I think the same may be true for voters, as 96% of Canadians have said they want political parties to have privacy protections. That's a pretty clear number. There aren't a lot of things that 96% of Canadians agree on.

I agree with the findings of the House of Commons Ethics Committee, which is that it undermines our democracy. It undermines things over time.

I know the House of Commons is not chomping at the bit to deal with this, but it is an issue that I think the Senate needs to be very well aware of. It's worrisome that we haven't seen any action yet. Thank you.

Hon. Leo Housakos: Would you take a question, Senator Deacon?

Senator C. Deacon: Yes, thank you.

Senator Housakos: Can you please tell the chamber what data you have? What evidence is there that members of any political party have found intrusions or misuse of their data? Where is the evidence that there has been abuse? Have there been formal complaints? Have there been numerous complaints? Have complaints been filed with the Privacy Commissioner?

As much as your speech was interesting, what are the remedies you're proposing? From my understanding of the speech and given the fact it's dealing with Bill C-47, there are no remedies. Am I wrong?

Senator C. Deacon: In terms of the evidence of intrusions or complaints, the Privacy Commissioner made it clear he has no jurisdiction here. He has no legal authority to engage. That's a problem.

I look at it and say I don't understand the reasons why political parties don't see it appropriate to obtain consent from their members and others they gather data from and to be transparent about how those data are used. I turn it around and say: What is the problem? Why is that not happening? Why is that being rebuffed? What is anybody worried about here in a political party that they wouldn't want to build trust with their constituents and potential constituents about how they use their data? That's the way I look at it.

In terms of the remedies in this chamber, we all know that the budget implementation act — the BIA — has been amended in the past. That's a fact. It was amended at the request of the Minister of Finance, I think in 2016, and at the will of the chamber there was an amendment put forward in 2017 that was rejected by the House. So it has happened. Whether that's the

way to go or if there's another way to go, I look at it and say this is a real issue. This is an issue that, at this point, the House does not seem to be at all interested in addressing.

The political parties have rebuffed — I find it amazing — their own elected members on the Ethics Committee, two officers of Parliament who repeatedly say this is a priority for Canadians to maintain confidence in our electoral system. I don't know what the remedies are, Senator Housakos; I'm sorry.

The Hon. the Speaker: Senator Batters, there are 30 seconds left, so it has to be a short question.

Hon. Denise Batters: It is very short. I'm a member of the Legal Committee, Senator Deacon, and despite the Trudeau government including this part dealing with the Elections Act in their budget implementation act, were you aware that neither the Chief Electoral Officer nor the Privacy Commissioner were consulted at all by the Trudeau government despite their including this in their budget implementation act? Were you aware of that?

The Hon. the Speaker: Senator Deacon, your five minutes are over. Are you asking for another five minutes?

Senator C. Deacon: To answer this question, if I could.

The Hon. the Speaker: I hear a "no."

Are honourable senators ready for the question?

Hon. Senators: Question.

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

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

Some Hon. Senators: Yea.

The Hon. the Speaker: Those opposed to the motion, please say "nay."

Some Hon. Senators: Nay.

The Hon. the Speaker: I think the "yeas" have it.

And two honourable senators having risen:

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

An Hon. Senator: Now.

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

YEAS
THE HONOURABLE SENATORS

Anderson
Arnot
Audette
Boehm
Boniface
Boyer
Brazeau
Burey
Busson
Cardozo
Clement
Cordy
Cormier
Cotter
Coyle
Dagenais
Dasko
Deacon (*Nova Scotia*)
Deacon (*Ontario*)
Dean
Downe
Dupuis
Forest
Francis
Galvez
Gerba
Gignac
Gold
Greenwood
Harder
Jaffer
Kutcher
LaBoucane-Benson
Loffreda
MacAdam
Massicotte
Mégie
Miville-Dechêne
Moncion
Moodie
Omidvar
Osler
Pate
Patterson (*Nunavut*)
Patterson (*Ontario*)
Petitclerc
Petten
Quinn
Ravalia
Ringuette
Saint-Germain
Simons
Smith
Sorensen
Tannas
Verner
Wallin
Woo
Yussuff—59

NAYS
THE HONOURABLE SENATORS

Ataullahjan
Batters
Boisvenu
Carignan
Housakos
MacDonald
Marshall
Martin
Mockler
Oh
Plett
Poirier
Richards
Seidman
Wells—15

ABSTENTION
THE HONOURABLE SENATOR

McPhedran—1

• (1750)

REFERRED TO COMMITTEE

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

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

GREENHOUSE GAS POLLUTION PRICING ACT

MOTION TO AUTHORIZE NATIONAL FINANCE COMMITTEE TO STUDY SUBJECT MATTER AND AGRICULTURE AND FORESTRY COMMITTEE TO CONSIDER DOCUMENTS AND EVIDENCE GATHERED DURING THE STUDY ADOPTED

Hon. David M. Wells: Honourable senators, with leave of the Senate and notwithstanding rule 5-5(j), I move:

> That, notwithstanding any provision of the Rules, previous order or usual practice, if Bill C-234, An Act to amend the Greenhouse Gas Pollution Pricing Act, is adopted at second reading:
>
> 1. it stand referred to the Standing Senate Committee on Agriculture and Forestry;
>
> 2. the Standing Senate Committee on National Finance be authorized to examine and report on the subject matter of the bill; and
>
> 3. the Standing Senate Committee on Agriculture and Forestry be authorized to take into account, during its consideration of the bill, any public documents and public evidence received by the committee authorized to study the subject matter of the bill, as well as any report from that committee to the Senate on the subject matter of the bill.

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

Hon. Senators: Agreed.

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

Hon. Senators: Agreed.

(Motion agreed to.)

BILL TO AMEND CERTAIN ACTS AND TO MAKE CERTAIN CONSEQUENTIAL AMENDMENTS (FIREARMS)

SECOND READING—DEBATE

On the Order:

> Resuming debate on the motion of the Honourable Senator Yussuff, seconded by the Honourable Senator Boehm, for the second reading of Bill C-21, An Act to amend certain Acts and to make certain consequential amendments (firearms).

Hon. Pamela Wallin: Honourable senators, a former adviser to President Obama, David Plouffe, pulled back the curtain on how politicians sometimes play politics. He called it the "stray voltage" effect. He explained:

> "People pay attention to and engage with controversy." So . . . as a politician, you commit to a side . . . regardless of whether you've ever thought about it — then you support or oppose vehemently!

That is exactly what has become of gun control legislation, Bill C-21. Those who live a more rural life, love to hunt or sport shoot and those who live in urban centres where crime is high — two very different world views.

As Robert Freberg, Chief Firearms Officer of Saskatchewan, says, the bill will essentially criminalize thousands of Canadians despite the fact that it is the legal firearms owners that support training, licensing and registration, despite all of the things they have done to stay in compliance and promote education programs and despite following the "see something, say something" principle. The legal gun owners are now the ones being targeted by legislation.

An Hon. Senator: Hear, hear.

Senator Wallin: The government wants to take away firearms from the people who have been advocating for licensing of firearms but are now having their property expropriated.

The way the government proceeded on this bill — and this was on several occasions — prevented an informed parliamentary debate or proper committee hearings with a full range of witnesses. Instead, they used cabinet orders to regulate ". . . the circumstances in which an individual does or does not need firearms." All the more reason for this bill to be well studied by the Senate. We need evidence and facts, not just opinion and politics.

As if to further alienate rural voters everywhere, the Liberals are actually reducing the punishment for crimes committed using guns. With the passage of Bill C-5, the government has repealed one third of all mandatory minimum prison sentences, including for some 14 firearms and tobacco and drug-related offences.

Here is the issue in a nutshell: If you want to stop illegal gun crime, you need to crack down on gangs and gun smugglers, not on hunters and farmers.

An Hon. Senator: Hear, hear.

Senator Wallin: When we are told about increasing penalties for smugglers from 10 to 14 years, it sounds great. But today, right now, no one has ever been given the maximum penalty of even 10 years, so 14 years makes no difference. Senator Plett suggested the other day that perhaps there was one such case, but we're not sure.

Legislation and governments must turn their attention to the people who are constantly in and out of the system, who have firearms prohibitions against them but too often get cut loose in a few hours after an arrest. Chances are the bad guys have more firearms — or access to them — and they just go get more and often end up retaliating against the people involved in their arrest or conviction.

Since 2015, the "soft-on-crime" approach has seen violent crime increase 32%, with 124,000 more violent crime incidents in 2021 compared to 2015, and gang-related homicides have increased 92%.

As we all know, crime is about people who commit the crime. Confiscating guns or knives — knives are now actually responsible for an increasing number of deaths — will not prevent this. A tire iron, a kitchen knife or a fist can kill if that's the intent.

Government also disingenuously uses the endless horrific and deadly gun-related events south of the border to trigger the gun control debate here — a Uvalde or a Buffalo — but we're operating in two completely different environments.

Bill C-21 does not meaningfully address the root causes of gun violence: illegal smuggling, gang violence, illegal drug trade and drug addiction. We need to focus on rehabilitation, not red tape.

The Hon. the Speaker: I am sorry to interrupt you.

Honourable senators, it is now six o'clock, and pursuant to rule 3-3(1), I am obliged to leave the chair until eight o'clock when we resume unless it is your wish, honourable senators, to not see the clock. Is it agreed to not see the clock?

Some Hon. Senators: No.

The Hon. the Speaker: So ordered.

(The sitting of the Senate was suspended.)

(The sitting of the Senate was resumed.)

• (2000)

[*Translation*]

ROYAL ASSENT

The Hon. the Speaker informed the Senate that the following communication had been received:

RIDEAU HALL

June 13, 2023

Madam Speaker,

I have the honour to inform you that on behalf and at the request of the Right Honourable Mary May Simon, Governor General of Canada, Christine MacIntyre, Deputy to the Governor General, signified royal assent by written declaration to the bill listed in the Schedule to this letter on the 13th day of June, 2023, at 6:09 p.m.

Yours sincerely,

Ryan McAdam

Director, Office of the Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

Bill Assented to Tuesday, June 13, 2023:

An Act to amend the Canadian Environmental Protection Act, 1999, to make related amendments to the Food and Drugs Act and to repeal the Perfluorooctane Sulfonate Virtual Elimination Act (*Bill S-5, Chapter 12, 2023*)

[*English*]

BILL TO AMEND CERTAIN ACTS AND TO MAKE CERTAIN CONSEQUENTIAL AMENDMENTS (FIREARMS)

SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Yussuff, seconded by the Honourable Senator Boehm, for the second reading of Bill C-21, An Act to amend certain Acts and to make certain consequential amendments (firearms).

Hon. Pamela Wallin: Honourable senators, as I was saying, Bill C-21 does not meaningfully address the root causes of gun violence — the illegal drug trade, drug addiction, illegal smuggling, gang violence. Again, I will quote the words of Saskatchewan's Chief Firearms Officer, who says:

> If you . . . look at the firearms they have seized and used in crime . . . they aren't finding these assault style firearms. They aren't being used. It's a great optic, they look scary, but every firearm can look scary . . . it's really the end use.
>
> When we look at the American news . . . they have no regulations, they have no vetting, they have no education programs, they have no safe storage requirements, those firearms aren't registered. It's an entirely different paradigm.

The government often uses the U.S. events and their lack of rules to make a case for Canadian law, to shore up their own base, to look tough on crime for urban voters.

But these moves sometimes backfire. The plan to freeze handgun sales in fact triggered a buying frenzy. And many handguns have gone underground, family-owned handguns, because it's so complicated to transfer to a son or a daughter. Of course, in the end, it will shutter hundreds of small businesses across this country that employ thousands of people selling legal guns to sane, non-criminal buyers.

This bill could also set a precedent for further bans and confiscations that the government may deem necessary for, in their words, "greater good, safety, and well-being of citizens." It is a bit of a slippery slope.

This legislation, sadly, has little to do with saving innocent lives. The bill puts hunters, collectors and sports shooters in the crosshairs, but not the criminals.

And let's not forget that an important but always forgotten effect of this bill might actually have to do with the cost of living. Many Canadians could use a gun to go hunting. As the cost of putting food on the table skyrockets, a deer or a moose in the deep-freeze can make a real difference. And killing the coyote that's killing your cattle saves money and also puts food on the table.

But such practical thinking is just not part of the mindset here in the halls of Parliament. Let's hope that we can ensure that we look at all aspects of this bill, the potential collateral damage for businesses and hunters, including Indigenous hunters with the traditional and treaty right to do so.

Consider the impact on families. Treat addictions that lead to crime. Enforce the full measure of the law on those who commit crimes with guns. Don't defund the police or underfund the firearms officers. Support their good work and support legal gun ownership. And throw the book at the bad guys.

The House of Commons had a duty and a responsibility to create a better piece of legislation, and it failed. So it now falls to us. Let's actually try to make sure Bill C-21 does something to make the country safer. Let's also make sure that our laws respect the rights of law-abiding citizens. Thank you.

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I rise to speak at second reading of Bill C-21, which makes amendments to the Criminal Code and the Firearms Act.

The bill proposes changes to Canada's firearms laws designed to better protect communities from gun violence, with particular emphasis on addressing gender-based violence, combatting smuggling and cracking down on ghost guns, which are untraceable firearms often built illegally on 3-D printers.

Also, crucially, the bill formalizes the national freeze on the sale, purchase, transfer and importation of handguns, enacted last year.

I'm supportive of these measures and look forward to seeing Bill C-21 progress through the remaining stages of the legislative process, but my reason for speaking today is to discuss the role of firearms in Indigenous communities and to share some thoughts that I hope will be useful to senators as our debate and study of the legislation continue.

For many Indigenous families, mine included, hunting is central to our history, culture, livelihoods and sustenance. Indigenous harvesting rights are treaty rights and were enshrined in Canada's Constitution in 1982. Any law affecting firearms must preserve these rights. Moreover, the right to hunt and trap is deeply connected to Indigenous food security, connection to culture, rites of passage and identity formation.

With permission from my husband and my son, I want to share one of my family stories that illustrates this. My husband, his brothers, my brother, my father and other extended family members gather for a week every fall at a family hunting camp. My youngest son, Gabe, has attended the camp since he was a small boy. He has learned so many life lessons at hunting camp, including bush skills, survival on the land, tracking, his sacred relationship with animals he harvests and gun safety.

One day he went out with his dad and my father. They had smudged earlier that morning, and as the smudge passed under the guns and over the ammo, he prayed that he would become a hunter that day. His prayers were answered when he was the first to spot a deer on the cutline, and it stayed long enough for him to convince his dad that it was his time. He did exactly as he was taught. He got out of the truck slowly and with purpose. He aimed. He took a deep breath. He aimed again, and when he was completely sure that he could make the perfect shot, he fired.

When the deer fell, he walked to the animal with tears in his eyes. He put tobacco down and he thanked the deer for giving its life so that his family could eat. His dad showed him how to make the other offerings and to ensure the cleanliness of the food

he was bringing home. In this moment, with humility and gratitude, he understood the complexity of our sacred right to hunt.

Allen called me, and I was in tears. We knew Gabe had entered the next stage of his life, that this was an important rite of passage in his journey.

• (2010)

When they arrived home, Gabe helped his dad prepare, package and freeze the meat. The next day, we hosted a feast with four elders. Gabe helped me make the deer stew, and he offered all the rest of the meat to the elders at our kitchen table — the elders who gave him teachings about becoming a man; his responsibility to his family, his community and the animals he would harvest; and his sacred relationship with the land. A few years later, when he brought his first moose back to hunting camp, he was presented with tobacco and given his first eagle feather. He had proven that he could survive in the bush, and that he was able to feed his family.

It is with so much pride that I can say all three of our sons are capable, traditional hunters, and I will never, ever go hungry. Indeed, colleagues, hunting, fishing and trapping are activities that forge stronger community bonds, provide a vehicle for the transmission of sacred teachings and foster a sense of responsibility to our community and natural world. As the late Dr. Harold Cardinal told my husband, Allen's formidable bush skills were transferable — and one of the reasons he was a successful CEO.

Senators, my family has a variety of guns, large and small, that are specific to the animal that will be harvested. There are also family guns that have been passed down from generation to generation. My dad has gifted my grandfather's guns to our sons as an acknowledgment of their hard work at camp, and the fact that they are such amazing traditional hunters. Every single one of these guns is legal and is stored safely.

Allen, my husband, was the co-producer of two videos about Indigenous peoples' hunting rights and acquiring a Possession and Acquisition Licence, or PAL. Alberta Fish and Wildlife and the RCMP were partners in these video productions in an effort to build relationships between police, conservation officers and Indigenous hunters. Every Canadian — Indigenous and non-Indigenous — who wants to purchase a firearm must apply for a PAL. There are also long-standing provisions within the licensing process that help Indigenous people acquire their PAL and, therefore, ensure that Indigenous hunting rights are preserved.

