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The Honourable RAYMONDE GAGNÉ,
Speaker

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THE SENATE

Tuesday, September 26, 2023

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

Prayers.

[*Translation*]

SENATORS' STATEMENTS

FRANCO-ONTARIAN DAY

Hon. Lucie Moncion: Honourable senators, yesterday, September 25, was Franco-Ontarian Day, an opportunity to recognize and celebrate our language, culture and diversity.

For many years, Ontario's governments treated its francophones with contempt, even though they made significant contributions to the province's economic success. Take, for example, Regulation 17, which was adopted in 1912 and prohibited the use of French as a language of instruction.

Over time, that contempt would evolve, leading to important changes for Ontario's francophones. In 1968, under the leadership of Conservative premier John Robarts, the Legislative Assembly of Ontario passed the Schools Administration Act, or Bill 140, and the Secondary Schools and Boards Act, or Bill 141, which provided for the creation of a French-language school board.

Then, a milestone was reached with regard to the recognition of the rights of francophones in Ontario when Bernard Grandmaitre, the minister responsible for francophone affairs under David Peterson's Liberal government, introduced the French Language Services Act in 1986. That legislation came into force in November 1989.

That legislation recognizes the historic, honourable role of the French language, as well as its status as an official language of Canada in the courts, in education and in all institutions of the legislature and government of the province. It also recognizes the contribution of the cultural heritage of the francophone population, enriched by its diversity and by a desire to preserve it for future generations.

In June 2001, the Ontario government recognized the Franco-Ontarian flag as a symbol of solidarity and irrevocable involvement in the province's economic and political environment. In April 2010, it officially designated September 25 as Franco-Ontarian Day, formally recognizing the language rights and cultural identity of the minority community.

Finally, on March 2, 2017, the song *Notre place*, meaning "our place," became the official anthem of the Franco-Ontarian community following a motion moved by Grant Crack, the MPP for Glengarry—Prescott—Russell. This inclusive song invites all francophones in Ontario, no matter where they live or where they come from, to stop hiding their language, to put French accents where they belong, and to sing their pride.

Through more than 100 years of history, perseverance, sustained effort and collective solidarity, Franco-Ontarians have freed themselves and now occupy a special place in the huge tapestry that is Ontario.

With this statement, I wish to acknowledge all those who have fought over the years, and those who continue to fight, for the recognition of the rights of francophones in Ontario.

It's thanks to them that I can say, loud and clear, "I'm a Franco-Ontarian and proud of it." Thank you.

Hon. Senators: Hear, hear.

[*English*]

TRIBUTE TO GRASSROOTS PEOPLE

Hon. Mary Jane McCallum: Honourable senators, I want to thank the Progressive Senate Group, or PSG, for giving me their spot today to pay tribute to the grassroots people in preparation for this weekend.

In the book *Resilient: The Portraiture of Wayne Simpson*, the author writes:

Never give in to the pressure to be "normal." Normal is overrated . . . Always be yourself and be strong enough not to care what other people think of you. Some days are harder than others, but it is always worth it. Be Bold. Be Badass. Be Unapologetic.

"Be Bold." I believed I was special once. There was an inherent sense of worth in me from Creator. I was at home with my people's history: stories of my ancestors living out their lives, in their own time, in their own way.

Years later, I often thought of how I had come to identify with words like *whore*, *drunk* and *squaw* after hearing them throughout my life. There was something impure in my being Cree.

Allowing others — even your own people — the ability to define who you are is the greatest power you can give away. No.

"Be Badass." In Cree, this means doing what makes you strong. You are brave. You have pursued your goals despite other people's limitations.

You have found your path. You have clarity about why you do what you do.

You have good friends. You stick with each other through thick and thin.

Your heart is full. You have overcome adversity and are stronger for it.

People look up to you. Others are inspired by your bold, fearless attitude; they trust you. I do, too.

You are unstoppable. You know who you are, where you want to go and how to get there.

Risk taking comes naturally to you. You engage in difficult conversations, learning about what affects us and fighting for our people.

Self-doubt does not exist to you. Your ability is limitless; everything seems possible.

You identify your weaknesses and are motivated to improve beyond them.

“Be Unapologetic.” This means accepting ourselves without needing outside validation. We must express who we are without fear of judgment.

This sense of selfhood is the power of *etinewak* — people — and *esquiwak* — women. That is who we are.

How do we thank those who seize our hand and pull us upward when we are at our lowest? That is what you have done for me and countless others. We now celebrate our return to our history. *Kinanâskomitin*.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Lieutenant-General Eric Kenny, Commander of the Royal Canadian Air Force, who is accompanied by other members of the Royal Canadian Air Force. They are the guests of the Honourable Senator Wallin.

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

Hon. Senators: Hear, hear!

AIR FORCE DAY ON THE HILL

Hon. Pamela Wallin: Honourable senators, I rise today to mark Air Force Day on the Hill and to invite you all to join us tonight to celebrate Royal Canadian Air Force, or RCAF, members, past and present, for their service to — and sacrifice for — our country.

It is my honour to become the sponsoring senator for this event, and I want to thank former senator Joe Day for his many years of service.

Today is an opportunity to publicly recognize Canada’s aviators and to offer our gratitude to both those who fly and those on the ground who make it safe and possible.

As the former honorary colonel of the RCAF, I have flown to Alert, to Afghan deserts, over the Atlantic and Pacific Oceans with search and rescue and over Parliament Hill with the Snowbirds, so I know their work: protecting our airspace — and the land below — through surveillance, rescue and warfighting.

The RCAF played a vital role in the Second World War and reached its golden age during the Cold War with combat squadrons on the front lines. The term “Royal” was dropped from the name in 1968, but finally — and rightfully — reinstated in 2011. Their successes and service will continue.

The RCAF Association — the organizer of the event — was created in 1948. Its guiding principle is:

The Association shall stand for loyalty to the reigning sovereign and the principles of democratic and ordered government, for a national and united spirit, and for strong and united comradeship among all who have served in military or civil aviation.

We share those values and a powerful pride in the RCAF because the story of our country is embodied in those who serve.

• (1410)

We are pleased to have with us today in the gallery, as the Speaker said, Lieutenant-General Eric Kenny, Commander of the Royal Canadian Air Force, and other members of the RCAF team, and we are especially honoured to recognize the three recipients of the RCAF Commander Special Recognition: Master Corporal Derek Rooney, Master Corporal Marie-Claude Beaulieu and Aviator Simon Gauthier. Congratulations!

I hope to see many colleagues at the Valour Building tonight at 5 p.m. to celebrate the contribution of our airwomen and airmen. Through adversity to the stars. Thank you.

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 Janice Mae Scott, Senator Busson’s sister; and Shari Lee Brooks, a guest of Senator Busson.

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

Hon. Senators: Hear, hear!

THE LATE CONSTABLE RICK O’BRIEN

Hon. Bev Busson: Honourable senators, I’m heartbroken to have to address you again about the murder of yet another police officer. Last Friday, September 22, 2023, Ridge Meadows RCMP were executing a search warrant in Coquitlam, B.C., which resulted in multiple shots fired. Two RCMP officers were wounded and are expected to fully recover physically, but the emotional injuries often take much longer to heal.