At the same time, Indigenous communities have frequently been impacted by firearms violence — often for reasons stemming from intergenerational and historic trauma. Like other Canadians, Indigenous people want and deserve to be protected from threats to community safety, such as gender-based violence and gang violence, and to have measures in place to reduce the risk of suicide.

Senators, my husband has been crystal clear: If ever one of his guns were to become prohibited, he would decommission or surrender it because the right to hunt — a sacred right given to us by the Creator, not by the government — is not tied to the use of a particular firearm, and the right to live in a safe community is also sacred.

Senators, the truth is that Bill C-21 would not change the classification of a single firearm. Last fall, the government proposed amendments during committee study in the other place that would have made some classification changes. At the time, some Indigenous communities and organizations felt that they hadn't been sufficiently consulted on the amendments. I'm glad that the government took a pause at that point, and spent several months having conversations with Indigenous organizations and rights holders, including the Assembly of First Nations; the Métis National Council; Inuit Tapiriit Kanatami; the Manitoba Métis Federation; Tribal Chiefs Ventures Inc., which represents several First Nations on Treaty 6 territory in Alberta; the Manitoba Keewatinowi Okimakanak; the Métis Nation British Columbia; the Hunting, Fishing and Trapping Coordinating Committee, which deals with the harvesting rights in northern Quebec; the Native Council of Prince Edward Island; the Wolastoqey Nation in New Brunswick; and the First Nations Chiefs of Police Association.

From what I have heard about these discussions, several key themes emerged: First, many Indigenous people and organizations agree with the principle that certain firearms are too dangerous and not appropriate for civilian use. Second, the preservation of harvesting rights, and of the firearms used to exercise these rights, is a top priority for Indigenous communities. Third, it is important for many Indigenous people to be able to pass their firearms down from one generation to the next. Finally, it was repeatedly emphasized that Indigenous organizations and rights holders want to work with the government on matters related to regulation of firearms. Early and ongoing consultation can help maximize buy-in among members of Indigenous communities, maximize the effectiveness of the laws and minimize misinformation about what a particular law or amendment does.

The result of the extensive consultations was that the amendment introduced last fall was withdrawn. Other amendments, such as the amendments focused on combating the spread of ghost guns, were reintroduced and adopted. In its current form, Bill C-21 would enshrine the handgun freeze that has been in effect for a year; maintain the prohibition of approximately 1,500 assault-style rifles that was enacted in 2020; and establish a technical definition of assault-style firearms to be applied going forward in order to prevent newly designed or manufactured assault-style firearms from entering the Canadian market.

For hunters, the bottom line is if there is a long gun that you are using for hunting today, you will still be able to use it when Bill C-21 passes. For all Canadians, including Indigenous people, the bill will help protect us from gun violence and make our communities safer.

Colleagues, let's send Bill C-21 to committee and study it as soon as possible. *Hiy hiy*.

(On motion of Senator Martin, debate adjourned.)

HEALTH-CENTRED APPROACH TO SUBSTANCE USE BILL

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming debate on the motion of the Honourable Senator Boniface, seconded by the Honourable Senator Hartling, for the second reading of Bill S-232, An Act respecting the development of a national strategy for the decriminalization of illegal substances, to amend the Controlled Drugs and Substances Act and to make consequential amendments to other Acts.

(On motion of Senator Woo, debate adjourned.)

DEPARTMENT OF EMPLOYMENT AND SOCIAL DEVELOPMENT ACT EMPLOYMENT INSURANCE ACT

BILL TO AMEND—SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Bellemare, seconded by the Honourable Senator Dalphond, for the second reading of Bill S-244, An Act to amend the Department of Employment and Social Development Act and the Employment Insurance Act (Employment Insurance Council).

Hon. Rose-May Poirier: Honourable senators, I rise here today at second reading to speak to Bill S-244, An Act to amend the Department of Employment and Social Development Act and the Employment Insurance Act (Employment Insurance Council). The bill's goal, as elaborated by the sponsor of the bill, Senator Diane Bellemare, is to set up an employment insurance council within the Canada Employment Insurance Commission, which would create a social dialogue on matters related to Employment Insurance, or EI.

As you may know, colleagues, our social safety net when a Canadian is without employment has been in place since 1940. At first, it was called the unemployment insurance — or the UIC, as we used to call it in my area, thanks to a popular 1755 song — to finally becoming Employment Insurance in 1990.

From 1940 to today — 2023 — the overhaul of the program has been limited. Instead of doing a modernization of the program, successive governments introduced numerous pilot projects to help the labour market find workers and, at the same time, help Canadians find jobs.

• (2020)

For example, right now, we have another pilot project to help Canadians who work in seasonal jobs survive through the "black hole." I have talked about this issue before. The "black hole" is a period in the year where seasonal workers have no insurable hours left, but their seasonal jobs have not begun yet. Again, the reaction to help people right away has always been a pilot project, which is a short-term solution. Yet, all the while, seasonal workers are still waiting on a medium- to long-term solution.

I am certain that they are not the only ones who need a better safety net when the jobs are just not there. The labour market has evolved tremendously since 1990 with the internet. Since the 2000s, telecommunications have changed how we live and how we work. New technology has been good for some in the economy, but it has been disruptive to workers. Even just in recent months, the emergence of artificial intelligence could prove to be another major disruption in the labour market. Who knows where the artificial intelligence could be in two to five years.

All of that to show, colleagues, that the job market has evolved tremendously in the last decade, but our EI system hasn't left the 20th century. It remains outdated, and it has become a patchwork solution that needs dire modernization.

We just need to look at the recent COVID pandemic in 2020: the program is very rigid and not as easily adaptable to sudden situations. Now that we are post-pandemic, we need to address how we protect and help unemployed Canadians.

That brings me now to Senator Bellemare's bill. The idea of having a social dialogue within the Employment Insurance Commission sounds like a good idea. What we want is for decisions to be made based on what employers and employees need. Swing the pendulum too much on one side, and it hurts the economy. If we swing too much on the other side, it hurts the worker. It is a difficult balance.

For me, prior to being a senator, I was a member of the Legislative Assembly of New Brunswick for my riding from 1999 until my appointment in 2010. My experience with Employment Insurance and social support is based on meeting with constituents in a desperate situation who have nowhere else to turn. How many times have I cried with my constituents who needed money to buy food, to pay heating, to pay for their kids' clothing, and the list goes on.

That is where I stand: with the workers who need help to support their families. The bill before us proposes a social dialogue between the most representative employers' organizations and the most representative labour organizations. If there is to be a proper social dialogue for EI, there must be due diligence to ensure that nobody is forgotten. My concern would be that the social dialogue focuses on where there are more workers in the bigger industries and, on the other hand, on representatives of the bigger employers. It is important that people who are not necessarily in the main industries as well as those in the areas of the country where there are fewer people also have a voice. I am concerned there will be a concentration of the dialogue where there are the most workers and bigger employers.

As well, it might be important to factor in the regional aspect of our country. I'm pretty sure when I say "the black hole," not all Canadians would think of the four-week hole for seasonal workers of not having an income, just like I am not familiar with an issue that could be in the Prairies or Western Canada. We need to make sure that every region has a voice. The fact remains

that we live in a geographically wide country, with a diverse economy true to each region. Each region's labour market will be distinct from the other.

Finally, I would caution on having too much bureaucracy. The Employment Insurance ecosystem is wide. I understand the council would be within the commission — but as long as it does not centralize the focus and the consultation within one structure. Sometimes one thing sounds good in theory until it is applied to reality, which is where my experience as a member of the legislative assembly comes into play. I have held hands with people going through the EI system. Even though it was a federal issue, and I was a provincial legislator, I was solely involved just to help out when the time was there in any way that I could.

Hearing directly from the people who are not represented by big unions and who do not work in a big industry, they cannot be left behind. It must be inclusive so that all voices are heard.

At the end of the day, honourable senators, our EI system needs a major overhaul. Employment Insurance is part of our social safety net for Canadians, by Canadians. Future governments need to take better care of it. It needs to be bold and bring about an overhaul instead of pilot projects. We have seen too many times the EI program not answering the needs of Canadian workers in a fast-evolving economy. I trust that the committee will do a great study of the bill because, now more than ever, our Employment Insurance system needs to be modernized.

While we wait for the government to present its plan to improve the EI system, I thank and congratulate Senator Bellemare for her initiative. Thank you, honourable senators.

Hon. Hassan Yussuff: I wonder if the senator would take a question.

Senator Poirier: Yes, I will.

Senator Yussuff: First, thank you for your remarks in regard to your experience but also on the bill. As we know, it has been decades since we have had a major overhaul of the EI system in this country. Regardless of where you live, whether in an urban environment or a rural community, the challenges a worker faces on a daily basis are no different — what happens to them if they fall through the cracks or do not have benefits or are unemployed.

I think it is fair to say the system we have used for the last decades to try to address these concerns has not really gotten to the crux of the matter: How can we put a better system in place to recognize the reality of what Canada is?

In rural communities, it is quite normal that people work seasonally. Without those people, those industries would die. I will use P.E.I. as an example. We need people to harvest potatoes as we need people to harvest fish. But there are times when there is no work for them to do in those industries, and it is part of our collective responsibility to look after them.

I hope that many of the concerns you have raised on the bill can be addressed by the committee and that they will hear from witnesses who will be able to tell their stories. The structure that Senator Bellemare's bill proposes will be as inclusive as it can be to ensure that all regions and all industries in this country have a seat at the table. The workers and employers are the ones who pay into the system.

Would you not agree that we can address those concerns you have raised while, equally, ensuring those voices will be heard when the new structure is created if this bill were to pass and become part of the law in this country?

Senator Poirier: I totally agree.

Regarding the council that is going to be put in place, it will be extremely important — specifically, in rural New Brunswick and rural Canada, there are a lot of places and companies out there that are not unionized, so we need to ensure those people have a voice and that we can hear from them.

I have total confidence — I have been on the Social Affairs Committee for a long time; I'm not there right now, but I have been for a long time — and I have total faith in the committee that they will do great work and ensure all voices are heard. Yes, there are a lot of people who are hurting out there. Again, I remember when I was a member of the legislative assembly when there was nowhere else to turn, because there were not even pilot projects or anything. I would even reach out to churches and local organizations in the community to see where I could get firewood to help a family heat their home in the winter, or get food or different things.

Yes, I'm passionate about it. I really have faith that the committee will do a great job on it and make sure that our voices are all well heard. Thank you.

[*Translation*]

Hon. Éric Forest: First of all, congratulations on your speech, which is crucial for regions where industry relies heavily on seasonal work, such as fisheries and agriculture.

With regard to the spring gap, we are repeatedly being told that consultations are ongoing and that employment insurance is going to be reformed.

Don't you think that the danger we're currently facing — given the scarcity of resources and the fact that we're competing for skilled labour — is that regions like yours and mine, where workers are tied to seasonal industries, will be taken over by other, more permanent industrial sectors? Don't you think it is urgent to stop holding consultations and reform employment insurance to take these realities into account?

Senator Poirier: This is where I think the committee could do some work. First of all, at the moment, there isn't even a system in place to give a voice to those who are affected by all this. There's no one to hear them.

• (2030)

It is all well and good to speak with the government representatives who are here and are making the decisions, but there's no recourse to make sure that those voices are heard. That's where we have to start, to make sure that everyone understands. The sad thing is that many people believe that seasonal workers — I already introduced an inquiry on this subject a few years ago, perhaps before you arrived in the Senate.

There are places in the country, like New Brunswick, for example, where people work in the fishing industry, in a potato field, in agriculture or in tourism, but the season eventually comes to an end. The number of weeks of benefits they receive it isn't good enough, especially if they have a family. We got a response right away, and everyone agreed that, yes, we need a pilot project, but we're well beyond that now. We need to do something to fix the situation in the regions. If all seasonal work were to disappear, our country would be in a real sorry state. Thank you.

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

Hon. Senators: Agreed.

(Motion agreed to and bill read second time.)

REFERRED TO COMMITTEE

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

(On motion of Senator Dalphond, bill referred to the Standing Senate Committee on Social Affairs, Science and Technology.)

[*English*]

CRIMINAL CODE

SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Kutcher, seconded by the Honourable Senator Boehm, for the second reading of Bill S-251, An Act to repeal section 43 of the Criminal Code (Truth and Reconciliation Commission of Canada's call to action number 6).

Hon. Donald Neil Plett (Leader of the Opposition): Honourable senators, I rise today to speak to Bill S-251, An Act to repeal section 43 of the Criminal Code (Truth and Reconciliation Commission of Canada's call to action number 6). As Senator Kutcher pointed out, this is the eighteenth time this bill, or one like it, has been brought forward. I share his hope that this is the last time we will see this bill, or a bill like it, in Parliament — albeit, as I will explain, probably for different reasons than Senator Kutcher.

Colleagues, as you know, this bill will amend the Criminal Code to remove section 43, which reads as follows:

> Every schoolteacher, parent or person standing in the place of a parent is justified in using force by way of correction toward a pupil or child, as the case may be, who is under his care, if the force does not exceed what is reasonable under the circumstances.

In 2004, the Supreme Court was asked to consider the constitutionality of this section. In their decision, they described the parameters of the case as follows:

> The issue in this case is the constitutionality of Parliament's decision to carve out a sphere within which children's parents and teachers may use minor corrective force in some circumstances without facing criminal sanction. The assault provision of the Criminal Code . . . prohibits intentional, non-consensual application of force to another. Section 43 of the *Criminal Code* excludes from this crime reasonable physical correction of children by their parents and teachers.

Colleagues, this continues to be the question before us today: Should parents be treated as criminals for using force to correct their child if the force does not exceed what is reasonable under the circumstances?

I would note that the question is not, "Should parents be allowed to physically abuse their children?" Nor is it, "Should parents be permitted to physically assault their children?" Nobody is asking these questions. Nobody is asking for a statutory defence of child abuse, but you wouldn't know it from listening to some of the speeches that we have heard in this chamber.

My good friend Senator Kutcher suggested that section 43 of the Criminal Code ". . . provides protection for those who use violence as a parenting tool . . . ." Senator Pate said section 43 ". . . permits a defence and justification for violence perpetrated against children . . . ." Senator Petitclerc compelled us to pass this bill because, in the words of Nelson Mandela, "We owe our children . . . a life free from violence and fear." And Senator Moodie said that section 43 effectively allows ". . . children to experience forms of physical violence."

Colleagues, the sharp rhetoric around this bill is disturbingly unfounded and misleading. Allow me to walk you through some of the facts.

In 2004, the Supreme Court laid down very stringent and specific parameters to the application of section 43. Having considered the testimony and evidence, the Chief Justice, on behalf of the majority of the justices, wrote the following:

> . . . I conclude that the exemption from criminal sanction for corrective force that is "reasonable under the circumstances" does not offend the *Charter*. I say this, having carefully considered the contrary view of my colleague, Arbour J., that the defence of reasonable correction offered by s. 43 is

> so vague that it must be struck down as unconstitutional, leaving parents who apply corrective force to children to the mercy of the defences of necessity and "*de minimis*".

Justice McLachlin continued:

> I am satisfied that the substantial social consensus on what is reasonable correction, supported by comprehensive and consistent expert evidence on what is reasonable presented in this appeal, gives clear content to s. 43. I am also satisfied, with due respect to contrary views, that exempting parents and teachers from criminal sanction for reasonable correction does not violate children's equality rights. In the end, I am satisfied that this section provides a workable, constitutional standard that protects both children and parents.

Colleagues, bear in mind that the attempt to remove section 43 from the Criminal Code was not just rejected once but three times. Three courts considered the matter, and three courts rejected it. First, it was rejected in 2000 by the trial judge, Justice McCombs. Then, two years later, it was rejected by the Court of Appeal for Ontario. Then, in 2004, it was rejected by the Supreme Court of Canada.

This bill has already been before Parliament 17 times, and it has never made it through the committee stage. The hubris of bringing it before Parliament for the eighteenth time after 3 rejections by the courts and 17 rejections by Parliament is a bit mind-boggling to me. Why are senators challenging what has already been settled in the highest court of the land?

There was no ambiguity in the court's decision on section 43. In fact, the parameters it set out were very clear. I quote from the Library of Parliament's study on this issue, dated February of this year:

> The justices stated that the words "by way of correction" in section 43 mean that the use of force must be sober and reasoned, address actual behaviour and be intended to restrain, control or express symbolic disapproval. They also noted that the child must have the capacity to understand and benefit from the correction, which means that section 43 does not justify force against children under the age of two or those with certain disabilities.
>
> The justices further clarified that the words "reasonable under the circumstances" in section 43 mean that the force must be transitory and trifling and must not harm or degrade the child. They stated that the idea is to look at the need for correction in the circumstances rather than the gravity of the child's misbehaviour. According to the decision, reasonableness further implies that force may not be administered to teenagers, as this can induce aggressive or antisocial behaviour. Moreover, force may not involve objects, such as rulers or belts, and it may not be applied to the head.

• (2040)

These parameters were not dreamt up by the Supreme Court. They were lifted from the decision of the trial judge, Justice McCombs, when he said that "Corporal punishment which causes injury is child abuse," and "Corporal punishment should never involve a slap or blow to the head." He went on the say that:

> Corporal punishment using objects such as belts, rulers, etc., is potentially harmful both physically and emotionally and should not be tolerated.

Justice McCombs also stated that "Hitting a child under two is wrong and harmful."

Justice McCombs also noted that all of the experts agreed that spanking should be defined as:

> . . . "the administrating of one or two mild to moderate 'smacks' with an open hand, on the buttocks or extremities which does not cause physical harm.)

Colleagues, nowhere in section 43 will you find even a hair's breadth of room for assaulting or abusing a child. To suggest otherwise is inflammatory and misleading. The Supreme Court clearly stated that "Section 43 does not extend to an application of force that results in harm or the prospect of harm. . . ."

Child abuse of any kind is among the most abhorrent behaviour imaginable, and it is also already criminal. Those who perpetrate violence against children should feel the full force of the law, and in Canada, colleagues, they do.

Rather than protecting children, Bill S-251 will carry profound negative consequences for both children and their families if it is passed and section 43 is removed.

Former Chief Justice McLachlin warned of this in commenting on the Supreme Court's 2004 decision. She said that the decision to not criminalize corporal punishment was:

> . . . not grounded in devaluation of the child, but in a concern that to do so risks ruining lives and breaking up families — a burden that in large part would be borne by children and outweigh any benefit derived from applying the criminal process.

This concern was shared by the Ontario Court of Appeal, who noted that:

> The mutual bond of love and support between parents and their children is a crucial one and deserves great respect. Unnecessary disruptions of this bond by the state have the potential to cause significant trauma to both the parent and the child. Parents must be accorded a relatively large measure of freedom from state interference to raise their children as they see fit.

Furthermore, colleagues, we need to bear in mind that while we are discussing section 43 in the context of spanking, the impact of removing this section is much, much broader.

Consider the following quote:

> The offence of assault is defined in section 265 of the *Code* as "the intentional application of force to another person, directly or indirectly, without the consent of that person".
>
> This broad definition, standing alone, would make criminal any mild or moderate forms of physical discipline, including spanking as defined in this case. Without section 43, other forms of restraint would be criminal, such as putting an unwilling child to bed, removing a reluctant child from the dinner table, removing a child from a classroom who refused to go, or placing an unwilling child in a car seat.
>
> The fact that such commonly accepted forms of parental discipline would become criminalized without section 43 is a very significant consideration.

Colleagues, this is not some exaggerated scenario raised as a scare tactic by opponents of this bill. This is not some conspiracy theory floated by flat earthers. These are the words of the original trial judge, Justice McCombs, in his judgment on this issue.

Former chief justice Beverley McLachlin echoed these concerns in *Canadian Foundation for Children, Youth and the Law v. Canada (Attorney General)* 2004, stating:

> The reality is that without s. 43, Canada's broad assault law would criminalize force falling far short of what we think of as corporal punishment, like placing an unwilling child in a chair for a five-minute "time-out". The decision not to criminalize such conduct is not grounded in devaluation of the child, but in a concern that to do so risks ruining lives and breaking up families — a burden that in large part would be borne by children and outweigh any benefit derived from applying the criminal process.

While others mock this concern and dismiss it out of hand, the concern is real. Passing Bill S-251 will not protect children; it will put them and their families at risk.

Colleagues, if my count is correct, nine senators have spoken to this bill before me. While I respect the right of all senators to hold their own views, there were a couple of points raised in debate that I would like to address.

The first was the insinuation by one senator that the Bible sanctions violence against children. This is not accurate. Nowhere in the Bible will you find a defence for child abuse — none.

Biblical references to corporal punishments are not, and have never been, an admonition for or an acceptance of child abuse. In fact, as historians and sociologists studying the early church have pointed out, one of the reasons that Christianity grew exponentially during its first 300 years was due to the exceptional way that Christians treated women and children in contrast to all of the cultures around them.

Christians believe that every person — regardless of race, sex, ethnicity or ideology — is made in the image of God. Furthermore, in God's eyes, every person carries immeasurable value — born and unborn — so much so that God was willing to pay the price for their redemption with the life of his own son. Because of this, Christians in the early church treated everyone with respect, including women and children.

Senator Dalphond pointed out that ancient Roman laws gave the father the power of life and death over his children. This is true. Abortion was commonplace. Unwanted newborn children were often left exposed to the elements to die, especially newborn girls. But the early church resoundingly rejected these attitudes and values. They treated women and children with dignity, providing a safe haven in tumultuous times.

This is true of Christianity even today, and to suggest otherwise is to misrepresent the facts. Any biblical reference to the corporal punishment of children is not an endorsement of violence or abuse. Such a thing was never contemplated by the writers of scripture and never promoted by the followers of Christ. On the contrary, Christians carry a deep sense of responsibility to protect the vulnerable and speak up for those without a voice. This is why many are unapologetic about speaking out against abortion and assisted suicide.

• (2050)

I recognize that some senators may struggle with this viewpoint, but the position is rooted in the firm belief that every human life has immeasurable value. I, on the other hand, struggle to understand why we are so anxious to amend the Criminal Code in order to criminalize parents who give their child one or two gentle smacks on their backside, but won't consider amending the Criminal Code to specify that knowingly assaulting a pregnant woman or causing physical or emotional harm to a pregnant woman should be considered aggravating circumstances for sentencing purposes.

The second thing I would like to respond to is the repeated assertion that the research indicates all corporal punishment is harmful. This is questionable at best and varies according to which research you choose to look at. I would say that the closer you look, the more the so-called evidence begins to break down.

For example, in one academic review, researchers examined 26 studies on this topic from the previous 50 years and found that, "Whether physical punishment compared favorably or unfavorably with other tactics depended on the type of physical punishment." In essence, the review found that if physical punishment reflected the parameters set out by the Supreme Court, it was found to be as good or better than other forms of discipline.

A 2019 academic survey of the existing research on this issue confirmed these earlier findings. Furthermore, it noted two substantial problems with the studies that concluded all corporal punishment was harmful.

First of all, it found that those studies often did not distinguish between the outcomes of overly severe discipline and non-abusive physical discipline. Instead, they grouped them together, which provides us with no useful comparison between the impact of corporal punishment which exceeds the current parameters of Canadian law and corporal punishment which is administered within the guidelines set by the Supreme Court.

Second, the studies which concluded that all corporal punishment was always harmful, ". . . failed to solve the chicken-and-the-egg problem as to whether severe misbehavior causes physical discipline or vice versa."

One of the strongest arguments against corporal punishment is that spanking is associated with later behavioural problems, such as aggression. However, studies have shown that this correlation exists with every type of corrective discipline. As one study noted:

> Since all types of corrective discipline are associated with subsequent aggression, it cannot be uniquely attributed to spanking, except in the case of overly severe and predominant use of physical punishment.

Colleagues, much of the so-called evidence against spanking is based on simple correlations, ignores studies of conditional spanking and fails to compare the outcomes of spanking with outcomes of alternative disciplinary responses that parents could use instead. It does not support removing section 43 from the Criminal Code.

But what about the question of the Call to Action 6 as recommended by the Truth and Reconciliation Commission? Let me state categorically that the abuse suffered by First Nations children at residential schools was horrific. It should never have happened, and my remarks do not in any way diminish the horror of the traumatic experiences that the children and their families faced and in many cases are still facing.

Last Sunday, colleagues, marked 15 years since the Canadian government under Prime Minister Stephen Harper offered an apology to residential school survivors and acknowledged the profound wrongs and unimaginable trauma experienced by Indigenous children who were torn from their homes. The legacy of residential schools remains an ugly and horrific blight in the history of our country, devastating entire families and communities.

As you know, as part of the reconciliation process that followed, the Truth and Reconciliation Commission issued 94 Calls to Action. The sixth Call to Action called on the government, ". . . to repeal Section 43 of the Criminal Code of Canada." However, I would note, colleagues, that the Truth and Reconciliation Commission was not given a mandate to reach into every home in the country and dictate what is appropriate or inappropriate when it comes to non-harmful, loving discipline. In fact, for a people who suffered immeasurably because of government overreach, I would be surprised if residential school survivors endorsed a Call to Action which advocates for government overreach in the lives of other families.

The terms of reference provided to the commission were to address the harmful legacy of residential schools, not to compel sweeping revisions of Canadian law with respect to legitimate parental discretion in disciplining their children. Furthermore, colleagues, I would draw your attention to the fact that Call to Action 6 appears under the heading of "Education." The context of this Call to Action is not to impose a philosophy of discipline upon every parent in the country, but to ensure that section 43 is not used as a shield that allows teachers to strike a child in their care.

This is in keeping with what the Supreme Court decided in 2004. In their decision, the court agreed that:

> . . . corporal punishment . . . is not reasonable in the school context, teachers may use force to remove children from classrooms or to secure compliance with instructions.

I would argue that an appropriate application to Call to Action 6 would be to amend section 43 to remove the words "schoolteacher" and "pupil." This would advance the process of reconciliation by responding to the need to address the abuses in residential schools without being overly broad in its application.

Colleagues, we live in troubled times. Many families feel like their traditional, deeply held beliefs and values are under attack. You do not have to look any further than the parent demonstrations in our very own backyard here in Ottawa this past weekend, and again this afternoon, to see evidence of this. Or you can look to the battle that the New Brunswick premier is now having with the Prime Minister, as Premier Higgs tries to defend rights while Justin Trudeau dismisses them as far right.

Colleagues, let me quote an article in today's *National Post*:

> Parental rights are now a "far right" political issue, according to Justin Trudeau.
>
> It may be that the prime minister didn't mean to disparage millions of parents by lumping them in with other far-right radicals like white supremacists and fascists, but that he did so speaks to his tendency to shoot from the lip.
>
> It is unfortunate that, once again, Trudeau, who has often denounced partisanship while urging conciliation, uses inflammatory rhetoric which will alienate a large portion of Canadians.
>
> Trudeau's divisive language comes in the wake of the government of New Brunswick Premier Blaine Higgs making controversial changes to gender rules in the province's schools.

The purview of the provinces. Colleagues, it is one thing to ask parents to adapt to an evolving culture by being tolerant of beliefs they do not share and showing respect to those who hold different values. But when the state begins to impose these values on those who do not hold them, it tears at the fabric of society.

The Supreme Court of Canada has been quite clear that when it comes to religion and belief, the state is to be neutral. Yet today, many Canadians are struggling to see this neutrality. They feel like their governments are becoming increasingly elitist and are progressively encroaching on jurisdiction that has traditionally belonged to the family.

• (2100)

As I said in my speech on this bill's predecessor, Bill S-206, I do not often agree with former prime minister Pierre Elliott Trudeau, ever. However, I do agree with his comment that ". . . there's no place for the state in the bedrooms of the nation. . . ." I also believe that there is no place for the state in the homes of loving parents raising their children in a responsible and caring manner. Thank you, colleagues.

[*Translation*]

Hon. Renée Dupuis: Will Senator Plett take a question?

[*English*]

Senator Plett: Yes.

[*Translation*]

Senator Dupuis: Senator Plett, thank you for agreeing to answer my question.

You quoted the majority decision rendered by the Supreme Court in 2004.

However, don't you think it's also important to recognize that there were dissenting opinions on that ruling? Justice Deschamps said the following with regard to section 43, and I quote:

> . . . s. 43 perpetuates the notion of children as property rather than human beings and sends the message that their bodily integrity and physical security is to be sacrificed to the will of their parents, however misguided. Far from corresponding to the actual needs and circumstances of children, s. 43 compounds the pre-existing disadvantage of children as a vulnerable and often-powerless group whose access to legal redress is already restricted.

My question is this. That ruling was handed down in 2004. Do you agree that mentalities change, that Supreme Court rulings are not the definitive authorities and that we can look at them differently in 2023, nearly 20 years after the ruling you referred to was handed down?

[*English*]

Senator Plett: I agree that we can look at it every 20 years if we want. As I said at the outset, we've looked at it 17 times before this. It was not just the Supreme Court, it was Parliament that 17 times overturned this in a democratic fashion.

I'm not supposed to ask you the question, but this is a response: Do you believe in the democratic process that turned this down 17 times? The Supreme Court, three courts — not just one, but three courts — turned this down. Was there a dissenting view? Absolutely. There is always dissension. I welcome that here today, and I welcome hearing you speak on this bill if you think that it is a good bill. I happen to think that, as a loving parent and grandparent, I would like to give my children the right to raise their children in the way that they see fit. I have never seen more loving people. I could learn lessons from my children in the way they are raising their children, but I'm not going to interfere, and I certainly think that the Senate should not interfere.

[*Translation*]

Senator Dupuis: Would Senator Plett agree to answer a supplementary question?

[*English*]

Senator Plett: Yes.

[*Translation*]

Senator Dupuis: Do we agree, you and I, that this question deserves to be studied by the Senate as legislator, since the Supreme Court itself noted that it couldn't rule on the change to section 43, which is ultimately in the hands of parliamentarians?

[*English*]

Senator Plett: I think that if you had been listening to my speech, Senator Dupuis, you would find out that, no, I'm not in agreement with that. We've dealt with this 17 times before, and each time it was rejected. I do believe in a democracy. If it is again rejected and next year somebody brings it forward — I'm only here for two more years, I only have two more kicks at this — I will oppose it the next two times, as I did the last time.

Do I agree that we have the right? No, I wish that we would kill this bill now. I'm not going to oppose it going to committee; it has been decided. I spoke today as the critic, Senator Dupuis. That in itself should tell you that I do agree with legislation being studied at committee. It will go to committee tonight.

Hon. Paula Simons: Would Senator Plett take a question?

Senator Plett: Certainly.

Senator Simons: Senator Plett, I agree with you that parents should have the right to raise children according to their own principles. I wonder about the principles that support the idea of hatemongers travelling from British Columbia to come and stand outside Ottawa schools to harass queer and trans children and to punch an MPP from Ottawa in the face outside that rally.

Perhaps if you are not opposed to smacking children, you are not opposed to transphobes punching MPPs.

Senator Plett: Point of order, Your Honour. This is not a question related to anything that I said here today. I would appreciate that, if Senator Simons has a question related to the speech, she asks it and does not go on a rant. If she wants to debate this bill later on, she can do that.

Senator Simons: Senator Plett absolutely made reference to the two protests outside of schools. He clearly mentioned Blaine Higgs, who —

Senator Plett: Again, this is on debate, Your Honour, not a question. I would like to not engage with Senator Simons any further, and so I will not answer her question.

Senator Simons: Are you not going to answer the question I already asked?

The Hon. the Speaker: You had not finished your question.

Hon. Marilou McPhedran: Senator Plett, would you take a question from me?

Senator Plett: Yes.

Senator McPhedran: Thank you very much. It is a short question, and something that troubled me for many years and I want to share it with you.

How is it that we, as lawmakers, can justify that physical assault from any one of us as an adult against another adult is illegal, but a similar level of assault by a parent against a child is legal in Canada and would continue to be so if we don't follow through on this bill?

Senator Plett: I'm not sure, Senator McPhedran, whether you heard any of my speech or not. In my speech, I said that a slap on the bum with the hand so it leaves no mark is not assault. So, no, you and I agree. We should not assault children. Absolutely. I don't think spanking a child with two slaps on the bum — it cannot leave a mark or it's assault — I do not believe that it is assault.

Senator McPhedran: As a point of clarification, Senator Plett, how do we regulate this when you give a specific example about an acceptable limit of physical contact or physical punishment that happens in the privacy of a home or other location where the recipient of those two slaps, for example, has no power, no voice and no way of getting beyond that private situation?

Senator Plett: First of all, again, Senator McPhedran, I did not set the parameters; the courts did. I didn't make the law that you can give two slaps; the courts did. You should ask the courts, which is possibly where this is going again. I simply spoke.

Let me give you an example, Senator McPhedran. You say children have no say; I'm going to use an example. My son may disown me for the rest of his life for giving this example, but let me tell you about the first spanking I wanted to give my son. He was maybe four years old, and my wife and I had a disagreement on whether I should do this. He had done something that I thought deserved a spanking. I called him into the bedroom and I had him stand in front of me. There was no anger. I asked him whether he knew what he had done was wrong. Yes, he did. And I said, "You know, son, I'm going to have to give you a spanking for what you did." He never argued with me. I discussed it with him. He then said, "Okay, dad, but before you do, could I tell you something?" I said, "Certainly you could." And I was sitting; he was standing. He climbed onto my lap and he put his arms around my neck, and he said, "I just want to tell you, dad, that I love you." He did not get a spanking that day. So don't tell me children can't negotiate their way out of it. They can.