Constable Rick O'Brien died at the scene. He was 51 years old. He and his wife Nicole were proud parents of six. Constable O'Brien had just celebrated his seventh anniversary with the force. He had an exemplary career. To quote his officer-in-charge, "He loved visiting schools, doing presentations and participating in the community to support food drives and sports events."

Constable Rick O'Brien was also a decorated hero. He, along with six other members, successfully disrupted a violent home invasion in progress, which led to the rescue of four adults and one small child and to the arrest of four armed suspects.

For this he received the Commanding Officer's Commendation as well as a recognition of valour from the Province of British Columbia.

This tragedy impacts everyone deeply. Sadly, the annual ceremony for the fallen in B.C. was held this past Sunday in Victoria, simultaneous with a national ceremony in Ottawa, just two days after his death. Collectively, we are barely able to heal from one tragedy before another is upon us.

When I first heard the news, I was torn between despair and anger. This death was a senseless murder. Life is precious. Rick O'Brien's life was precious. From those who serve in policing, it can be stolen in a moment. As Canadians, we should remind ourselves of this stark reality, a reality that police officers face each and every day.

Rick O'Brien's life meant something to those who knew him. He was a husband, father, son and real-life hero who walked among us. Sadly, it seems that it takes a tragedy like this for us to be reminded of the sacrifice that police officers make every day for the safety and security of others. I can tell you that there are lots of Rick O'Briens out there — how wonderful is that, and yet how tragic.

His legacy will continue on through his family, his friends, those he served and in the hearts of all Canadians. On behalf of the Senate of Canada, British Columbia and all Canadians, my deepest condolences to Rick's wife, his family and to all who had the good fortune to know him. As is said in the RCMP, "Rest easy, Constable O'Brien. We'll take it from here."

Thank you. *Meegwetch.*

[*Translation*]

CANADIAN POLICE AND PEACE OFFICERS' NATIONAL MEMORIAL DAY

Hon. Jean-Guy Dagenais: Honourable senators, I rise today to speak about the ceremony that was held on Sunday on Parliament Hill, when police officers from across the country came to pay tribute to colleagues who died in the line of duty over the past year.

Unfortunately, I could not attend this ceremony in person, but I can say that my thoughts are with my fellow police officers from every police force, but primarily those from the Sûreté du Québec, where I worked for 39 years.

This year's event was rather significant because it showed that our society is in decline, while we basically sit back and do nothing. The growing prevalence of serious mental illness is contributing to this decline, yet federal, provincial and medical authorities seem to be unable to come up with effective and tangible measures to address the problem.

Eleven police officers were killed in the line of duty last year. That is unacceptable.

In addition to having an annual parade here in Ottawa, in addition to petitions signed by thousands of citizens, in addition to stories from the families of police officers, and even in addition to public pleas for help from family members of individuals who become dangerous as a result of an illness, what are we doing?

When I ask that question, all I get in response is a statement that discussions are under way to find solutions. How many years have these discussions been going on? How many more police officers and citizens will need to be killed before the government understands that aggressive people who are diagnosed with a serious mental illness cannot re-enter society?

A decade of work and consultation is not how we should be protecting our police officers and the country's citizens from potential murderers who are being set free because someone believes they'll take their medication and maintain self-control.

Among the 11 police officers honoured on Sunday was Sûreté du Québec Sergeant Maureen Breau, a mother who was married to another police officer. She was killed in March in Louiseville while attempting to subdue a madman armed with a sword. The individual, who was shot and killed by police officers, had already assaulted a psychiatrist in 2018 and had been identified as high risk since 2014. What was he doing on the loose?

I raise this question because just this past weekend, another mentally disturbed individual was intercepted as he was preparing to go and kill clearly identified police officers at the Sûreté du Québec station in Louiseville, where he had already committed — I kid you not — an axe attack in 2022.

There should be a limit to political, medical or judicial naivety. In my opinion, that limit has already been exceeded.

As a result, I will unreservedly support any steps taken by my police colleagues, both in Quebec and across Canada, to bring about change.

Hon. Senators: Hear, hear!

[*English*]

BRITISH COLUMBIA—FALLEN RCMP OFFICER

SILENT TRIBUTE

The Hon. the Speaker: Honourable senators, we were all deeply saddened and shocked by the recent news of a police officer being killed on duty. Constable Rick O'Brien of the Royal

Canadian Mounted Police was killed, and two other officers were injured, in Coquitlam, British Columbia, last Friday, September 22.

We express our condolences to Constable O'Brien's family, friends and fellow officers, and our hopes for a full recovery by the injured. I would ask you to rise for a minute of silence.

(Honourable senators then stood in silent tribute.)

[Translation]

ROUTINE PROCEEDINGS

CRIMINAL RECORDS ACT

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

Hon. Brent Cotter, Chair of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Tuesday, September 26, 2023

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

SIXTEENTH REPORT

Your committee, to which was referred Bill S-212, An Act to amend the Criminal Records Act, to make consequential amendments to other Acts and to repeal a regulation, has, in obedience to the order of reference of November 3, 2022, examined the said bill and now reports the same with the following amendments:

1. *Clause 11, pages 6 and 7:*
 - (a) On page 6,
 - (i) replace line 31 with the following:

“(3) The prior approval of the Minister is not required

 (a) for”, and
 - (ii) replace line 35 with the following:

“that has been imposed for an offence; and

 (b) to disclose the existence of the record to a police force in prescribed circumstances when that police force considers the disclosure to be desirable in the interest of the administration of justice or for any purpose related to the safety or security of Canada or any state allied or associated with Canada.”; and

(b) on page 7, delete lines 28 to 34.

2. *Clause 21, page 10:* Add the following after line 14:

“(c.12) prescribing circumstances for the purposes of paragraph 6.1(3)(b);”.
3. *Clause 24, page 11:* Replace line 6 with the following:

“(Subsection 6.3(2) and sections 7 and 7.2)”.
4. *Clause 25, page 11:* Replace line 10 with the following:

“(Subsection 6.3(2) and sections 7 and 7.2)”.

Respectfully submitted,

BRENT COTTER

Chair

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

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

• (1420)

[English]

THE SENATE

NOTICE OF MOTION TO AFFECT QUESTION PERIOD FOR THE REMAINDER OF CURRENT SESSION

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

That, notwithstanding any provision of the Rules, previous order or usual practice, for the remainder of the current session:

1. during Question Period with any minister of the Crown as provided for in the order of December 7, 2021, in addition to the times provided for in that order, senators have up to 45 seconds to ask a supplementary question and ministers have up to 45 seconds to respond to this supplementary question; and
2. during any other Question Period, main questions and responses be limited to one minute each, followed by a maximum of one supplementary question per main question, with these supplementary questions and responses being limited to a maximum of 30 seconds each.

CANADA–TAIWAN RELATIONS FRAMEWORK BILL

[English]

FIRST READING

Hon. Michael L. MacDonald introduced Bill S-277, Act respecting a framework to strengthen Canada–Taiwan relations.