• (2110)

Hon. Margaret Dawn Anderson: Senator Plett, will you take a question?

Senator Plett: Yes.

Senator Anderson: Thank you. In the Northwest Territories, where 100% of our children in care are Indigenous, and in Canada, where we have overrepresentation of Indigenous children, my question to you is: Has there been any thought given to the risk that the passage of this bill would give additional grounds for the removal of Indigenous children from their homes and communities as well as potential grounds for criminalization of Indigenous parents?

Senator Plett: Thank you very much for that question, and I think that you make a wonderful point. But I'm the critic of this bill so I have not given that any consideration. You would have to ask Senator Kutcher at an opportunity or maybe at committee. But I think that you make a very legitimate point in what you said, Senator Anderson, and that should be considered.

Hon. Ratna Omidvar: I wish to pose a question to Senator Plett.

Senator Plett, I wonder if you have heard of a very famous Canadian comedian called Russell Peters, one of the most well-known Canadian comedians. He is now in Los Angeles. He has a wonderful take on violence against children in Canadian families versus immigrant families. His tagline is, "Someone's going to get hurt real bad." He says it in his own way. I encourage you to listen to it. It will have you in splits. He makes the point that his immigrant friends feel very envious of his non-immigrant friends because immigrant parents appear to beat up their kids more violently or more regularly than, let's say, others.

Comedy aside, I wonder if your research has indicated any such evidence to this point.

Senator Plett: Thank you for the question, Senator Omidvar and, no, I have not done research on that. I would assume that the majority of the immigrants that I certainly have had connections and relations with who have come over to our country have very many of the same family values that I have, and maybe that is because those are the ones that I socialize with. But the majority of them would have many of the same values as me. I don't think that there could be any clear distinction made that one ethnicity is — I don't want to use the word "violent" — more aggressive than others. I may be wrong.

Senator Omidvar: I don't know that. That's why I asked the question.

What role do provincial laws play in this?

Senator Plett: Well, clearly provincial laws are very specific when it comes to certain issues, such as I raised where the Prime Minister is now delving into fighting with a provincial premier on something that is involved with the schools. Other than that, Senator Omidvar, I'm not sure. This is dealing with the Criminal Code, so that is what I have been focusing on. Again, I apologize. That is something that we, again, should probably raise at committee to see what roles the provinces play in that.

[*Translation*]

Hon. Éric Forest: Would Senator Plett agree to answer a question?

[*English*]

Senator Plett: Yes.

[*Translation*]

Senator Forest: Senator Plett, we will agree that laws are made to protect the weakest individuals from those who might go too far.

The example you gave about your son demonstrates your thoughtful consideration because you explained to him why you wanted to give him a spanking. However, not every father is like you, and your son — who seems quite brilliant — put his arms around your neck knowing that would influence the outcome.

Don't you believe, when we look at the population in general, that the bill we are studying wouldn't protect children because action would only be taken if the punishment leaves a mark? There are times when a spanking leaves no mark, for example, when a child is wearing a diaper.

Don't you think that this bill will end up protecting those who are not as level-headed as you are and don't have a child as smart as yours?

There may be situations where the father loses his temper and things get out of hand to the point where the child suffers the consequences.

[*English*]

Senator Plett: Let me, first of all, start by saying my son tried it a second time and it didn't work the second time around.

Senator Forest, you are using comparisons like I did at the start of my speech. We're comparing apples to oranges. I do not agree that a parent should be hitting their children out of anger. I am sorry if somewhere in my speech — I get accused of a lot of things, but it is not very often not being clear when I speak. I think that I was fairly clear in that a slap on the bum, in love — not out of anger — is what I'm talking about.

Let's compare that to whether that hurts a child, not whether somebody beats their child, senators, as I stated in my speech and said this is an assault on children. I don't believe in that.

Our party, the Conservative Party, is the toughest party in Parliament on crime. I believe every child molester, every abuser of children should be locked up. But I'm not a child molester, Senator Forest, if I, in love, give my son two slaps on the bum. That is not child molestation. That's loving discipline.

[*Translation*]

Senator Forest: I have a follow-up question. How do we distinguish between a slap out of love and a spanking? How do we define that?

[*English*]

Senator Plett: Again, as I said to Senator McPhedran, the courts have decided that. They have come out with it. You and I do not need to decide that. The courts have decided it for us.

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

Hon. Senators: Question.

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

Some Hon. Senators: Agreed.

An Hon. Senator: On division.

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

REFERRED TO COMMITTEE

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

(On motion of Senator Kutcher, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.)

CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming debate on the motion of the Honourable Senator Boisvenu, seconded by the Honourable Senator Seidman, for the second reading of Bill S-255, An Act to amend the Criminal Code (murder of an intimate partner, one's own child or an intimate partner's child).

(On motion of Senator Clement, debate adjourned.)

NATIONAL DIFFUSE MIDLINE GLIOMA AWARENESS DAY BILL

SECOND READING—DEBATE ADJOURNED

Hon. Yonah Martin (Deputy Leader of the Opposition) moved second reading of Bill S-260, An Act respecting National Diffuse Midline Glioma Awareness Day.

She said: Honourable senators, I'm honoured to rise today as the sponsor of Bill S-260, An Act respecting National Diffuse Midline Glioma Awareness Day. This enactment designates May 17 in each and every year as national diffuse midline glioma awareness day. It is also known formerly as diffuse intrinsic pontine glioma, or DIPG.

• (2120)

I would like to acknowledge my colleague in the other house, member of Parliament Joël Godin, a true champion, for his tireless work on behalf of the families in his riding of Portneuf—Jacques-Cartier and all families across Canada who are affected by this terrible disease.

Diffuse midline glioma is an aggressive brain tumour that attacks the brain stem and slowly destroys all vital functions, even as cognitive function remains intact, rendering the affected person a prisoner in his or her own body. DIPG is the leading cause of brain tumour death in children in Canada, affecting children who are five to seven years of age. DIPGs are most common in children and are fast-growing, likely to spread and difficult to remove surgically.

The most common DIPG symptoms a child may experience are problems with walking, coordination or balance; weakness in the arms and legs; difficulty controlling facial expressions; speech impairment; problems with swallowing and chewing; and double vision or difficulty controlling eye movements. These brave children are fighting for their lives, and their families are helpless to save them.

Diffuse midline glioma is inoperable, incurable and fatal, with a 0% survival rate. Bill S-260 will bring hope to these families who have lost a child, who even in their own grief continue to fight for awareness and support for other families who are facing the same unthinkable situation and loss that they felt. They are united in their fight to find answers, research and resources to combat this terrible disease.

For over 40 years, the prognosis and treatment for diffuse midline glioma have remained unchanged. These families continue to fight despite all odds, and they need more support. With the passage of Bill S-260, increased awareness will be given to this disease, encouraging public and private investment in research, which in turn will improve prognosis and treatment, not only in Canada but around the world.

May 17 is already recognized in other countries as Diffuse Intrinsic Pontine Glioma Awareness Day. Bill S-260 would bring Canada to the same level as these other countries, designating May 17 as national diffuse midline glioma awareness day or DIPG awareness day.

Honourable senators, as I conclude, I would like to read into the record the names of the beautiful angels who have inspired this bill: Adaura Cayford, 9 years old; Alexandra Brodeur, 8 years old; Alicia Jolicœur Vella, 8 years old; Claire Sommer, 13 years old; Ellie Bonnett, 4 years old; Florence Gagné, 5 years old; Gabriel Rey, 12 years old; Gordie White, 4 years old; Isaac Dupré, 5 years old; Isabelle Borkowski, 4 years old; James Lavoie, 5 years old; Jordana Fiorini, 10 years old; Jordyn Chan, 6 years old; Julia De Luca, 5 years old; Justin Brouwer, 9 years old; Kara MacLellan, 4 years old; Karter Bourgeault, 5 years old; Kayge Fowler, 6 years old; Maika Lefebvre, 5 years old; Marie-Ange Forest, 11 years old; Matthew Isaak, 10 years old; Mia Bordeleau, 4 months old; Myah Windrim, 8 years old; Naomi Nevesely, 7 years old; Nathan Froese, 8 years old; Neil Ashamock, 17 years old; Nelina MacPherson, 6 years old; Noah Mercier, 7 years old; Olivia Hirsch, 5 years old; Ronan Smyth, 13 years old; Ronny Betterley, 7 years old; Sarah Kim-Bouchard, 10 years old; Théo Daigle, 6 years old; Trinity Ellsworth, 6 years old; Tyler Palmowski, 13 years old; Victoria-Rose Bilodeau, 11 years old; and Willow Lanto, 3 years old.

Honourable senators, today I ask your support for Bill S-260 to designate May 17 as diffuse midline glioma awareness day, DIPG awareness day, in honour of these beautiful angels and in the hopes of finding new treatments and better prognosis for future children and families. Thank you.

(On motion of Senator Clement, debate adjourned.)

EMPLOYMENT INSURANCE ACT EMPLOYMENT INSURANCE REGULATIONS

BILL TO AMEND—TENTH REPORT OF AGRICULTURE AND FORESTRY COMMITTEE ADOPTED

Leave having been given to revert to Other Business, Senate Public Bills, Reports of Committees, Order No. 1:

On the Order:

> Resuming debate on the motion of the Honourable Senator Black, seconded by the Honourable Senator Patterson (*Nunavut*), for the adoption of the tenth report of the Standing Senate Committee on Agriculture and Forestry (*Bill S-236, An Act to amend the Employment Insurance Act and the Employment Insurance Regulations (Prince Edward Island), with a recommendation*), presented in the Senate on May 17, 2023.

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

ARAB HERITAGE MONTH BILL

SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming debate on the motion of the Honourable Senator Gold, P.C., seconded by the Honourable Senator Gagné, for the second reading of Bill C-232, An Act respecting Arab Heritage Month.

(On motion of Senator Martin, debate adjourned.)

GREENHOUSE GAS POLLUTION PRICING ACT

DECLARATION OF PRIVATE INTEREST

Hon. Mobina S. B. Jaffer: Honourable senators, I, Mobina Jaffer, note for the record that I believe I have a private interest that I might be affected by a matter currently before the Senate. The general nature of the interest is that my sisters and I have a poultry farm. Thank you.

The Hon. the Speaker: Honourable senators, Senator Jaffer has made a declaration of private interest regarding Bill C-234, An Act to amend the Greenhouse Gas Pollution Pricing Act, and in accordance with rule 15-7, the declaration shall be recorded in the *Journals of the Senate*.

BILL TO AMEND—SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Wells, seconded by the Honourable Senator Batters, for the second reading of Bill C-234, An Act to amend the Greenhouse Gas Pollution Pricing Act.

Hon. Pierre J. Dalphond: Honourable senators, I rise to speak as critic to private member's Bill C-234, An Act to amend the Greenhouse Gas Pollution Pricing Act. This bill proposes to remove farmers' obligation to pay a price for the greenhouse gas emissions that they generate when they use propane and natural gas to heat farm buildings and to dry grains.

[*Translation*]

I'd like to begin by expressing my admiration and support for Canadian farmers. I know how essential agriculture is to safeguarding our ability to feed Canadians, as well as people around the world. That's why Canada has a multitude of programs designed to support and assist all agricultural sectors.

• (2130)

To highlight just a few, we have supply management systems for milk, eggs, chicken and maple products. We have crop insurance programs. We offer payment guarantees for export prices. We also have financing programs for farms and farm equipment, as well as legislation to prevent the seizure of farm assets.

Recently, on March 9, 2022, the Minister of Agriculture and Agri-Food, the Honourable Marie-Claude Bibeau, announced the launch of the Supply Management Processing Investment Fund to increase the competitiveness of those sectors. This fund is worth $292.5 million, bringing the total amount committed to compensate and support players in various agricultural sectors to over $3 billion, for them to modernize their operations and make them more competitive following the signing of international trade agreements. Canada is investing heavily to ensure that our farmers remain competitive.

As the grandson of a farmer, I recognize the appeal of Bill C-234, which seemingly aims to leave more money in the pockets of certain farmers. However, as a grandfather, I'm also aware that we are in the midst of a global climate crisis. We must act decisively to stop climate change, which threatens both farms and biodiversity, as well as the health and well-being of so many people, not just in Canada, but around the world.

[*English*]

My speech will proceed in four parts: The first is the role of a critic of a bill. The second is the climate crisis and the need for a significant price on carbon emissions. The third is the origin of Bill C-234 and its evolving context. The final part is the reason this bill is not the right answer to the collective challenges we face to ensuring a better future for all, including Canadian farmers.

In the appendix on terminology of the Senate Rules, the critic of a bill is described as follows:

> The lead Senator responding to the sponsor of the bill. The critic is designated by the Leader or Deputy Leader of the Government (if the sponsor is not a government member) or the Leader or Deputy Leader of the Opposition (if the sponsor is a government member). While the critic is often the second Senator to speak to a bill this is not always the case.

In other words, the critic is the counterpart to the bill's sponsor. For this reason, the Rules grant the critic up to 45 minutes at second reading and third reading, whereas other senators, except leaders, have only up to 15 minutes of speaking time.

It follows that the roles of a bill's sponsor and critic are distinct. The sponsor acts as a bill's champion. The critic's responsibility is to provide a critical evaluation of a bill, responding to the sponsor. A critic is not a sponsor-in-waiting, and friendly critics should be avoided as far as possible.

The logic behind the role of critic is to inform debate at an early stage — after the sponsor. Independent senators should have the opportunity to consider the arguments of both the sponsor and the critic before entering into debate.

The critic should not be invested with an implied procedural veto on a private bill's advancement. The recent case of Bill S-241 — where the critic agreed to speak only 14 months after the sponsor — is unacceptable. Private bills deserve to be voted on at second reading within a reasonable time and, if adopted, to proceed to committee for a meaningful review.

Finally, as suggested by Senator Downe in connection with Bill C-13, the roles of sponsor and critic should be considered inconsistent with chairing committee proceedings on the bill in question. During the Forty-second Parliament, Senator Runciman, the former chair of the Legal Committee, and Senator Andreychuk, the former chair of the Foreign Affairs Committee, upheld this principle by vacating the chair when their bills came to their committees.

In fact, members of a committee should always be able to conduct the appropriate level of analysis, including canvassing concerns and opposing arguments. When we fail to do so, the risk of a serious error is high, particularly for private bills where, most of the time, we do not benefit from the perspective and expertise of the relevant departments. The recent example of a Senate bill regarding employment benefits in Prince Edward Island should be a reminder to our committees of the need to take the time to carry out an appropriate level of analysis of all private bills.

On this, I thank Senator Ringuette who raised the flag just in time.

To conclude on this point, I invite the Rules Committee to consider rules regarding sponsors and critics.

I will now turn to my second point: the climate crisis.

Most of us in this chamber agree that greenhouse gas emissions are an existential threat to the environment, biodiversity and human life in Canada and around the world. Most of us also agree that without decisive action, the impacts of climate change will only exacerbate — think of rising sea levels; ocean acidification; forest fires; heat waves; storms; floods and droughts; loss of property and good soil; and the forced displacement of millions of vulnerable people.

In Canada, the climate is warming at more than twice the global rate. Furthermore, as pointed out during a recent conference organized by our colleague Senator Anderson, the situation is worse in our Arctic, which is warming at about three to four times the global rate.

In 2021, the national average temperature was 2.1 degrees Celsius above the 1961 to 1990 reference value. That year, the heat dome that affected British Columbia for over two weeks was responsible for 1,000 new local daily temperature records, and contributed to an early and above-average wildfire season and destruction. This extreme heat also caused over 600 deaths.

Current wildfires all across Canada are a reminder that the situation is only going to become worse. To borrow the words of Professor Mike Flannigan from the University of Alberta, these wildfires are "climate change in action."

This is costly to Canadians. An article published on May 21 in *The Globe and Mail* reported that the 2016 Alberta wildfires cost nearly $9 billion.

Colleagues, nowhere are the severe consequences of climate change more tangible than in the agricultural sector. Indeed, a 2021 study led by Cornell University shows that global warming productivity is 21% lower than it could have been without climate change.

Agriculture and Agri-Food Canada observes that:

> Changes in temperature and precipitation patterns will increase reliance on irrigation and water-resource management, notably across the Prairies and the interior of British Columbia where moisture deficits are greatest, but also in regions where there has not traditionally been a need to irrigate.

The department adds that:

> In many parts of the country, wetter than normal springs will present challenges such as the need to delay seeding. Flooding and other extreme events, including wildfires, may result in loss or relocation of livestock and damage to crops; and increased frequency and intensity of storms could result in power outages, affecting livestock heating and cooling systems as well as automated feeding and milking systems.

• (2140)

In 2018, damage to Canadian farms resulting from severe weather reached $2 billion, the fourth-highest cost on record. In 2019, Alberta crop farmers spoke of the "harvest from hell." The publication *The Western Producer* reported that the estimated total value of unharvested crops was $778 million — three quarters of a billion dollars. Recent wetter-than-usual seasons have translated into the need for more grain drying in many provinces. In 2021, as sponsor of Bill C-12, the Canadian Net-Zero Emissions Accountability Act, Senator Galvez said:

> . . . we must act now. For every year that we fail to take action, the cost of reaching the objective of 1.5 degrees Celsius goes up by $5 trillion. . . . Canada is the tenth-highest contributor to climate change and our per capita emissions are among the highest in the world.

Against this backdrop and Canada's undertaking in the Paris Agreement to reduce its carbon emissions, the Greenhouse Gas Pollution Pricing Act was introduced in Parliament through a Budget Implementation Act on March 27, 2018. It came into force on June 21, 2018.

The act establishes the framework for the federal carbon pollution pricing system. The federal approach enables provinces and territories to implement their own carbon pollution pricing systems aligned with the common minimum national stringency standards that all carbon pricing systems must meet. The federal carbon pollution pricing system applies in those provinces or territories that request it or where there isn't a system in place that meets the minimum national stringency requirements. That is why it is called a backstop system.

It is important to emphasize that, under the act, all proceeds from the federal carbon pricing system are returned to the province or territory of origin.

Putting a price on greenhouse gas emissions is a logical way to induce behavioural changes that will lead to widespread reductions in emissions. This price seeks to incentivize individuals and businesses to make more environmentally sustainable purchasing and consumption choices, redirect their financial investments and reduce their greenhouse gas emissions by substituting carbon-intensive goods for low greenhouse gas alternatives.

Generally, there are two main approaches to greenhouse gas pricing. One approach is to directly set a fixed price on emissions — for example, through a fuel charge or levy. The other approach is to set a cap on emissions but not fix the price, for example, through a cap-and-trade system. This approach caps overall emissions and enables businesses and industries to trade emission permits so that emissions reductions occur where they cost the least. There are also hybrid approaches, such as the federal carbon pricing system for heavy industry.

All of these approaches put a price on greenhouse gas emissions. Provinces and territories can choose the type of system that makes sense for their circumstances. Regardless of the approach, putting a price on carbon pollution is the most cost-effective way to reduce emissions as it doesn't prescribe how, but lets businesses and consumers decide how to do so in ways that work best for them. The minimum national stringency requirements that all systems must meet take into account these different approaches.

For direct pricing systems, including the federal fuel charge, the minimum carbon price was set at $20 per tonne in 2019. It gradually increased by $10 per year until 2022, where it reached $50 per tonne. Today, it sits at $65 per tonne and will increase yearly by $15 to reach $170 per tonne in 2030. This provides a strong incentive to reduce emissions and invest in clean technologies.

Incidentally, the act provides some exemptions to farmers for gasoline and fuel used in farm operations. Greenhouse operators also receive 80% relief from the fuel charge on natural gas and propane.

We know that three parties in the House of Commons — the Liberal Party, the New Democratic Party and the Bloc — still agree with the minimum national stringency requirements set forth in the Greenhouse Gas Pollution Pricing Act. Their policy choice follows the United Nations Framework Convention on Climate Change, which was agreed to by virtually every nation in the world in the 1990s. On the website of its secretariat, you can read that putting a price on carbon can:

> Spur investment and innovation in clean technology by increasing the relative cost of using carbon-intensive technology. Businesses and individuals seeking cost-effective ways to lower their emissions will encourage the development of clean technology and channel financing towards green investments.

But we also know that Alberta, Saskatchewan and Ontario strongly opposed a federal charge on greenhouse gas emissions. Not only have they so far refused to put in place provincial regimes adapted to their reality, but they also challenged the constitutionality of the federal scheme.

On March 25, 2021, the Supreme Court of Canada concluded that the levies imposed by the Greenhouse Gas Pollution Pricing Act are "constitutionally valid regulatory charges" and not, strictly speaking, a tax. This decisive judgment was not enough to convince the challenging provinces to finally put in place a complete provincial scheme to prevent the application of the federal legislation. To the contrary, they continue to call for an end to what they call the "carbon tax."

This position has been embraced by the Conservative Party of Canada. In a recent social media post, it promised to "abolish all of the costly coalition's carbon taxes to lower the price of gas, heat, and groceries, and make life less expensive for all Canadians." Last week, the Leader of the Conservative Party reiterated at length his desire to cancel the carbon tax during debate on Bill C-47, the budget implementation act.

I now turn to my third point, the background to Bill C-234. After the coming into force of the Greenhouse Gas Pollution Pricing Act, some farmer groups from the Prairies and Ontario attempted to convince the government to exempt propane and natural gas from the fuel charge through regulation. The act entitles the government to enlarge the exemptions. Their efforts failed.

In reaction, a powerful lobby called Agriculture Carbon Alliance was launched in 2020 by a gathering of various organizations seeking increased exemptions. The Agriculture Carbon Alliance claims to represent 190,000 Canadian farm businesses, including in Quebec and B.C., two provinces where the federal act does not apply. The Carbon Alliance is pushing for amendments to the federal act to create more exemptions from the federal charge on carbon, but not pushing for provincial schemes to replace it.

• (2150)

The first attempt to expand exemptions came on February 18, 2020, when two private bills were introduced: one in the Senate by Senator Griffin, and the other in the House of Commons by Conservative MP Philip Lawrence.

Senate Bill S-215 sought to expand not only the definition of "qualifying farming fuel" to include "marketable natural gas" and "propane," but also the definition of "eligible farming machinery" to include "property used for the purpose of providing heating or cooling to a building or similar structure."

In their speeches at second reading, Senators Griffin and Black said that carbon pricing impacted the competitiveness of farmers and increased the price of food consumed by Canadians. Senator Griffin stated:

> . . . a dollar figure of between $13,000 and $17,000 in direct and indirect carbon taxes for a 5,000-acre farm in 2022.

That's what she was predicting. Despite my requests, the Carbon Alliance did not provide anything to justify these numbers. Let me add that an average farm in Canada has 809 acres and not 5,000 acres.

In the other place, MP Lawrence introduced Bill C-206, which sought to expand the definition of "qualifying farming fuel" to include "marketable natural gas" and "propane." But, contrary to Senator Griffin's bill, it did not touch upon the definition of "eligible farming machinery." It was more restricted.

Both bills died on the Order Paper with the prorogation of the first session of the Forty-third Parliament on August 18, 2020.

The second attempt was in the following session. Under the House rules, Bill C-206 was reinstated on September 23, 2020. Subsequently, it completed all stages in the House and reached first reading in the Senate, but did not progress further with the dissolution of Parliament on August 15, 2021.

In the meantime, it is important to mention that in Budget 2021, presented on April 19, 2021, the government acknowledged that "many farmers use natural gas and propane in their operations" and announced its intention to "return a portion of the proceeds from the price on pollution directly to farmers in backstop jurisdictions."

In the current Parliament, on December 15, 2021, the government introduced Bill C-8, the Economic and Fiscal Update Implementation Act, 2021, which was assented to on June 9, 2022. This bill provides that fuel charge proceeds paid by farmers are to be returned to farming businesses in backstop jurisdictions via a refundable tax credit. Bill C-8 makes good on the earlier promise found in the 2021 budget.

As an official from the Department of Finance explained before the House of Commons Standing Committee on Agriculture and Agri-Food and as was reiterated at Bill C-234's third reading in the House:

> Through the refundable tax credit, the total amount to be returned is generally equal to the estimated fuel charge proceeds from farm use of propane and natural gas in heating and drying activities in backstop provinces. This ensures that all the proceeds collected from this farming activity are returned to farmers. It is estimated that farmers will receive $100 million in the first year, with this amount expected to increase as the price on carbon pollution rises.
>
> The refundable tax credit is designed to allocate total fuel charge proceeds according to farm size, as measured using total farm expenditures. In this manner, the credit aims to help farmers transition to lower-carbon ways of farming by providing support to farmers, while also maintaining the price signal to reduce emissions.

To summarize, Bill C-8, with its tax credit mechanism, returns fuel charge proceeds to farmers in a manner that does not undo the purpose and benefit of such a charge in the first place, which is to induce behavioural changes that will lead to widespread reductions in emissions. Simply put, Bill C-8 maintains what is known as the "price signal."

Despite this adjustment to the Greenhouse Gas Pollution Pricing Act, the third and current attempt to expand exemptions comes in the form of Bill C-234, introduced by Conservative MP Ben Lobb on February 7, 2022.

Commenting on this introduction, he stated in an interview with local or regional media, owned by Postmedia:

> . . . we'd love to have a bill to get rid of carbon tax for everybody at this time that would deal with your home heating bills and a number of different things. . . . But we wouldn't have the support of the house.

However, on the topic of further exemptions for farmers, he was of the view that his party would have the support of the House. One may wonder if MP Lobb is a fan of Agamemnon, the Greek king who offered the Trojans the legendary horse.

The bill in its original version had no sunset clause, making the new exemptions permanent. To avoid a defeat in committee, the Conservatives offered a 10-year sunset provision with the option for the government of the day to propose postponing the expiry of the exemptions for a specified period of time by a motion in

both houses. Put in a difficult position with farmers, while recognizing the pitfalls of an indefinite exemption for farmers, the NDP countered with an eight-year period, which is what we now see in Bill C-234. At third reading in the House of Commons, the government and all Liberal MPs but three, voted "no" to Bill C-234 as amended and now before us. This is what we call "multi-party support." It's not unanimity — far from that.

I now turn to my fourth and last point: the two main arguments raised in support of Bill C-234 — and, incidentally, its predecessors — despite Bill C-8, and why these arguments falter under careful reflection.

First is the argument that there is an urgent need to grant a financial break to farmers so they can remain competitive and feed Canadians and the rest of the world. This assertion needs nuance. As we all know, all farmers do not operate under the same conditions. In fact, a large proportion of Canadian farmers operate in supply management systems, which largely exclude competition and where the operating costs are eventually reflected in the prices paid by consumers. This is the case for milk, eggs, chicken and maple syrup.

However, grain, oilseeds and cattle and hog producers operate in systems where the price they receive is determined by the Chicago Board of Trade or elsewhere, irrespective of their production costs. Numerous representatives of these producers told me that they are not price fixers but, rather, price takers. In other words, the price for their grain or livestock is outside of their control. Therefore, while the fuel charge might represent an additional cost for grain and livestock producers, this does not automatically result in a higher cost to consumers. The price of commodities such as natural gas and propane varies according to time. Actually, the price of natural gas is cheaper than it was three years ago, despite the additional tax on carbon. The price is not going up at the end; the price is lower than it was.

But it remains true that these farmers are competing with foreign markets where carbon pricing may not exist for the time being. However, it is also true that Canadian farmers have access to various government programs to assist the financing of their exports and help them to remain competitive.

The second assertion is that farmers lack viable means to reduce their greenhouse gas emissions, thus making the fuel charge punitive in nature — you may have read that in the literature you received from the Carbon Alliance. This argument also needs nuance.

Consider, for instance, the heating and cooling of buildings used for animal breeding, such as stables, hog farms, et cetera. To reduce greenhouse gas emissions, farmers can implement more efficient heating systems and use a heating pump, better ventilation systems and recirculation of air. They can also improve their insulation and adopt other widely available techniques already on the market.

• (2200)

The vice-president of the National Farmers Union, an engineer and a lawyer told me, as he told the House Standing Committee on Agriculture and Agri-Food, that there are proven ways to improve efficiency in buildings with energy-efficient ventilation fans and LED lighting, as well as heat recovery technology and in-floor heating.

I have learned that in-floor heating is much more effective than heating coming from the ceiling.

Along similar lines, a recent document from the government of the State of Victoria in Australia titled "Energy use on farms," which was last updated April 26, 2023, outlines several options for efficiency gains, such as insulating buildings, maximizing the use of natural light and ventilation in farm buildings and using light-coloured, heat-reflective paint on roofs and walls.

In addition, reliance on propane and natural gas may be reduced by using a geothermal pump. The United States Environmental Protection Agency states:

> . . . geothermal heat pumps can reduce energy consumption — and corresponding emissions — up to 44% compared with air-source heat pumps and up to 72% compared with electric resistance heating with standard air-conditioning equipment.

In my consultation with the National Farmers Union, I was told the story of a farmer who opted for a natural gas boiler instead of a geothermal heat pump for a new building on his farm because the purchase price of the gas boiler was lower. But in the long run, the heat pump would have been a better option for the environment and for his financial results considering the escalating charge on natural gas. But he would prefer to get an exemption. In fact, incentives like the charge on carbon emissions are crucial to prevent such a choice.

There has also been much discussion about grain drying, an activity that, no doubt, is essential, especially when you have a wet season. However, it would be inaccurate to suggest that there is currently no viable way for farmers to reduce energy consumption in their grain drying activities.

For example, in March 2022, Premier Ford's government's Ministry of Agriculture, Food and Rural Affairs published a technical fact sheet for commercial crop producers outlining the numerous ways in which they can reduce energy use in grain dryers. It notes that a grain dryer wastes as much as 40% of the energy it uses and that the type of grain dryer can make a 30% difference in energy use.

The fact sheet goes on to state that dryeration or in-bin cooling improves dryer energy use by up to 30% and that a heat recovery system, which can be added to most existing dryers, reduces fuel consumption by 20% to 40% without affecting dryer throughput. Finally, it says that many dryers can also be purchased with suction cooling, yielding a result that is similar to heat recirculation and saving 15% to 20% in fuel compared to a standard dryer.

Solutions do exist on the market, and they are coming from the government of Mr. Ford.

Moreover, colleagues, new and accessible technologies are coming to the market. Just a few weeks ago, on March 29, Minister Bibeau announced federal support for 45 new projects related to adopting more efficient grain drying technology by farmers across Canada. In fact, the current government's approach to combatting climate change is not merely carbon pricing but, instead, a multi-faceted framework that includes substantial government investment in research, development and adoption of clean technology for the agriculture sector.

For example:

> As part of the *Strengthened Climate Plan* and the *Emissions Reduction Plan*, the Government of Canada has committed over $1.5 billion to accelerate the agricultural sector's progress on reducing emissions and to remain a global leader in sustainable agriculture.

This is including $495.7 million for the Agricultural Clean Technology Program.

This program has now supported 99 grain dryer projects across the country, "already helping hundreds of farmers to adopt clean technologies that will power their farms with cleaner energy."

One example is a 26,000-acre family operated producer of canola, wheat and oats in Saskatchewan, which:

> . . . is receiving up to $2 million to purchase and install a new grain dryer and biomass boiler that is powered by locally sourced wood waste.

That will completely negate the use of propane in the drying process on this farm.

Another example is a Manitoba company introducing a biomass grain drying system.

To sum up, in grain drying, the arrival of clean technologies is well under way. But if Bill C-234, with its eight-year exemption, becomes law, the likely downside is that it eliminates an incentive to promptly adopt clean technologies that will continue to emerge during that period. Furthermore, at the end of the proposed eight-year period, in 2031, the charge will have reached $170 per tonne of carbon emissions, and not $65, as it is currently. You could then expect one thing: more lobbying to extend the exemption.

With the introduction of tax credit under Bill C-8, the Agriculture Carbon Alliance has put forward a new argument. It alleges that the tax credit does not reallocate fuel charge proceeds in the most equitable way for some groups of farmers, especially those using propane, for whom the credit may represent only a small portion of the carbon price paid.

Despite my requests, they were unable to provide me with any evidence of their claims so far. But even assuming this is the case, the logical answer is, as proposed by the National Farmers Union, an adjustment to the rebate mechanism, not an exemption from the carbon price altogether.

I was told about some provinces' unwillingness to ensure that farms can connect to the grid and receive sufficient electric power at a reasonable price. In my opinion, this does not justify asking the federal government to exempt farmers from the carbon price in respect of their use of propane and natural gas. Instead, farmers should use their powerful lobbies to seek the provision of proper services by provincial utilities.

Finally, if Bill C-234 were to be adopted, many negative impacts would result. An area of particular concern is the risk of double compensation that might arise. As an official from the Department of Finance said before the House standing committee:

> If fuel charge relief for farmers were extended through Bill C-234, farmers in backstop jurisdictions would receive double the compensation by benefiting from the refundable tax credit included in Bill C-8, while also being almost fully relieved from the fuel charge. Such double compensation would come at the expense of households or other sectors in those provinces.