(Bill read first time.)

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

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

[Translation]

L'ASSEMBLÉE PARLEMENTAIRE DE LA FRANCOPHONIE

BUREAU MEETING, JANUARY 28-FEBRUARY 2, 2023—
REPORT TABLED

Hon. Éric Forest: Honourable senators, I have the honour to table, in both official languages, the report of the Assemblée parlementaire de la Francophonie concerning the Meeting of the Bureau of the Assemblée parlementaire de la Francophonie, held in Papeete, French Polynesia, from January 28 to February 2, 2023.

MEETING OF THE APF POLITICAL COMMITTEE AND WORKING
GROUP ON REFORMING THE APF CONSTITUTION,
APRIL 17-20, 2023—REPORT TABLED

Hon. Éric Forest: Honourable senators, I have the honour to table, in both official languages, the report of the Assemblée parlementaire de la Francophonie concerning the Meeting of the APF Political Committee and the Working Group on Reforming the APF Constitution, held in Paris, France, from April 17 to 20, 2023.

PARLIAMENTARY MISSION TO THE UNITED NATIONS,
MARCH 14-15, 2023—REPORT TABLED

Hon. Éric Forest: Honourable senators, I have the honour to table, in both official languages, the report of the Assemblée parlementaire de la Francophonie concerning the Parliamentary Mission to the United Nations, held in New York, United States of America, on March 14 and 15, 2023.

INDIGENOUS PEOPLES

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXTEND
DATE OF FINAL REPORT ON STUDY OF THE FEDERAL
GOVERNMENT'S CONSTITUTIONAL, TREATY, POLITICAL AND
LEGAL RESPONSIBILITIES TO FIRST NATIONS, INUIT
AND MÉTIS PEOPLES

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

That, notwithstanding the order of the Senate adopted on Thursday, March 3, 2022, the date for the final report of the Standing Senate Committee on Indigenous Peoples in relation to its study on the federal government's constitutional, treaty, political and legal responsibilities to First Nations, Inuit and Métis peoples and any other subject concerning Indigenous Peoples be extended from December 31, 2023 to September 1, 2025; and

That the committee be permitted, notwithstanding usual practices, to deposit with the Clerk of the Senate its reports relating to this study, if the Senate is not then sitting, and that the reports be deemed to have been tabled in the Senate.

ONGOING CONCERNS WITH RESPECT TO CANADIAN
AGRICULTURAL, WETLAND, AND FOREST
LAND REALLOTMENTS

NOTICE OF INQUIRY

Hon. Robert Black: Honourable senators, I give notice that, two days hence:

I will call the attention of the Senate to the ongoing concerns with respect to Canadian agricultural, wetland, and forest land reallocations, as well as potential food, economic, and social insecurities as a result of reduced capacity for farming, pasture, forestry, and food production both domestically and internationally.

[Translation]

BUSINESS OF THE SENATE

The Hon. the Speaker: Pursuant to the order adopted by the Senate on December 7, 2021, Question Period will begin at 5 p.m.

ORDERS OF THE DAY

CANADA EARLY LEARNING AND CHILD CARE BILL

SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Moodie, seconded by the Honourable Senator Cormier, for the second reading of Bill C-35, An Act respecting early learning and child care in Canada.

Hon. Julie Miville-Dechêne: I rise to support Bill C-35, An Act respecting early learning and child care in Canada, at second reading.

My colleague Rosemary Moodie provided a comprehensive overview of the history of child care in this country and the principles contained in Bill C-35, including provisions that enable Indigenous peoples to define and direct their own early childhood services.

I won't repeat what Senator Moodie said so well. Instead, I want to address some of the challenges of implementing this program, in light of Quebec's experience with \$8.85-per-day child care spaces.

To begin, it is clear that this framework legislation essentially seeks to ensure that the ambitious federal child care funding initiative in the provinces and territories becomes a permanent fixture. Minister Karina Gould said so openly during the committee study in the House of Commons on March 10, and I quote:

The purpose of Bill C-35 is to guide the federal government so that subsequent governments . . . are guided by these principles and objectives when they negotiate with the provinces and territories.

That's why this bill is short and simply sets out general principles, such as long-term funding. All the details are in the hundreds of pages of bilateral agreements between Ottawa and the provinces. Ontario's agreement is 140 pages long; Quebec's agreements are 47 pages long. The agreements include amounts, funding formulas, specific rules and accountability measures.

• (1430)

I would note that the agreement with Quebec is asymmetrical. It reaffirms Quebec's exclusive jurisdiction over child care and says that Quebec will have total flexibility to spend the money it gets on improving its network and creating new spaces.

I found two segments of Bill C-35 particularly interesting. The first is in paragraph 7(1)(b), which states that federal investments should aim to "enable families of all income levels, including low incomes, to benefit . . ."

Helping low-income families is no doubt the most difficult goal for a universal child care program to achieve. Quebec's experience is proof of that. That was actually one of the two major goals set out in Quebec's Educational Childcare Act, which was passed 25 years ago.

Unfortunately, the legislation has not had the desired result. The idea was to make the service free for the poorest families to encourage them to register their children in early childhood centres, which are known as CPEs in Quebec. These are high-quality, non-profit child care services. The goal was for children to benefit from early stimulation and more equal opportunities in their schooling.

The fact remains that these families still need to register and spots have to be available. We know that 36% of Quebec children under the age of four do not attend a recognized child care facility. Sophie Mathieu, senior program specialist at the Vanier Institute of the Family, explained to the House of Commons committee that very little is known about the systemic, economic and cultural barriers that impede families' access to child care.

The 2020-21 report of the Auditor General of Quebec gave some striking examples of such disparities. In disadvantaged neighbourhoods, particularly the borough of Montreal North, there are a lot more spaces available in private daycares than in CPEs, whereas the opposite is true in the wealthy neighbourhood of Westmount. In simple terms, richer families have greater access to high-quality CPEs at \$8.85 a day than low- and modest-income families, who have greater access to commercial daycares that offer lower-quality services. Children living in families with an income of \$50,000 or less are less likely to get a space at a CPE. I find that deeply disturbing.

[*English*]

The known difference of quality between private daycares and non-profit CPEs should make the province think. The Quebec government did not have the means to meet the full demand, so it turned to the private sector to offer more spots, either by subsidizing them directly or by offering a tax credit. It is more than time to raise quality standards and to enforce them.

Quebec has gone through different stages to try to refine the data and make its waiting list system fairer. Today, there is a single, regularly updated waiting list for all CPEs across Quebec. Right now, for example, we know there are 37,260 children waiting for a spot, a figure that has jumped by 3,700 in one year despite the addition of more than 20,000 subsidized spaces over the past two years. However, even the accuracy of this list is disputed by some.

Despite significant investments, there is a lack of spots for mothers who want to return to work. The reality is that it is the less fortunate families who are worse off. The labour shortage in child care services aggravates the problem.

When I was President of the Quebec Council for the Status of Women, I spent much time thinking about this supposed universal child care model. There is no easy answer.