An additional concern is the potential impact on the way that grain drying is done. In his recent speech, Senator Black acknowledged that Bill C-234 will only apply to grain producers who conduct their own grain drying and not to those who use the services of a third-party grain dryer. From the meetings I had with various stakeholders, it appears that in Ontario, about 50% of grains are dried by third-party enterprises. Thus, the adoption of this bill will provide a strong incentive to farmers to buy their own grain dryers, even if they need to use propane or natural gas. This will be cheaper than to use the third party. This will generate more greenhouse emissions and constitute an additional subsidy to the oil and gas companies.

Another important drawback is the various possible ripple effects of adopting this bill. As the organization Environmental Defence observes:

> Exempting . . . high emission activities from carbon pricing for farmers will only further encourage other sectors to demand similar treatment. This is already a problem as many industries, especially the oil and gas sector, have successfully lobbied for, and achieved, favourable treatment, which allows them to pay a much lower carbon price than others, regardless of their lack of actual degree of being energy intensive and trade exposed.

• (2210)

In his recent speech, Senator Black showed an openness to further amendments. He said:

> If it is necessary, amendments can be made at a later time to make it better, as has been noted. Maybe they will even consider extending this provision to other sectors within agriculture, but that's a discussion for another time.

With the passage of Bill C-234, Environment and Climate Change Canada estimates that the decrease in coverage where the federal fuel charge applies would be approximately 2.4 megatonnes in 2023. That is 2.4 million tonnes. This is a significant amount, as Canada's emissions in 2021 were 670 megatonnes. Any subsequent amendment will, of course, increase these numbers.

Finally, on Environment and Climate Change Canada's website, the government has publicly committed to conduct an interim review of carbon pricing by 2026 to confirm:

> . . . that benchmark criteria are sufficient to continue ensuring that pricing stringency is aligned across all carbon pollution pricing systems in Canada and that carbon pricing systems continue to meet the benchmark criteria from 2027 to 2030.

Why, then, the need to have an exemption until 2031 if a review is possible in 2026?

Colleagues, I invite you to consider all these points and concerns before making up your mind on Bill C-234.

Should you conclude that it deserves second reading, it should be subject to a thorough review by two committees — the Senate's National Finance Committee and Agriculture and Forestry Committee. Their hearings should include comprehensive evidence from not only representatives of agriculture organizations but also from environmental organizations, economists and officials from the Department of Finance and Environment and Climate Change Canada. This is our responsibility of sober second thought in the context of a climate crisis.

On a concluding note, I wish to thank all the stakeholder groups who reached out to me or to whom I reached out. Since the sponsor's speech on May 9, I had the opportunity to meet with about 30 representatives from over a dozen groups both supportive of and opposed to Bill C-234.

One day, a group of farmers came into my office unannounced. Apparently, they found their way into East Block. I was pleased to meet with them. I met people from Manitoba, Alberta, Saskatchewan and Ontario who are cattle ranchers, grain producers, egg farmers, chicken farmers and all types of people. I learned a lot about agriculture, and I must say that I was a bit out of place since my days as a young man living in an agricultural setting. My father had hogs and chickens on many farms, sharing the profits of the meat price with the farmers. I unloaded, on chicken farms, hundreds and thousands of small chicks that were to become chickens. I was not aware of the latest changes, but I do know a bit about farming. Many of these meetings were followed by documents. Their thoughtful insights were most helpful in preparing my remarks before you today.

Thank you very much, colleagues. Thank you, *meegwetch*. Let us do the work that is asked of us.

Hon. Donald Neil Plett (Leader of the Opposition): Is there time for a question?

The Hon. the Speaker: Not really, as there are just eight seconds left. Is Senator Dalphond asking for extra time?

Senator Plett: No, no, that's fine.

Hon. Yuen Pau Woo: Honourable senators, I would like to add my voice to the second reading debate on Bill C-234. Let me first thank the sponsor, Senator Wells, for making the case for this bill, and the critic, Senator Dalphond, for his insightful critique.

I would have preferred to take some time to digest Senator Dalphond's speech before delivering my own, but I know that there is some pressure to send this bill to committee tonight, along with a group of Senate public bills.

I would also like to thank the many Canadians who have written to senators to voice their views on this bill, especially Canadian farmers who are very much the subject of Bill C-234. I join with my colleagues in expressing my gratitude to and admiration for all who work in the agriculture and agri-food sector, which not only puts food on our tables but also generates enormous wealth for our country and is a vital part of Canada's historical and cultural identity.

But farmers are not the only subject of the bill, and it would be a mistake for us to frame the policy question before us as one that is purely about the welfare of farmers. If it were simply about the welfare of farmers, the case for supporting the bill would be strong. It is important to recognize, however, that the bill is as much about reducing greenhouse gas emissions and meeting our international commitments as it is about the price of natural gas and propane on farms. After all, colleagues, we are discussing amendments to the Greenhouse Gas Pollution Pricing Act, which this chamber passed in 2018. This is not, in fact, a bill on farm support.

I should not have to remind colleagues about the existential threat to Canadians and, indeed, to all of God's creatures from global warming due to the centuries-long increase in greenhouse gases, principally from industrialized countries.

A recent article in the journal *Nature* points out that a warm, dry spring has meant an early start to the fire season in Canada with the area burned so far — more than 4 million hectares of forest — already exceeding the amount razed during the entire 2021 extreme fire season.

This bill is an interesting case study in public policy analysis because of the different policy objectives that are implicated in Bill C-234 and the choice of public policy tools that one could apply to address market failures, such as greenhouse gas, or GHG, emissions, on the one hand, and the volatility of farm income and commodity prices on the other.

I commend this bill to students of public policy and law because it has a richness in helping them think about how to design sound public policy for conflicting objectives including, in this case, the dual problem of GHG emissions and volatility in farm incomes.

On the face of it, the bill seeks to expand the exemptions to farm fuel carbon pricing to include natural gas and propane for a period of at least eight years. In practice, however, what the bill does is remove a carefully designed market price signal for farmers to use less natural gas and propane in order to reduce GHG emissions.

The argument in favour of the exemption is the relative paucity of alternatives to natural gas and propane for the heating of farm buildings, especially grain dryers. Proponents of the bill have taken the most direct route to addressing this problem, which is to expand the exemptions. However, the most direct route may not be the best one, especially when there are conflicting policy objectives and if the direct solution, such as what Bill C-234 is proposing, undermines the mechanism behind the original policy.

In this case, the original policy of a charge on covered fuels is to induce a change in behaviour on the part of users, as well as to stimulate innovation towards the use of energy sources that are less polluting. Furthermore, the use of a price signal, such as a fuel charge, is technology-agnostic and transparent, as opposed to command-and-control type regulations that tend to encourage evasion and which allow for a non-transparent pass-through of price increases and markups.

To the extent that we agree on the need to incentivize investments in lower-carbon farming methods, the better solution to the problem of limited energy options for crop drying is not an exemption for those energy sources, but one which provides relief for farmers while preserving a price incentive to reduce the use of natural gas and propane and for investment in technologies that facilitate this change.

This is, in fact, what the government has already put in place by way of a refundable tax credit which aims to return fuel charge proceeds directly to farming businesses in backstop jurisdictions, recognizing that many farmers use natural gas and propane in their operations. This measure does not reimburse farmers for exactly the amount incurred on natural gas and propane, since that would undo the whole point of a fuel charge on those fuels in the first place. Instead, it reimburses farms according to size as a proxy for the amount of natural gas and propane used. It does so while maintaining the price signal to encourage farms to reduce their use of those fuels.

• (2220)

Again, that is a sensible approach that tries to preserve two potentially conflicting policy objectives: creating a price incentive to reduce the use of GHG-intensive fuels and addressing the current lack of alternative energy sources for grain drying and the like. Even if the wholesale shift to lower-carbon-emitting energy sources, such as biomass, is not possible for some farming operations, the existence of a price signal will create the incentive for farmers to invest in energy-saving measures related to building design, insulation and the use of higher-efficiency furnaces, which Senator Dalphond touched on nicely.

Perhaps farmers are already making these investments. That would be terrific. And perhaps a price incentive will not be sufficient for them to make major energy-efficiency investments, but you can be sure that an exemption for eight years would encourage procrastination and delay. You can be just as sure that when the eight years are up, the temptation for farmers to seek an extension to the exemption will be as great as the political pressure to accede to it.

Proponents of the bill tend to frame it in the context of the price and income volatility that farmers face that makes a fuel charge on natural gas and propane even more difficult for them to manage. As the argument goes, farmers are price takers for the commodities sold on the world market, and therefore they cannot pass on higher input costs, such as a surcharge on fuel. But it is important to remember that price and income instability is a structural challenge in Canadian farming and that policy-makers working with farmers have, over the years, designed many assistance programs to assess those structural challenges.

The best of those programs seek to reduce business risk and stabilize incomes without reducing competition, distorting production, discouraging innovation and penalizing consumers. One example is a program to advance payment to farmers through interest-free loans that help them optimize the timing of delivery to take advantage of the best prices without incurring a financial penalty.

Colleagues, if our concern is a new kind of price volatility and income instability problem in the farming sector, the solution is not to tamper with a carbon-pricing scheme, which distorts that policy objective, but to look at broader business-risk-management programs that are specific to the problem. That is, of course, a basic rule in the design of good public policy, but it is often neglected by lawmakers who are more interested in the politics of a quick fix and the emotive appeal of helping farmers.

An argument has been advanced that the exemption of natural gas and propane will allow farms to use those savings to invest in green technology. I don't accept that argument, because money is fungible and any savings can be used for a variety of purposes, only one of which is an investment in green technology. In any case, the exemption of natural gas and propane from the fuel charge removes the price incentive to invest in those alternatives; indeed, with the increase in the carbon price to $170 per tonne by 2030, that incentive becomes stronger over time.

Even if you are of the view that the price right now is not sufficient to stimulate investment in lower-carbon-emissions production methods, there is the option of direct support to farmers, such as the Agricultural Green Technology Program currently offered by Agriculture and Agri-Food Canada.

In any case, the suggestion that natural gas and propane fuel charges under the GHG pollution-pricing scheme will be debilitating for farmers is misleading. Agriculture and Agri-Food Canada conducted an analysis of the cost of drying grains based on data from provincial governments and other sources. That analysis highlights that the contribution of the federal carbon price to the cost of drying grain in 2019 ranged from between 0.05% to 0.38% of an average farm's net operating costs, equivalent to $210 to $774 that year.

The reason why those numbers are so small is because grain-drying costs make up a very small percentage of farm operating expenses. Assuming no carbon price, the figure, according to Agriculture and Agri-Food Canada, is 0.4% in Alberta, 1.7% in Saskatchewan and 1.2% in Manitoba.

Another way to look at this issue is to consider the price of natural gas relative to grain and oilseed prices. If you look at a 20-year time series of natural gas prices and compare them with the price of grains, what you will find is a steadily declining ratio between the two. Looking back 20 years, and taking 2007 as the year when the ratio between natural gas prices and grain prices is one, you will see that the ratio was as high as 2.6 in 2003. By March 2023, this year, the ratio had fallen to just 0.5%. The same is true of oilseeds.

In other words, the cost of natural gas relative to the prices of grains and oilseeds has declined massively over the last 20 years.

There are a number of other problems with Bill C-234, some of which likely derive from the fact that private members' bills do not have the benefit of the legal drafting finesse of the Department of Justice or the oversight of central agencies and other government departments in avoiding loopholes and unintended consequences. Senator Dalphond has touched upon a number of them already. I will just point out one more, which is in the definition of "farm buildings." There could be some ambiguity as to what constitutes "farm buildings," particularly when farms use a common source of heating — natural gas, for example — for the barn, the dryer and the family home, and the complications arise in separating which parts of the costs are allocated to farming operations versus the maintenance of a family home.

Colleagues, Bill C-234 would mean that virtually all on-farm fuels are not subject to a carbon price. That is a massive exemption for a policy tool that works best when exemptions are kept to a minimum. Such a sweeping carve-out for farming simply puts a bigger onus on the rest of the Canadian economy to find reductions in their carbon emissions in order to reach our goal of net-zero emissions by 2050.

To summarize, what we are debating today is not whether we should provide relief to farmers who rely upon natural gas and propane for on-farm activities such as the drying of grain. The question, rather, is the best mix of policy instruments to address this challenge, recognizing that there are other policy objectives that have to be considered at the same time. The government has acknowledged this challenge facing farmers and responded with Bill C-8 in December 2021, with the tax credit to return fuel charges to farming businesses in backstop jurisdictions, which both Senator Dalphond and I have discussed.

As legislators, we should not be looking for the easiest solution to a problem, but, rather, the best solution. If we agree that greenhouse gas pollution pricing is a valid policy response to the problem of global warming and if our goal of achieving net-zero emissions by 2050 is valid, we should do everything we can to preserve the integrity of that policy.

Along with Senator Dalphond, I cannot help but suspect that the most ardent advocates of Bill C-234 do not share that commitment and that they would be happy for all GHG pricing, especially in backstop jurisdictions, to be eliminated altogether. I would not be surprised if the passing of this bill emboldens critics of carbon pricing to push for wider exemptions. In any case, other carbon-intensive industries that have abatement challenges would surely be in a position to argue for so-called "equitable" treatment if the entire agricultural sector is exempt from carbon pricing on essentially all on-farm fuels because of Bill C-234.

This bill, therefore, is not only a suboptimal way to address a legitimate problem faced by some farmers; it is also a dangerous precedent that could undermine Canada's commitment to reducing GHGs and achieving our collective goal of net-zero emissions by 2050.

Thank you.

Hon. Percy E. Downe: Honourable senators, I had a question, but, with five seconds left, I do not have time to ask it. I have no prepared notes, but, as always, Senators Woo and Dalphond raise very interesting points. They should be addressed so that colleagues have a clearer picture of what is going on.

I completely reject Senator Woo's comments about what the motives might be of people who favour this bill. In my part of Canada, the farmers do not have any natural gas to assist them. The fact that the price of natural gas has gone down substantially has been a theme of both speeches we heard tonight. The farmers in Prince Edward Island have limited resources of energy. We have some solar and some wind, and the rest is oil and propane that is imported, so the costs are completely different.

• (2230)

Senator Dalphond raised a number of interesting points. I might start off by talking about some of his suggestions for the Rules Committee to consider, which I think are very interesting. Senator Dalphond also highlighted the prosperity of farmers, and he gave a very good argument for supply management and the benefits of supply management. It would be the hope of all of us that all farmers would have the same income and stability that other Canadians have, and supply management provides that.

However, there is a large group of farmers who do not benefit from supply management. For potato farmers in Prince Edward Island, the local joke is that you may as well roll the dice in Las Vegas as throw the seeds in the field because you don't know what the crop will be, what the weather will be and what the price will be. It's a high-risk business. The additional cost of the measures proposed by the government is unfair on a regional basis. As a regional chamber, we should keep that in mind, with the lack of natural gas.

The other thing we should recall, colleagues, is how this bill got here. This is a bill proposed by a Conservative MP. They don't have a majority in the House of Commons. A number of Liberal MPs had to recognize the importance of this and support it to pass it. It's interesting that the two senators who spoke tonight are from cities. They support farmers, but they think their position is more important than farmers' success and prosperity. The Liberal MPs who voted for this bill took a high risk. Unlike in this chamber, MPs who deviate from the party line are subject to a range of punishments, I would call them — restrictions on what they can do, speaking time and committees. So they were very good representatives of their regions. They recognized the concerns expressed by the farming community, and they supported this legislation. That's how it ended up here. I'm surprised senators tonight have embraced the views of the Liberal cabinet as opposed to those MPs who spoke and voted in an independent manner, which is what we're striving to do here on a regular basis.

Colleagues, there are lots of good things in this bill and lots of proposals, but I'll conclude with these comments: We all remember when, during the pandemic, we had shortages in our country because of things we could not get because they were offshore. We see President Biden onshoring as much as he can in a whole range of industries. We have to be very careful in this country. If the food supply system is threatened and if farmers go out of business, if they're gone, they're not coming back. We do not want to be dependent in this country on food coming from other countries. We want food security in our country. The only way to do that is to have successful, prosperous farmers in our country. This bill would help achieve that.

Thank you, colleagues.

Some Hon. Senators: Hear, hear.

Senator Woo: Would you take a question, Senator Downe?

Senator Downe: Yes, of course.

Senator Woo: You make the point that natural gas is not used in P.E.I. and therefore the province does not have the benefit of falling prices, which both Senator Dalphond and have I described. You mentioned that propane is a preferred source of energy. Can you confirm to the chamber that propane prices have also fallen dramatically? In fact, they have fallen by half in the last year.

Senator Downe: No, I cannot. But I can tell you that our costs in P.E.I. are substantially higher across the board for most energy than in other regions and provinces. The last time I checked, for example, we have the highest electricity rates in Canada.

Hon. David M. Wells: Would Senator Downe take another question?

Senator Downe: Yes.

Senator Wells: First of all, thank you for not taking the full time that was allotted for your speech, unlike what our colleagues did so as to not allow questions.

You mentioned this being a behavioural tax and that it's a behavioural modification tax. Do you see this additional levy on farmers as being fair where there's no alternative? You mentioned that there is no other reasonable alternative on Prince Edward Island for drying their grain or heating the facilities where cattle are kept.

Senator Downe: Thank you. I can't take credit for a short speech because I had nothing prepared. I was motivated by the other two speeches. I will say this: The farmers from Prince Edward Island who have contacted me about this are concerned about the ever-increasing cost of production. The costs they're getting for their products are not set. Consumers go into grocery stores — into Sobeys, Foodland, Loblaws — and we all recognize prices are going up substantially. But the farmers are getting very little of that return, and neither are the fishers in the region. The prices are out of whack. The consumers are paying, and the returns to farmers are not where they should be. This bill, of course, will add to the problem for those farmers. Those who are on supply management are in a different situation, and we're very glad they're on supply management.

I might add that the farmers in rural Prince Edward Island who are in supply management have a quality of life that we would all want to obtain and that we would want all farmers to have. They also, because of that income, can contribute to the community — fundraisers, benefit concerts. They stay in the community, they provide for the community and they advance the growth of the community. It's very important for rural Prince Edward Island.

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

Some Hon. Senators: Agreed.

An Hon. Senator: On division.

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

(Pursuant to the order adopted earlier this day, the bill was deemed referred to the Standing Senate Committee on Agriculture and Forestry, and the Standing Senate Committee on National Finance is authorized to examine and report on the subject matter of the bill.)

BUSINESS OF THE SENATE

Hon. Donald Neil Plett (Leader of the Opposition): When you speak French, half the time we are not getting the translation before you move on. We simply cannot keep up. The other way is going okay, but I want to understand what you're saying. So we need either for you, Your Honour, to slow down or for them to speed up.

The Hon. the Speaker: Thank you, Senator Plett. I will slow down.

• (2240)

STUDY ON THE FEDERAL FRAMEWORK FOR SUICIDE PREVENTION

FIFTEENTH REPORT OF SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY COMMITTEE AND REQUEST FOR GOVERNMENT RESPONSE—DEBATE ADJOURNED

The Senate proceeded to consideration of the fifteenth report of the Standing Senate Committee on Social Affairs, Science and Technology, entitled *Doing What Works: Rethinking the Federal Framework for Suicide Prevention*, deposited with the Clerk of the Senate on June 8, 2023.

Hon. Ratna Omidvar moved:

> That the fifteenth report of the Standing Senate Committee on Social Affairs, Science and Technology, entitled *Doing What Works: Rethinking the Federal Framework for Suicide Prevention*, deposited with the Clerk of the Senate on Thursday, June 8, 2023, be adopted and that, pursuant to rule 12-23(1), the Senate request a complete and detailed response from the government, with the Minister of Mental Health and Addictions being identified as minister responsible for responding to the report, in consultation with the Minister of Health.

She said: Honourable senators, I know the hour is late, but this is a really important study that shines the light on a particularly dark place — suicide. Before I give you the substance of the findings of our report, please let me take a minute to thank all the witnesses who shared their lived and living experience on suicide with us.

Stigma around suicide and mental health persists, and without discussing these topics, there is little hope for improvement. I would like, in particular, to thank our colleagues Senator Stan Kutcher and Senator Patrick Brazeau for their insight and perspectives on our study.

The Standing Senate Committee on Social Affairs, Science and Technology began its study on the Federal Framework for Suicide Prevention in September 2022, holding five meetings of testimony and hearing from 23 witnesses. The Federal Framework for Suicide Prevention was published in 2016 after a period of consultation following the adoption, in 2012, of the Federal Framework for Suicide Prevention Act.

While the framework establishes an idealistic vision of "a Canada where suicide is prevented and everyone lives with hope and resilience," the committee heard that there has been little change to the overall Canadian suicide rate since its implementation. In fact, the overall annual rate has remained largely steady for the past two decades, fluctuating between 11 in 100,000 and 12 in 100,000.

The committee asked the question, "Where are we after seven years?" The title of our report is *Doing What Works*. It could easily have been called *Doing What Doesn't Work* because the Federal Framework for Suicide Prevention is failing by the only metric that really counts — lives saved.

Since the framework was established, the suicide rate in Canada has not meaningfully changed. There was the slightest of decreases in 2020, which witnesses attributed to pandemic-related supports. It has otherwise remained stubbornly steady, and we wanted to know why.

One cannot fault the framework for not having lofty ideals and aspirations, laudable language and praiseworthy goals. It aims to prevent suicide through partnership, collaboration and innovation. It aims to do so while respecting the diversity of cultures and communities that are touched by this issue. It speaks of building hope and resilience and of leveraging partnerships. All of this is, as we found, heartwarming and inspiring but ultimately ineffectual. The evidence we heard is that fine words have no effect on health outcomes for people in crisis.

The committee makes 10 recommendations, and I will not go through all 10 of them. I will simply highlight four in the hope that you will turn your attention to this report.

First, we need to go where the problem actually is. It is not in the general population but, rather, in specific sections of it, primarily men and boys who are First Nation, Métis and Inuit. Senator Brazeau was particularly compelling as a witness on this point.

Second, we need to invest in programming that works, backed by evidence that it works, not touchy-feely good ideas or best practices. Senator Kutcher has emphasized the need to review the efficacy and impact of revenue-generating programs for suicide prevention.

Third, we need to focus on means intervention, which, in simple words, means that we need to restrict easy access to those methods of suicide which may make it easier to succeed, such as installing barriers to bridges and preventing easy access to medication, et cetera.

Fourth, and significantly, we need to aggressively collect and disaggregate data to follow the evidence. In short, doing what works as opposed to spinning windmills in the air is what is

important. This is about lives and saving them, and this report puts out significant recommendations which could do so, particularly in light of the fact that the Federal Framework for Suicide Prevention is due to be reviewed.

Thank you, colleagues.

The Hon. the Speaker: Senator Omidvar, would you take a question?

Senator Omidvar: Of course.

Hon. Denise Batters: Senator Omidvar, I was surprised to see in your report that it seemed to be a revelation to your committee that men's suicide deaths are 75% of the Canadian total.

Thirteen years ago, in 2010, I produced a TV commercial in memory of my late husband to raise awareness about mental illness and suicide prevention, and among the facts noted in that 2010 ad was that men die by suicide three times as often as women. I and many other mental health advocates in Canada have spoken nationally about this topic for more than a decade.

The short section of your report about boys and men starts with this sentence:

> The committee received less testimony regarding boys and men, and recognizes that this population should be considered in further depth in future studies on suicide prevention in Canada.

Senator Omidvar, your committee, as you mentioned, had only five meetings with witnesses on this topic. Why didn't you have more meetings to receive that type of key evidence about men?

Senator Omidvar: Thank you, Senator Batters, and thank you for your continued advocacy on this matter. I have not watched the particular TV ad that you did, but I will undertake to do so.

Our committee has a work plan, and we dedicated five meetings to discuss the report. We felt that even though we recognized the shortcomings of not hearing more witnesses on the suicide rate of boys and men, we did point it out in our study, and our recommendation reflects the findings of the committee.

Thank you.

Senator Batters: Senator Omidvar, your Recommendation 2 talks about "targeting populations that are currently overrepresented in Canada's suicide rates . . . ." In that short list, your committee included "persons with mental illnesses."

Senator Omidvar, another fact noted in that 2010 commercial I mentioned was that 90% of those who die by suicide have mental illness, so it's not a subset of suicide deaths in Canada. This is nearly the entire group of suicide deaths in Canada.

Why did your committee include that in your targeted demographic list?

Senator Omidvar: Senator Batters, I understand what you're saying. Mental health is likely an underlying cause for suicides, regardless of which population they are in. I take your point, but I believe the committee did recognize the importance of mental illness as a condition, and we've noted it in the recommendation.

If you have not found it to your satisfaction, in retrospect, I wish you had been called as a witness; that would have helped. Hopefully, the next time we study this matter, we will remember to do so.

(On motion of Senator Martin, debate adjourned.)

• (2250)

ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

MOTION TO AUTHORIZE COMMITTEE TO STUDY THE CUMULATIVE IMPACTS OF RESOURCE EXTRACTION AND DEVELOPMENT—DEBATE CONTINUED

On the Order:

> Resuming debate on the motion of the Honourable Senator McCallum, seconded by the Honourable Senator LaBoucane-Benson:
>
> That the Standing Senate Committee on Energy, the Environment and Natural Resources be authorized to examine and report on the cumulative positive and negative impacts of resource extraction and development, and their effects on environmental, economic and social considerations, when and if the committee is formed; and
>
> That the committee submit its final report no later than December 31, 2022.

Hon. David M. Wells: Honourable senators, I note this item is at day 15. I'm not ready to speak at this time. Therefore, with leave of the Senate and notwithstanding rule 4-15(3), I move the adjournment of the debate for the balance of my time.

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

Hon Senators: Agreed.

(Debate adjourned.)

ONE HUNDREDTH ANNIVERSARY OF THE CHINESE EXCLUSION ACT

INQUIRY—DEBATE CONTINUED

On the Order:

> Resuming debate on the inquiry of the Honourable Senator Woo, calling the attention of the Senate to the one hundredth anniversary of the *Chinese Exclusion Act*, the contributions that Chinese Canadians have made to our

country, and the need to combat contemporary forms of exclusion and discrimination faced by Canadians of Asian descent.

Hon. Victor Oh: Honourable senators, I rise today to speak to Inquiry No. 11 on the one hundredth anniversary of the Chinese Exclusion Act — this inquiry was initiated by my colleague Senator Yuen Pau Woo.

First, I would like to share my appreciation for Senator Woo's initiative in leading this important and timely conversation in the Red Chamber which, as you all know, had a pivotal role in highlighting the profoundly damaging legislation, the Chinese Immigration Act, also known as the Chinese Exclusion Act. Some of our honourable colleagues have already spoken about the Chinese Exclusion Act's detrimental effects on the Chinese-Canadian community. I was profoundly touched by the allyship expressed in their speeches regarding this inquiry, such as from Senator Jaffer and Senator McCallum.

Unfortunately, this act's cruelty is unimaginable to many in this chamber. We know too well that our country's history is marred with periods of exclusionary and reprehensible actions. Nevertheless, allow me to remind you of the act's discriminative measures.

In practice, the Chinese Immigration Act prohibited Chinese immigration. As a result, families were torn apart, opportunities were lost and autonomous life was destroyed. Canadians of Chinese descent were also deprived of full citizenship in their home and native land. However, this community never succumbed despite the systemic challenges. Chinese Canadians steadily dismantled and overcame hurdles through incredible resilience and determination.

In 1947, freedom of movement was reclaimed and the right to citizenship was re-established. In 1948, we slowly started to gain the right to vote. In further years, we reconnected with our parents and rebuilt our families. Most importantly, we thrived and contributed to Canada's economic and social development.

I have no doubt, honourable colleagues, that Canada would not be the great country it is today if not for the resilience of the Chinese-Canadian community and countless other minority communities. Unfortunately, even with all of the time that has passed, lessons can be forgotten and society can regress. Seventy-five years ago, systemic inequality brought about a rise of anti-Chinese racism. Today, following the pandemic and geopolitical issues, the Asian community in Canada finds itself as the target once again.

Over the course of the last three years, an unfortunate sentiment has been shared with me repeatedly. In not so many terms, parallels are felt between our modern day and what took place 100 years ago. Uninvolved individuals of the Asian community feel cornered by politics. They find themselves stranded between their love for their millenary cultural heritage and pointed political language.

I would be remiss if I didn't caution my parliamentary colleagues, yet again, to take special care to differentiate between our Chinese-Canadian community and those they criticize. Even more distressing is when such critiques are misunderstood by some in the public and taken to an extreme, ultimately being manifested in the form of violence and hate. During the pandemic, for example, we witnessed repeated cases of rhetoric turning into violence in the streets of our great country.

As I have mentioned in the past, I experienced an episode of anti-Asian hate just a few steps outside of Parliament Hill, and I constantly endure hateful comments directed at me in social media channels. That, however, is a sad price that we — parliamentarians — pay for being public figures. Nevertheless, private citizens have not signed up for such harsh criticism and hate. Political critiques are being misinterpreted as judgment toward individuals, and it pains me to hear that many feel personally attacked by the language used by our politicians.

Colleagues, I do believe that we are conscientious by nature here in Canada. Let us remember this great quality and speak accordingly when voicing our political opinion. Just like how our words can be a force for good, they can also be a force for wrong.

The success of Chinese Canadians comes despite the never-ending — and seemingly worsening — anti-Asian racism. Our stories of resilience are many: Take, for example, Lieutenant-Commander William King Lowd Lore who, despite being denied enlistment in the Royal Canadian Navy multiple times, went on to make history as the first officer of Chinese descent in any of the Commonwealth navies.

On another positive note, it is evident that there has been some evolution. I stand here today as an ethnic Chinese senator from Ontario, speaking on an inquiry started by an ethnic Chinese senator from British Columbia, which speaks volumes about how far we have come since 1923.

Indeed, there is still work to be done, and striving for equality and cultural appreciation should be our ceaseless goal. Nevertheless, I am proud to know that despite our past faults, Canada remains a beacon of hope and a haven of multiculturalism and inclusion in today's world. Thank you, *xie xie* and *meegwetch*.

• (2300)

(On motion of Senator Clement, debate adjourned.)

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

MOTION TO AUTHORIZE COMMITTEE TO STUDY FOREIGN INFLUENCE IN THE ELECTORAL PROCESS—DEBATE ADJOURNED

On Motion No. 90 by the Honourable Donald Neil Plett:

That the Standing Senate Standing Committee on Foreign Affairs and International Trade be authorized to examine and report on foreign influence in the electoral process in Canada; and

That the committee submit its final report no later than June 30, 2023.

Hon. Donald Neil Plett (Leader of the Opposition): Madam Speaker, I see that I am at the end of my time on this as well. So with the leave of the Senate I would like to reset the clock for the balance of my time.

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

Hon Senators: Agreed.

(Debate postponed until the next sitting of the Senate.)

THE SENATE

MOTION TO BESTOW THE TITLE "HONORARY CANADIAN CITIZEN" ON VLADIMIR KARA-MURZA AND CALL FOR HIS IMMEDIATE RELEASE ADOPTED

Hon. Pierre J. Dalphond, pursuant to notice of June 8, 2023, moved:

> That the Senate acknowledge that Russian political prisoner Vladimir Kara-Murza — recipient of the Václav Havel Human Rights Prize, a Senior Fellow of the Raoul Wallenberg Centre for Human Rights, and a friend of the Parliament of Canada — is an internationally recognized champion for human rights and democracy, whose wrongful imprisonment for dissenting against the unjust war in Ukraine is emblematic of thousands of political prisoners in Russia and around the world; and
>
> That the Senate resolve to bestow the title "honorary Canadian citizen" on Vladimir Kara-Murza and call for his immediate release.

He said: Honourable senators, I rise to co-propose that the Senate join with the House of Commons' unanimous vote last week to grant honorary Canadian citizenship to Russian political prisoner Vladimir Kara-Murza. Thank you to Senators Housakos, Omidvar, Miville-Dechêne and Patterson (*Ontario*) for your collaborative efforts towards this goal.

As this motion states, Vladimir Kara-Murza is an internationally recognized champion for human rights and democracy. He is a recipient of the Václav Havel Human Rights Prize and a Senior Fellow of the Raoul Wallenberg Centre for Human Rights in Montreal. Mr. Kara-Murza's wrongful imprisonment for dissenting against the unjust war in Ukraine is emblematic of thousands of political prisoners in Russia and around the world.

After surviving two assassination attempts, Mr. Kara-Murza is currently serving a 25-year sentence in Russia imposed further to a mockery of a trial held after he courageously returned to his homeland last year.

Senators, the Parliament of Canada must stand with such a hero and a friend of Canada. Mr. Kara-Murza visited our Parliament twice. In 2016, he appeared before the Senate Foreign Affairs and International Trade Committee to urge the adoption of the Sergei Magnitsky Law named after another victim of the Putin regime, which became law in 2017.

In 2019, Mr. Kara-Murza assisted the House of Commons Foreign Affairs Committee, alongside the Honourable Irwin Cotler, former Minister of Justice and Attorney General of Canada, in relation to the human rights situation in Russia.