[*Translation*]

Let me share a personal anecdote. When the child care program first started 25 years ago, I secured \$5-a-day child care spaces for my two children. I was very lucky. It was a daycare at my workplace at Radio-Canada, and there was always a child care educator available in the evening for employees with atypical work schedules. That applied to me because I was covering the news. I simply added my name to a waiting list at the right time. The system was purely first-come, first-served.

That child care centre gave me seven years of peace of mind. I could see that my children were learning and that their tastes were developing thanks to healthy lunches. However, even back then, there were long waiting lists, and some of my lower-income colleagues were not as lucky as I was. The Quebec model is not equitable. That is a lesson Canada should learn from.

The same problem will arise in other provinces. I believe that until there are enough spaces for all children from all walks of life and all neighbourhoods, the principle of universality is unfair if it doesn't take income into account. I think it's essential to give priority to less fortunate families. As it stands, the system will provide a daycare space at \$8.85 a day to a doctor earning \$300,000 if she registers before an orderly who earns six or seven times less than that.

In 2015, the Quebec government abolished the flat rate and charged higher rates to parents with higher incomes, but that reform was later abandoned because of an election campaign. In short, we went back to square one.

The Quebec example illustrates the challenges and the adjustments that were needed along the way, just as they will definitely be needed elsewhere in Canada. Fortunately, the Quebec government has recognized the inequity of access to reduced-contribution spaces and is working to address it. The legislation was amended two years ago to ensure that priority for subsidized child care services is given to children in precarious socio-economic circumstances.

Despite these challenges, I would remind the chamber that the Quebec model has contributed to significant advances in Quebec society, particularly for the middle class.

In 2022, 88% of Quebec women between 25 and 54 years of age were active in the workforce, compared to an average of 84% in the other provinces. Over the years, mothers of young children have been returning to the workforce faster, due in part to good-quality, affordable daycare. In 25 years, the number of daycare spaces has climbed from 79,000 to 307,000, including 237,000 subsidized spaces. That is a huge increase.

The second thing in the bill that struck me is the annual report that the federal government will be required to prepare. The report has to contain a summary of the progress made in the provincial systems and information about the quality, availability, affordability, accessibility and inclusiveness of child care services.

The federal public servants who answered our questions at a recent briefing on Bill C-35 were unequivocal: They are depending on the provinces to provide the evidence needed to

carry out a real assessment. This evidence must show not only how many spaces costing \$10 or less per day were created in each province, but also how many families are still on waiting lists.

Obviously, each province already has its own waiting list system. Some don't even have a waiting list. With this in mind, how can we evaluate the effectiveness of federal investments?

I am going to end by sharing some words from the November 2021 brief prepared by the Conseil du statut de la femme du Québec, which identifies the primary shortcomings that should be corrected in Quebec's model. To meet the needs of all women, child care services must take into account mothers with variable work schedules, women with precarious immigration status, and poorer and more vulnerable women.

These are equity issues that have no doubt already been identified in other provinces and territories, but they are difficult to resolve. I hope that other provinces can benefit from Quebec's experience and that Canadian families — especially the less fortunate ones — can fully benefit from the new program put in place by Bill C-35.

Thank you.

[*English*]

The Hon. the Speaker: Senator Omidvar, do you have a question?

Hon. Ratna Omidvar: Thank you, Senator Miville-Dechéne. You had an excellent experience in Quebec with seven years of on-site daycare at your place of work. Perhaps one day this chamber will also make a decision to have on-site daycare for younger senators and staff.

• (1440)

In an earlier part of your speech, you raised the issue of quality. I was not able to get my question to Senator Moodie, but she also raised the issue that quality child care is not-for-profit public child care. We fund health care through the public dollar, and we fund public health care. We fund education through the public dollar, and we fund public education.

In this bill, the word "public" appears once in reference to the annual report, in a way such as the annual report shall be tabled publicly. Can you reflect upon that? Do you think this is either something every province will negotiate or has negotiated with the federal government or should the words "public not-for-profit child care" be in this framework legislation?

Thank you.

[*Translation*]

Senator Miville-Dechéne: That is an excellent question, Senator Omidvar. I will answer in French, if you don't mind, because the subject is rather technical.

I don't think the federal government has the power to require that all those investments go toward public not-for-profit daycares. Even in Quebec, where significant amounts were spent

and there was an overwhelming consensus between feminist ministers and all of civil society to implement this low-cost child care system, we were financially unable to absorb the costs and have only not-for-profit organizations, offer decent wages and, often, build child care centres.

That is why Quebec made use of private daycares. Had it not done so, the province would have been unable to meet the demand from the many women who were at home and wanted a space for their child. There were all sorts of systems. Now, there are just four or five remaining, including the non-profits and CPEs, subsidized and non-subsidized private daycares, and family daycares where a woman provides child care. Family daycares were extremely important in Quebec. Since the number of children changes from year to year, family daycares were a more flexible tool to accommodate that fluctuation. It is easier to open or close family daycares than CPEs or non-profits.

It's remarkable that Quebec has managed to do this. The government had to keep its promises, but it didn't have enough money to build the best not-for-profit daycares for everyone. Studies have shown that the best child care centres are not-for-profit CPEs, which have trained educators and decent budgets. These are the highest-quality child care centres.

Now, what can be done about this rather difficult situation? We need to set stricter standards for these private child care centres, whether they are subsidized or not, in order to keep our children safe.

The Hon. the Speaker: I'm sorry, but the senator's time has expired. Would you like to ask for a little more time?

Senator Miville-Dechêne: Are there any more questions?

The Hon. the Speaker: There is one more. Is leave granted?

An Hon. Senator: No.

The Hon. the Speaker: Leave is not granted.

(On motion of Senator Martin, debate adjourned.)

[English]

BILL TO AMEND THE CANADA BUSINESS CORPORATIONS ACT AND TO MAKE CONSEQUENTIAL AND RELATED AMENDMENTS TO OTHER ACTS

SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Downe, seconded by the Honourable Senator Verner, P.C., for the second reading of Bill C-42, An Act to amend the Canada Business Corporations Act and to make consequential and related amendments to other Acts.

Hon. Victor Oh: Honourable senators, I rise today to speak to Bill C-42, An Act to amend the Canada Business Corporations Act and to make consequential and related amendments to other

Acts. This bill aims to establish a public beneficial ownership registry in Canada, requiring companies to disclose information about their beneficial owners. These individuals own or control, directly or indirectly, 25% or more of a corporation's shares.

To be clear, this bill is not establishing a beneficial ownership registry; Canada already has one, just not one that is public.

Corporations incorporated under the Canada Business Corporations Act have been required to keep a registry of beneficial owners since 2019. The corporations themselves maintain these registries and shareholders have had the right to access them via affidavit, along with law enforcement agencies.

Last year's budget made additional amendments to the Canada Business Corporations Act, which required federally incorporated businesses to submit their registry information to Corporations Canada annually and to provide updates of any changes to their registry information within 15 days.