Vladimir's spouse Evgenia Kara-Murza is the Advocacy Coordinator of the Free Russia Foundation. She assisted the same House committee last October in relation to a study of the Russia-Ukraine conflict. She told MPs that 19,335 people have been arbitrarily detained in Russia since February 2022, the beginning of the war in Ukraine.

That same week Ms. Kara-Murza was a guest of this chamber. Many of us had the great honour of speaking with her. This year, senators have spoken of Vladimir Kara-Murza's situation in this chamber, including Senators Boehm, McPhedran and Gold.

[*Translation*]

Last April, the Minister of Foreign Affairs, the Honourable Mélanie Joly, condemned the guilty verdict of Vladimir Kara-Murza. She stated, and I quote:

> Mr. Kara-Murza stands as a symbol of the courageous and principled defence of democratic values and human rights. Russia's attempts to silence people of conscience only makes their voices more powerful.

At the beginning of the month, Senator Omidvar co-led a press conference with the Honourable Irwin Cotler and a group of parliamentarians, including Senator Miville-Dechêne and myself, to establish the basis for this motion. If Mr. Kara-Murza is aware of our efforts, he must know that his friends, the Honourable Irwin Cotler, Bill Browder, Brandon Silver and many others tirelessly defended his cause until today.

I also want to mention a letter of support for this initiative by the League for Human Rights, an agency of B'nai Brith Canada. I will quote an excerpt from this letter:

> Kara-Murza is a beacon of hope for a population that is increasingly oppressed by Vladimir Putin's authoritarian regime, which seeks to crush any dissidence while continuing its criminal war against its neighbour, Ukraine.

Honourable senators, honorary Canadian citizenship is an honour rarely bestowed by Parliament. It is done through a motion of the House of Commons and the Senate. Among the few who have received this honour in the past are heroes of humanity, such as Raoul Wallenberg, Nelson Mandela and Malala Yousafzai.

[*English*]

On June 8, last Thursday, Conservative MP Tom Kmiec rose and found unanimous consent of elected members of Parliament to a motion to confer honorary citizenship on Vladimir Kara-Murza and to call on the Russian Federation to set him free.

By adopting the motion before us, the Senate of Canada will join the other place in showing the world that the Parliament of Canada stands up for our friends and for political prisoners around the world. With this motion, let us speak with a united

voice for freedom and justice for Vladimir Kara-Murza. Let us send a powerful message to dissenters against tyranny who are imprisoned worldwide, "In Canada, you are not forgotten."

Last year, Mr. Kara-Murza's spouse, Evgenia, received the Václav Havel Human Rights Prize on her husband's behalf, which was awarded by the Parliamentary Assembly of the Council of Europe. In a statement she read on his behalf, Mr. Kara-Murza dedicated the prize to the many thousands of Russians jailed for speaking out against the war who chose not to remain ". . . silent in the face of this atrocity, even at the cost of personal freedom."

He added:

> . . . I look forward to . . . when a peaceful, democratic and Putin-free Russia returns to this Assembly and to this Council; and when we can finally start building that whole, free and peaceful Europe we all want to see. Even today, in the darkest of hours, I firmly believe that time will come.

Senators, with this motion, let us make those brave words of an honorary Canadian citizen. Let us honour Vladimir Kara-Murza, a star of hope in the Russian sky, and stand with him in the hour of his struggle. I invite senators to adopt this motion. Thank you, *meegwetch*.

• (2310)

Hon. Ratna Omidvar: Honourable senators, as the co-chair of the all-party group for Vladimir Kara-Murza, which I chair with former Attorney General of Canada, human rights champion and chair of the Raoul Wallenberg Centre for Human Rights, Irwin Cotler, I rise today in support of Senator Dalphond's motion to confer honorary Canadian citizenship on Vladimir Kara-Murza. Members from all parties and all groups across Parliament are members of our group, proving yet again that when a cause is compelling, we can put aside our political differences to come together and do the right thing. Thank you, Senator Dalphond, for helping us to do the right thing in this chamber.

Vladimir Kara-Murza is an opposition leader, human rights champion, former journalist and now a political prisoner in Russia. In a sham trial last year, he was sentenced to 25 years in prison. This is the longest sentence given to a political dissident since Stalin's time in Russia. Think of that, senators: the Russian regime is not going forward to democracy and progress, but is going backwards, indeed, to a dark past.

For many years, Vladimir Kara-Murza risked his life to follow his ideals and to fight for a free Russia. He was a close associate of the late Boris Nemtsov, an opposition politician, and has worked tirelessly to promote democratic reforms in Russia. He has been involved in organizing protests and advocating for political change, often risking facing significant risks and personal threats. For this, he was almost fatally poisoned twice, in 2015 and 2017, because of his advocacy work. Despite these challenges, he continues to be a prominent, loud voice for democracy and human rights in Russia.

Honourable senators, as Senator Dalphond pointed out, he was key — in fact, he was a central player — in bringing Magnitsky sanctions not just to Canada but, indeed, to the rest of the world. He has appeared numerous times in Parliament on the need for the act, and has pushed us to better hold corrupt foreign officials to account.

By bestowing honorary citizenship on Mr. Kara-Murza, we can shine a light on him, his ideals and his journey and, in addition, shine the light on the 400 other political prisoners in Russia.

I hope we can all appreciate that, in the end, only Russians themselves will free Russia. Putin fears no one more than Vladimir Kara-Murza, because he is the voice that Russians are listening to.

By bestowing honorary citizenship on him — and we have done that very seldomly, as Senator Dalphond pointed out. I think, in total, we have conferred honorary citizenship on seven people. We have revoked the citizenship in this chamber of Aung San Suu Kyi, but we have been responsible and acted in bestowing the highest of Canadian honours — because this is not a real citizenship, it is an honorary one — on those who represent our ideals in many ways. It would also help Mr. Kara-Murza, who is in very poor health, to know that he is not alone, that he is cared for in other parts of world and that his actions and bravery are not in vain.

I will close by quoting Vladimir Kara-Murza himself who says: "The night, as you know, is darkest just before the light." I believe that, by bestowing honorary citizenship, we can provide that light to him and his colleagues in prison in these dark times — for him, for his family and for the citizens of Russia oppressed by this regime. Thank you, colleagues.

[*Translation*]

Hon. Julie Miville-Dechêne: Honourable senators, I rise briefly in support of the motion to grant honorary Canadian citizenship to Vladimir Kara-Murza.

This is, of course, a symbolic gesture. As a pragmatist and former journalist, I cannot help but question these types of initiatives, which often have no real effect. I therefore thought about what this motions means and what significance my support for it would have.

I see two answers.

The first is a desire to publicize Vladimir Kara-Murza's cause, to make him more visible, to make his courage known, to denounce the injustice he is facing, to increase support for him and to make sure, as much as possible, that he is not forgotten and that his torturers are held to account. Vladimir Kara-Murza has dual Russian-British citizenship. Perhaps our voice will inspire other parliamentarians in London.

As the *Washington Post*'s slogan says, "Democracy dies in darkness."

Unfortunately, it is already very dark in Russia. This motion is a modest, but legitimate, attempt to bring some light to the darkness and highlight, if only in the history books, that the struggle of this political figure, who is first and foremost a journalist, is just.

The other value of this motion is less about Vladimir Kara-Murza and more about us. The story of his resistance to intimidation, his unfailing courage in the face of those who sought to silence him, his boundless determination to fight for the truth and the public interest, and his fierce independence in the face of power, economic interests and prevailing propaganda should inspire us all.

It goes without saying that our existence as comfortable legislators, living in a peaceful and safe society, is nothing like that of Vladimir Kara-Murza. Our trials and tribulations pale in comparison to his peril. Nevertheless, we can hope that Vladimir Kara-Murza's heroism will inspire us. The virtues of courage and determination in any quest for truth should not be reserved for Russian dissidents alone. Here, too, the sirens of power and vested interests can compromise our independence and genuine commitment to the public interest.

The exemplary value of Vladimir Kara-Murza extends beyond Russia. Today's motion should not only draw the attention of Canadians to his fate, but also serve to remind us that we should make his struggle our own. I would like to conclude by quoting the end of this Russian hero's plea before a kangaroo court, which sentenced him to 25 years in prison.

[*English*]

> This day will come as inevitably as spring follows even the coldest winter. And then our society will open its eyes and be horrified by what terrible crimes were committed on its behalf. From this realization, from this reflection, the long, difficult but vital path toward the recovery and restoration of Russia, its return to the community of civilized countries, will begin.
>
> Even today, even in the darkness surrounding us, even sitting in this cage, I love my country and believe in our people. I believe that we can walk this path.

Hon. Andrew Cardozo: Honourable senators, due to the lateness of the hour, I will not add much other than to say that I totally support this motion. It was, of course, brought to my attention by the great former parliamentarian the Honourable Irwin Cotler. Other members have spoken most articulately about this, and I totally support it. It is important that we, as parliamentarians, stand up for human rights in whatever way we can, and this is one solid way that we can do that. Thank you.

Hon. Leo Housakos: Honourable senators, I'm also very proud and happy to rise and lend my name and the support of the Conservative caucus to this initiative by Senator Dalphond. I'm very happy to see that we have a renewed sense of enthusiasm for human rights here in the Senate of Canada in a collegial way. I'm pleased to work with Senators Dalphond, Omidvar and Miville-Dechêne, and everyone else who obviously recognizes the plight of Vladimir Kara-Murza.

We all recognize that he is a politician, a journalist, an advocate for democracy and freedom, he is a recipient of The Civil Courage Prize, a fellow of the Raoul Wallenberg Centre for Human Rights, and he has been recognized by Amnesty International for his work for human rights and fighting against authoritarianism. More importantly, he is a son, a husband and a father. At the end of the day, he is in prison and his life was put at risk, facing a couple of assassination attempts for the simple fact of doing what we should be doing and are doing here on a regular basis: getting on our feet and calling into question a government when they overreach, calling into question public policy in a democracy, criticizing his government, calling into question an outrageous war, a crisis against humanity and what is being done in Ukraine by this brutal regime and a bully.

• (2320)

Of course, we lend our support in recognition and highlighting the challenges of Vladimir Kara-Murza. It would be an honour for Canada to have this gentleman be bestowed the right of honorary citizenship.

I also want to point out that even though it is noble that we are taking this action — and, of course, the House of Commons has been working at this for a number of months — I ask: Why is it taking so long? I applaud the work of Irwin Cotler, a great former parliamentarian and defender of human rights, and Bill Browder. However, it should not have taken an intervention on the part of Bill Browder and Irwin Cotler to shame our government into recognizing that this should not be taking months. The great parliamentarian who stood up on principle here is member of Parliament Tom Kmiec, who moved this motion in the House of Commons in early April. He moved this motion, seconded by member of Parliament James Bezan, because, at the end of the day, colleagues — and I have said this before — human rights should not be a partisan issue. Human rights should be a core value and principle of what we are all about as a Canadian society. We should stand up for these values on a regular basis because that is what Canada is all about. It's about freedom, democracy, the rule of law and human rights.

Never more than in 2023 is democracy facing precarious times. Democracies are being challenged around the world and many times we are letting this happen at our own peril and our own fault because we've become a bit transactional when it comes to our values. Once upon a time, we had Canadians dying on the shores of Europe for freedom and liberty but today we're willing to sell drones to a country that is murdering people in Artsakh or shutting down corridors in Lachin and not allowing food and medicine to go to people. We're allowing governments, again for transactional reasons, to abstain from votes in recognizing what is going on with the Uighur people or we are going to turn a blind eye to all of the people in prison and all those fighting for democracy in Cuba because, you know what, there are a couple of companies in Canada sending planeloads of Canadians to beaches for cheap. When we do that for a few million dollars or a few hundreds of millions of dollars, we really trade away who we are as nations.

When Tom Kmiec and James Bezan move a motion to bestow the right of honorary citizenship on Mr. Vladimir Kara-Murza in the House of Commons committee and it is supported by the Conservatives, the New Democratic Party and the Bloc Québecois, it should be an automatic reflex from the executive branch. They should not be amending it, colleagues, which they did in April, basically suggesting that they put out a message of condemnation and solidarity. Why the backpedalling on such an obvious motion? It's obvious to all of us in this place. Why is the government vacillating? Why are they hesitating in calling this out, especially after all of the effort we put into supporting the cause in Ukraine?

It took three months. It took the intervention of Irwin Cotler and Bill Browder to step up to the government and say, "This is not a partisan issue, guys. This is an issue about humanity and human rights."

I applaud them for stepping out and doing it, but we have to be vigilant and ask ourselves why what is going on with Vladimir Kara-Murza is more important than what's going on with the Uighur people. I remind people in this chamber that this very chamber voted against a motion to recognize what is going with the Uighur people as genocide.

We also have an executive branch of government ignoring motions in the House of Commons calling on the government to list the Islamic Revolutionary Guard Corps, or IRGC, as a terrorist group. Again, in this new-found enthusiasm to support human rights, last week Senator Omidvar had a fantastic motion on behalf of the Senate calling for the IRGC to be listed. We unanimously supported that motion — except for the government. Right? We had the government on division, not supporting the motion.

Will Senator Dalphond, Senator Omidvar, former Minister Cotler and Bill Browder call on the government leader in this chamber to get up and unanimously support this legitimate call for Vladimir Kara-Murza to receive honorary citizenship? At the end of the day, Parliament speaks on behalf of the will of the people, especially the House of Commons because they are elected. The government has to step up and respect the will of the people. So when you have whatever variety of motions as we have seen now, time and again, with the will of Parliament, it does not matter if we're calling for the listing of the IRGC, or if we're recognizing what is going on with the Uighur people as a genocide, or if it's a simple motion calling for a public inquiry; they get majority support in the House of Commons but the government says, "Well, it is not binding on us."

That calls into question, Senator Dalphond, all of these motions. Why are we doing all of this? We're not doing it just to be an echo chamber or doing it to put out a communique to say, "Look how noble we are." That's great. Nobility is a fantastic thing, but if it isn't followed with some action and some tangible support from the Crown and from our executive branch, it is all in vain. At the end of the day, when we move these motions, unless we have some kind of certainty that they will be followed up, we now have a tangible motion by MP Kmiec that was unanimously supported a few days ago in the House of Commons. I hope it will be unanimously supported, and not on division, in this chamber. You cannot get a more unanimous parliamentary call. I hope that the government will do this in an expeditious fashion.

Colleagues, it is not the first time that governments have stood up and given honorary citizenship to great human rights activists. It has happened before. Perhaps it hasn't happened in the last eight years, but it has happened before. It happened in 2014, when Malala Yousafzai was given honorary citizenship; the Aga Khan, in 2010, was given honorary citizenship; the Dalai Lama, in 2006; Nelson Mandela, in 2001, and none other than Raoul Wallenberg in 1985.

I hope that this motion will pass unanimously and I hope that this renewed sense of enthusiasm for human rights is not a one-off. Furthermore, I hope that when it comes to human rights we put our partisan politics aside and work in unison.

Last week, when I was speaking to Benedict Rogers, Executive Director of Hong Kong Watch, he asked me, "What is going on with your country's action on foreign interference?" By the way, colleagues, Russia is one of the primary culprits when it comes to foreign interference. It is one of the primary culprits when they put into place cyberattacks on our country; when they try to manipulate our social media. Right now, we have oligarchs that we know are running mining operations in my home province of Quebec and our Minister of Foreign Affairs has not taken action to shut them down yet. It was in the news a few months ago. We have asked questions about it in the House. I would like to see some action from our government to go after the Russian regime in a tangible way, put into place Magnitsky sanctions and give honorary citizenship to worthy individuals like Vladimir Kara-Murza but go through the further steps required and ban all the oligarchs coming into Canada and using this place as an ATM.

The point that I am trying to make is when Benedict Rogers was here last week he said, "Why is it only in Ottawa that issues like the Uighur genocide or foreign interference is a partisan issue? In Washington, London, Paris, Australia and in every other Western democracy, they are trying to deal with foreign interference and trying to find out how Western democracies can find their way back to becoming defenders of human rights in a tangible way rather than being transactional in our foreign policy." He said, "The only place that I have visited where it seems to be a partisan issue," — and had I no answer because there is no explanation. There is no way that I can say with a straight face that our government, no matter what stripe it is, is in favour of authoritarian regimes. It is clear to me that they are either trying to be transactional and putting economic interests ahead of human rights or they're being incompetent or ambivalent. Either way, it has to stop.

Colleagues, I know I've gone on a bit too long, given the time, but it's an issue that's important for me and I think it's an important issue for Vladimir Kara-Murza and an important issue for all the political prisoners across this country. It doesn't matter if they are in Turkey, in China, in Russia or in Iran; we have an obligation to be a voice for what's just and what's right. Thank you.

• (2330)

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

Hon. Senators: Agreed.

(Motion agreed to.)

(*At 11:30 p.m., the Senate was continued until tomorrow at 2 p.m.*)

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