The amendments in Bill C-42 build upon this existing framework to allow Corporations Canada to disclose all or part of that information to investigative bodies and the Financial Transactions and Reports Analysis Centre of Canada, or FINTRAC. This information will be accessible to tax authorities, law enforcement agencies and other governmental bodies for investigative and compliance purposes. In addition to that, portions of the registry will be publicly accessible and searchable.

Colleagues, the need for such legislation is well-documented. The infamous Panama Papers leak in 2016 revealed how criminals exploit loopholes in Canada's corporate beneficial ownership schemes to engage in corruption. Those were not mere allegations but documented proof that put the vulnerability of our systems on international display.

Yet those vulnerabilities were well-known before then and have been repeatedly pointed out by the Financial Action Task Force, or FATF. The FATF is an intergovernmental organization founded in 1989 on the initiative of the G7. Its primary objectives are to develop and promote policies to protect the global financial system against money laundering, terrorist financing and other related threats. Over the years, the organization has become a pivotal global body in setting international standards for combatting these financial crimes.

• (1450)

The Financial Action Task Force, or FATF, monitors countries' progress in implementing necessary measures and reviews their compliance. Their recommendations are highly influential, serving as the international standard for combatting money laundering, terrorist financing and other related threats to the integrity of the global financial system. Many countries, including Canada, voluntarily align their financial regulatory policies closely with FATF recommendations to ensure they are part of a coordinated international effort to combat financial crimes.

[Senator Miville-Dechêne]

In 2016, the FATF's Mutual Evaluation Report of Canada's anti-money laundering and counter-terrorist financing measures noted four items concerning the "transparency of legal persons and arrangements" in Canada.

In 2021 — five years later — the FATF's follow-up report indicated that no progress has been made on these four points. Specifically, there was no reported improvement in our technical compliance ratings for FATF's Recommendations 24 and 25, focusing on the transparency and beneficial ownership of legal entities and arrangements. This lapse is not just a tick box that we have missed; it is a gap that poses a significant risk to our financial system and to our reputation on the global stage.

Allow me to quote these four points from the FATF Mutual Evaluation Report and note that, while this is the 2016 report, each issue remains unchanged in the 2021 follow-up report.

Point 1:

Canadian legal entities and legal arrangements are at a high risk of misuse for [money laundering and terrorist financing] purposes and that risk is not mitigated. This is notably the case with respect to nominee shareholding arrangements, which are commonly used across Canada and pose real obstacles for law enforcement agencies.

Point 2:

Basic information on legal persons is publicly available, but beneficial ownership information is more difficult to obtain. Some information is collected by [financial institutions] and to a limited extent [designated non-financial businesses and professions], the tax authorities and legal entities themselves, but is neither verified nor comprehensive in all cases. [Law enforcement agencies] have the necessary powers to obtain that information, but the process is lengthy. Information exchange between [law enforcement agencies] and the CRA is also limited by stringent legal requirements.

Point 3:

The authorities have insufficient access to information related to trusts. Some information is collected by the CRA as well as by [financial institutions] providing financial services, but that information is not verified, does not always pertain to the beneficial owner, and is even more difficult to obtain than in the case of legal entities.

Point 4:

[Law enforcement agencies] have successfully identified the beneficial owners in limited instances only. Despite corporate vehicles and trusts posing a major [money laundering] and [terrorist financing] risk in Canada, [law enforcement agencies] do not investigate many cases in

which legal entities or trusts played a prominent role or that involved complex corporate elements or foreign ownership or control aspects.

Colleagues, the urgency for Canada to enact immediate and decisive improvements is undeniable. According to the Canadian Security Intelligence Service's 2020 report, money laundering in Canada is estimated to range between approximately \$45 billion and \$113 billion annually. This is a staggering amount of money, and it is due, in part, to the fact that the vulnerability of our systems is no secret.

Internationally, Canada is known to have lax laws to prevent money laundering and terrorist financing, which has affected our reputation with other nations. Bill C-42 is critically necessary to continue correcting this perception.

Bill C-42 is one of those rare instances where we find ourselves with government legislation that echoes the Conservative Party of Canada's core principles, including a commitment to economic transparency, good governance and the rule of law. This bill also aligns with the efforts our party has taken in years past to strengthen Canada's resilience against money laundering and the financing of terrorism.

Under Stephen Harper's leadership, the previous Conservative government took meaningful steps to fight money laundering and terrorism financing. We strengthened the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and expanded the investigative powers of the Canada Border Services Agency and the Financial Transactions and Reports Analysis Centre of Canada, or FINTRAC.

In 2021, the Conservative Party of Canada committed to establishing a federal beneficial ownership registry for residential property. We also pledged to bring comprehensive changes to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. Conservative MP Adam Chambers's recent private member's bill aimed at implementing the latter commitment reflects our dedication to this cause. Bill C-42 is another crucial step on the path toward these goals.

But while this bill seeks to address critical issues, it is essential to understand that its success is not guaranteed: It is tied to its execution.

The federal government's jurisdiction extends to only about 500,000 corporations incorporated under the Canada Business Corporations Act, or CBCA. This represents only 15% of Canadian corporations. The vast majority of corporations in Canada are incorporated under provincial or territorial legislation — but not the CBCA. Provincial and territorial adoption is crucial for the success of this initiative. The corporate registry must be expanded and see the provinces and territories opt into it to be effective.

• (1500)

Without a robust and public corporate beneficial ownership registry, Canada remains vulnerable to a host of financial crimes that threaten our economic stability and national security.

Opaque corporate structures offer convenient veils for money laundering, terrorist financing and tax evasion and avoidance.

Right now, it is relatively straightforward for individuals or entities to hide behind shell corporations, nominee shareholders or trusts to conduct illicit activities anonymously. Such secrecy can turn our country into a playground for criminals and corrupt individuals — who can exploit our financial systems and real estate markets, among other sectors.

It is hard-working Canadians who bear the economic brunt of this problem — whether it's through inflated housing prices, or lost tax revenue that could have been used for public services. The lack of a transparent registry creates loopholes that make it difficult for authorities to track criminal activity, weakening our ability to enforce existing laws effectively.

Bill C-42 is part of a growing global trend toward increased corporate transparency and accountability. Countries such as the United Kingdom — with its public register of people with significant control — and the European Union — through its Fifth Anti-Money Laundering Directive — have already made reforms. The United States is also moving in this direction via the Corporate Transparency Act, signed into law as part of the National Defense Authorization Act for Fiscal Year 2021. According to Transparency International, there are currently 108 countries around the globe that have made commitments to implement publicly accessible registries.

In addition: The International Monetary Fund, or IMF, is considering adopting regulations that will require beneficial ownership registries in countries receiving IMF loans; organizations, such as Transparency International, and think tanks, such as the C.D. Howe Institute, have been unequivocal in their support for a central, publicly accessible beneficial ownership registry; and in 2019, the B.C. Cullen Commission recommended that a pan-Canadian corporate beneficial ownership registry be in place by the end of 2023.

There is a broad consensus among experts that this is the right path for Canada. However, there remain several questions about privacy and personal security rights that need to be examined by a committee. In a brief to the House of Commons Standing Committee on Industry and Technology, the Canadian Bar Association has noted that:

In its current form, we are concerned that Bill C-42 will disproportionately impair the privacy and personal security rights guaranteed by the *Canadian Charter of Rights and Freedoms*.

Individuals have legitimate personal and business reasons for not publicly disclosing sensitive personal information of beneficial owners. Canada should be mindful that businesses

will look carefully at the requirement to make information public and determine how and in which jurisdiction they want to structure their corporations.

Their letter continues:

Public disclosure of additional corporate information may deter corruption and money laundering, and frustrate the efforts of fraudsters to use sham corporate vehicles for criminal purposes. However, it may also increase identity theft (as recently observed in schemes to defraud the government of COVID-19 relief funds) which could undermine the anti-fraud rationale of the registry. We urge the government to carefully consider the policy intent of Bill C-42 to ensure it meets its stated objective.

I am sure you will agree that these severe concerns have not been addressed in the other place. I encourage the committee studying the bill to look into these and any other concerns carefully to ensure that the legislation is well crafted and will achieve its important objectives.

Colleagues, while the Conservative Party may be the opposition, we are not opposed to good legislation. This is one of the rare times when we see such a thing under this Liberal government, which we are committed to working with in a spirit of cooperation when it serves the national interest.

That is why we will be supporting Bill C-42 at second reading. We look forward to studying it further at committee. Thank you.

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 Downe, bill referred to the Standing Senate Committee on Banking, Commerce and the Economy.)

• (1510)

THE SENATE

MOTION TO AUTHORIZE JOINT COMMITTEES TO HOLD HYBRID MEETINGS—DEBATE ADJOURNED

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate), pursuant to notice of September 21, 2023, moved:

That, notwithstanding any provision of the Rules, previous order, or usual practice, until the end of the day on June 30, 2024, any joint committee be authorized to hold hybrid meetings, with the provisions of the order of February 10, 2022, concerning such meetings, having effect; and

That a message be sent to the House of Commons to acquaint that house accordingly.

(On motion of Senator Martin, debate adjourned.)

[*Translation*]

CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Ringuette, seconded by the Honourable Senator Ravalia, for the second reading of Bill S-239, An Act to amend the Criminal Code (criminal interest rate).

(On motion of Senator Petitclerc, debate adjourned.)

BALANCING THE BANK OF CANADA'S INDEPENDENCE AND ACCOUNTABILITY BILL

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Diane Bellemare moved second reading of Bill S-275, An Act to amend the Bank of Canada Act (mandate, monetary policy governance and accountability).

She said: Honourable senators, I want to begin by acknowledging that the lands on which we are gathered are part of the unceded traditional territory of the Anishinaabe Algonquin people.

On August 31, the premiers of British Columbia, Ontario and Newfoundland and Labrador asked the Governor of the Bank of Canada to stop raising the key interest rate and consider the human impact of its monetary policy. Some commentators challenged those remarks and felt that the provinces were attempting to engage in political interference with the Governor of the Bank of Canada.

Personally, I saw those remarks more as an expression of the deep economic insecurity felt by the people in those provinces and echoed by the provincial premiers.

We all want to live in a country where our governments work to ensure our basic physical and economic security. Economic security alone can't buy happiness, but family life is certainly happier and more optimistic when we can plan our income and expenses and pay the mortgage or rent without having to cut back on food or our children's education. That has been my main motivator throughout my career: combatting economic insecurity and promoting ways of achieving it. That is what sparked my interest in the labour market, social dialogue and monetary policy.

Are you wondering what this anecdote has to do with my bill? It's quite simple. A country's prosperity depends in large part on the quality of its human and natural resources, and on its collective ability to develop them.

Monetary policy largely determines the basic cost of investment or development of our human and natural resources. Monetary policy therefore has a major role to play in promoting a country's lasting prosperity, a basic condition for a nation's economic security. Monetary policy is a serious and delicate issue, one that deserves particular attention, because a country's standard of living largely depends on it.

For that reason, no one person, even surrounded by an excellent team, can be asked to take full responsibility for it and assume the consequences.

Colleagues, in the speech that follows, I'll explain first in French and then in English the nature of my bill and the main principles behind it. I hope you'll understand why it's important to move it quickly through to committee.

I hope to see you take part in this second reading debate by asking me questions. My formal speech will be relatively brief.

What is the purpose of my bill, summed up in one sentence? It aims to strike a better balance between the Bank of Canada's independence and the need for transparency and accountability.

To that end, it amends the Bank of Canada Act by adding a section on monetary policy, a mandate and objectives. This bill seeks to fill an existential void in the existing legislation, which is utterly silent on monetary policy and does not specify the objectives of such a policy.

This bill helps to bring the Bank of Canada's legal framework into line with those of comparable central banks. The bank was established in 1935, and its preamble, which serves as its mandate, has not been rewritten since, even though the act was amended in 1985. This bill does not change the spirit of the objectives set out in the 1935 preamble. It simply expresses the bank's mandate clearly and in contemporary language.

Bill S-275 also seeks to recognize the bank's institutional independence while adding transparency and accountability requirements and safeguards. That relieves the governor of part of the decision-making burden. Believe it or not, the governor is currently the only person deciding the fate of millions of

families, although he works with his governing council, of course. My bill will also strengthen public confidence in the bank's decisions.

• (1520)

To that end, my bill creates a permanent committee on monetary policy. This committee will be chaired by the governor and will include deputy governors and experts not affiliated with the central bank. This good governance practice exists in several other countries, including New Zealand, England and, to an extent, the United States. Australia is also considering this approach.

This committee of experts from different backgrounds will provide assurances to the public that monetary policy is determined independently and is not subject to partisan political influences. The committee will also be responsible for supervising the cost-benefit analysis of the monetary policy and the assessment of its effectiveness. There is currently no regular analysis of the monetary policy's effects. Unlike in other countries, the bank itself analyzes or assesses the monetary policy.

The committee will also take part in drafting the five-year agreement between the bank and the government to set the monetary policy framework. This committee could also propose alternative strategies as buffers against such supply-side shocks as unpredictable spikes in oil prices or adverse weather conditions leading to crop failures.

This expert committee will reassure Canadians that the bank is fulfilling its role of promoting economic prosperity. It goes without saying that the composition of the external members of the permanent committee is of the utmost importance. That is why Bill S-275 sets out specific eligibility conditions and skill requirements. The appointment process will also have to be open and transparent, and the members will have to be selected after consultations with key players in the economy, including representatives from major employer and labour organizations. It is essential that these experts, who do not necessarily work within these organizations but are recognized by them, come from diverse backgrounds. We don't want experts who all went to the same school and don't have field experience.

[English]

As you know, Canadians and the financial markets are often nervous on the day the Governor of the Bank of Canada announces the key interest rate. It is not surprising given the financial consequences for people's wallets and the impact of this decision on the economy. Besides, most Canadians don't really know how this decision is made.

Technically, the Governor of the Bank of Canada determines the key interest rate eight times a year in the context of its monetary policy. He is supported by his Governing Council, made up of deputy governors whom he has chosen and who work for the bank. In recent months, an external, non-executive deputy governor has joined the committee.

[Senator Bellemare]

The governor and his team could get it wrong, and the Bank Act is of no assistance or protection.

The Bank of Canada Act was adopted in 1935. The act was amended through time and revised in 1985, but the objectives of the bank and the mandate of monetary policy were never specified in the act. It is completely absent.

The preamble to the Bank Act presents a list of objectives of equal importance. The bank, on its website, summarizes this preamble as the bank has the mandate, ". . . to promote the economic and financial welfare of Canada." To this effect, section 8 of the act gives the governor full powers to act as he sees fit, without any transparency requirements.

However, since 1991 — more than 30 years — the monetary policy framework is specified in a five-year agreement prepared by the bank and agreed to with the government through the Minister of Finance. This framework determines the target in terms of inflation rate without specifying the timeframe for achieving it. For the last 30 years, and renewed in December 2021, this agreement has targeted a 2% year-on-year increase in the overall consumer price index.

This agreement is tabled in Parliament, but is not subject to any parliamentary approval or accountability. This document — which has no legal force, because it's not in the law — allows the governor to raise the base interest rate if and when the overall CPI increases by more than 2%. This is a simple rule for a problem that is not, and it is a rule that has been created through time and never had any foundation in the Bank of Canada Act.

Honourable senators, as you know, inflation in the 21st century has become a more complex issue than in the previous one. It is not always an excess demand problem. Climate crisis, political uncertainty, reversed globalization, demographic issues, all may create supply shocks that will impact inflation. Rising interest rates reduce aggregate demand with certainty. But Canadians don't have the same assurance that rising interest rates will cope with inflation because as you know, increased interest rates can have boomerang effects. When the Bank of Canada raises its basic rate, increases to mortgage rates follow.

According to Statistics Canada — and that's a really important statistic — mortgage cost increases are responsible for more than 30% of the yearly cost of living increases. It's 37% with rental living increases. It can also have detrimental effects on specific sectors such as housing, for example. When housing spaces are in short supply and construction starts decrease because of less affordable mortgage conditions, rental rates go up. The two together are around 37% of the increase in the CPI that can be attributed to the monetary policy.

It is hard to predict the consequences of monetary policy on the economy because it reacts with lags. The bank can easily be too severe or too loose, and it is easy to overshoot monetary policy and precipitate a recession.

• (1530)

Therefore, some countries have incorporated safeguards into their legislation. For example, in the U.S., Australia and New Zealand, monetary policy pursues a dual mandate, that is, price stability and maximum employment or full employment. Consequently, this dual mandate forces central banks to be prudent in the conduct of monetary policy.

Some countries have also put in place monetary policy committees where external members can help assess the risks involved and work on diverse scenarios.

If supply chain shocks are to become common, shouldn't monetary policy consider the expertise of experts knowledgeable about those realities?

This bill adds safeguards in the conduct of monetary policy by specifying the dual mandate of monetary policy and by creating a monetary policy committee called the permanent committee. The composition of this committee and the process of selection of its members are of the utmost importance. The process needs to be open and transparent. These experts should be appointed after consultation, as I said previously, with organizations representing civil society and the economy, such as important business associations and labour organizations, so that the committee is best equipped to balance the goals of price stability and full employment. This committee would be credible to call for responsible behaviours from all economic actors.

The committee would participate in the discussion about setting the policy rate. When I say "the committee," I mean the big committee chaired by the governor, with the deputy governor and the external experts. They would participate and vote on setting the policy rate, as they do elsewhere. The members would adopt the annual cost-benefit analysis framework that supports policy; supervise the assessment of the effectiveness of monetary policy — because we can, as I said, question the link between increasing interest rates and taming inflation — ensure that the use of non-traditional tools is consistent with the bank's mandate; and participate in the drafting of the five-year agreement with Canada.

Last but not least, I have to say that some parts of this bill have been inspired by the work done by a special committee appointed by the government of Australia to review the Reserve Bank of Australia Act. This report is entitled *An RBA fit for the future*. It was published in March 2023.

When I read this report, I said that's a gift from I don't know whom that gave me the legitimacy to pursue what I wanted to do, which is to introduce an amendment to the Bank of Canada Act so that it is modernized. But do you know who was on the committee that wrote this? Three experts worked together on the report, and it benefited from the experience of a former deputy governor of the Bank of Canada. Guess who? It was Carolyn Wilkins. It's very interesting, so I was inspired by the recommendation of this report to draft this bill.

The time has come, colleagues, to demand greater transparency on the real impact of short- and medium-term monetary policy on the Canadian economy and to give the governor and his team the tools to achieve its main objective, because the main objective of the Bank of Canada is prosperity. It is not price stability at all costs.

When I realized that, I said this is how I have to talk about that. The governor and his team have powers to do anything they want to promote prosperity. Nowhere in the Bank of Canada Act is it underlined that price stability is to be the sole objective. It cannot be the sole objective. Because of that, I think it is very important to think about that and to put in place the institutional change in the act to balance the independence of the bank and the accountability principle. By having this external committee, which would have the right to speak outside of the bank, it creates confidence in the population that the bank is doing the right thing.

I'm finished with my speech. I can take questions, if you want. I would be pleased to answer them. Thank you very much.

Hon. Yuen Pau Woo: I'm happy to oblige, Senator Bellemare. Thank you for your speech.

To what extent would you make the deliberations of this proposed monetary policy committee public, particularly the minutes of their meetings and the detailed discussions that reveal the thinking of the members? As you know, in the Federal Reserve System there's always a lot of speculation about the different governors of the Federal Reserve System and the positions they take. I'm not sure how beneficial that is and how much more transparent that makes the American system. What is your proposal for this approach that you're suggesting?

Senator Bellemare: Thank you for the question, senator.

[Translation]

I'll answer in French if I may.

I'm not sure the monetary policy committee should be televised, but it will produce a report, just like the one in New Zealand. I really like the New Zealand committee's report, because it specifies who said what, which makes the outcome of the vote clearer.

In Western Canada, the C.D. Howe Institute created its own version of a monetary policy committee consisting of about 12 experts who discuss what they would do and then vote. Every member's name is associated with their views. That beauty of that is that it results in a moderate, prudent monetary policy.

Senators may not be aware that, in the 1980s, when interest rates were very high, Canada had one of the most restrictive monetary policies in the world. Right now, given the current rate of inflation, Canada's monetary policy is very restrictive. Leaving out the effects of mortgage rates and rent, we're not far from our 2.6% target.

There was a time when the inflation rate target was between 1% and 3%, with some flexibility. Right now, the combination of a restrictive environment and rapid interest rate hikes means that many investments are not being made. We are not accelerating our transition to a green economy.

We can't get that time back. We can't get that lost prosperity back. We can't make up for investments that weren't made. That's why the members of the Standing Senate Committee on Banking, Commerce and the Economy found that Canada's per capita GDP wasn't really up compared to other countries.

I know this is a difficult subject, but my bill has no financial implications because these experts will not be paid.

• (1540)

When I was appointed to the Economic Council of Canada, I was not paid. I did that work for six years. It took up a lot of my time, but I was very happy to be a member. In this case, I think there will be a lot of experts from different backgrounds and it won't turn into a free-for-all — Earlier, I gave an interview on the radio and I was asked, "Don't you think there will be bickering?" I said, "No, there will be votes and a result."

Hon. Clément Gignac: I want to commend my colleague, Senator Bellemare, for her work on this bill. I know how motivated you are to protect the Bank of Canada's independence and transparency. You know that I share your objectives. However, I'm wondering about the timing of your bill. Right now, every five years, the Department of Finance and the Bank of Canada sit down to review the bank's mandate. Thanks to your intervention two years ago, which I applaud you for, the job market is briefly mentioned, not as much as you would have liked, but still.

Right now, the Bank of Canada is acting like a firefighter, as are many other central banks, to beat inflation, because the causes aren't necessarily attributable to it. Don't you think that launching a debate and sparking discussions in this regard at this stage — at a time when political leaders are prepared to show the current governor the door and when we are fighting hard against inflation, which is a major scourge affecting the most disadvantaged members of our society — rather than waiting three years might upset the financial markets? It will become political, and the independence of the Bank of Canada, which you and I both hold dear, will be called into question. The whole discussion surrounding the Bank of Canada will become political and politicized.

In your bill, you appoint six external members. As a result, the governor of the Bank of Canada and his two colleagues will be in the minority around the table. Since each member has an equal vote, only one third of the votes will go to the head of the Bank of Canada as opposed to the other six volunteers. Who will be flying the plane? Who will be accountable for the interest rate decisions that affect Canadians?

Senator Bellemare: Thank you, Senator Gignac. I understand your concern. You asked two questions. I think it's too late to wait to better define the monetary policy framework. There are too many things to do. With that in mind, I think that the Senate is the best institution to begin wisely and carefully considering

this issue. If we analyze a bill like this one, there is a lot less risk of things getting out of control than if we just asked the question more broadly. That is why I decided to choose specific aspects of the legislation to amend, to prevent a populist uprising or something of the sort. Australia has set up a panel of experts to make changes as part of a strict framework.

Your second question about the number of members on the monetary policy committee is a good one. I am open to discussion on that. This is the beginning of a negotiation. Perhaps the number is too high. Perhaps we should increase the number of deputy governors, or keep the number of deputy governors the way it is and have the six — I based the committee on the Australian model, but we could keep the six and add six or perhaps . . . In any case, that is something that could be considered in committee, to see what we come up with.

I am not worried about that. On the contrary, it may help us with our investments in the future.

Hon. Julie Miville-Dechêne: I have a question for you, senator. I am not an expert in monetary policy, but you made several references to the Australian example. These days, Australia is referred to for all sorts of examples. In this case, did having a mandate that you consider to be more balanced between prosperity and the fight against inflation have a measurable impact on monetary policy? For example, is Australia less likely than Canada to deal with inflation by raising interest rates? Is it possible to see whether this model has already had an impact?

Senator Bellemare: Thank you for that excellent question, senator. Unfortunately, I can't say whether there's been any impact in Australia.

What I can tell you, however, is that in the United States, there has obviously been an impact. The United States also has a dual mandate, specifically price stability and full employment. Pierre Fortin has been working on this issue, and I had the honour and opportunity to speak with Janet Yellen, who was chair of the Federal Reserve Board just before being appointed Treasury Secretary by President Biden. She told me this could explain why the unemployment rate was often much higher in Canada than in the United States in the 1980s and 1990s.

I examined this issue in a book I published, but it hasn't been updated for the 1980s and 1990s. It's clear that Canada didn't increase its productivity as much as it could have, because of its strict monetary policy, but I didn't do that kind of regression analysis. I compared the statistics for countries with dual mandates, and I studied the matter of Canada's stringency. As for Australia, I can't answer your question. Thank you.

Hon. Pierrette Ringuette: Senator Bellemare, thank you again for sparking our imagination and prompting discussion about the Bank of Canada. You'll recall that a few months ago, when the Governor of the Bank of Canada appeared before our committee, I asked him who he was consulting. He replied that he was consulting several Crown corporations and interdepartmental committees to gather as much information as possible.

Given the evolving nature of the economy, whether because of the pandemic, supply chains or the environment, do you think it's a good idea for this advisory committee to be a permanent committee? Shouldn't it instead be made up of ad hoc members, so as to capitalize on experts in whatever field the geopolitical or economic situation calls for?

Senator Bellemare: Thank you for the question. I think that this should be a permanent committee whose members serve a renewable three-year term so they have time to really get into the files. The bill states that the chosen experts must be able to demonstrate outstanding expertise in two of the five following areas: the labour market, open-economy macroeconomics, supply chains, the financial system and risk management. These are important areas of expertise from different backgrounds.

Let's get back to transparency. In your question, the governor relies, as he said, on core inflation, a statistic whose accuracy is unknown. We've been told that this is a metric calculated by stripping out the most volatile components of the consumer price index, but what exactly is core inflation?

• (1550)

These are questions that a permanent committee could study and then explain to people, and this would build confidence around what the bank is doing.

Senator Gignac: I don't want to take up too much time here, since we'll have a chance to talk about this some more. Senator Bellemare, I'd like to talk more about transparency. I find your approach to the Bank of Canada's transparency a bit hardline. Sometimes there's a difference between governance and transparency. In terms of governance, obviously it's up to us as legislators and to the Department of Finance to determine the Bank of Canada's mandate.

Regarding transparency, having spent decades running the show as a chief economist, I personally observed the evolution of transparency at the Bank of Canada. Nowadays, monetary policy reports come out every three months, and we even get things like meeting minutes. Even the International Monetary Fund said, last September, that the Bank of Canada sets a high benchmark for transparency and that its practices are broadly aligned with expanded and comprehensive practices as defined by the Central Bank Transparency Code.

Apart from the fact that the people at the table will disclose how they are voting, how will her permanent committee on monetary policy make everything more transparent than it is now? Senators will understand that a report on monetary policy is already published every three months and that there are speeches by the governor who comes to testify before the Standing Senate Committee on Banking. He also does the same in the House of Commons. Other than having external people who will disclose how they are voting, a bit like the federal reserve does right now, what more does your bill on the Bank of Canada's transparency do?

Senator Bellemare: Thank you very much for your question. In fact, the International Monetary Fund has been publishing a very rigorous transparency code since 2020. The IMF has analyzed the Bank of Canada, and in its report, especially at the

beginning, it applauds the bank — Yes, the bank is making efforts to communicate better. It communicates quite a bit with Canada and is transparent about its objectives. However, the International Monetary Fund also acknowledges that the bank could be more transparent in analyzing the results of its policy and in monitoring indicators.

That's where I stand. I believe that monetary policy is not a one-size-fits-all relationship between interest rates and inflation. There is a whole range of opportunities and combinations, and there is also a set of strategies that could be adopted. I think it would be useful, even for the Bank of Canada, to measure the costs and benefits of its choices, to determine the financial impact on families and businesses, and to understand the consequences of all these decisions on investment and, ultimately, on productivity.

That's where I'm at. I think the governor and his team are doing an incredible job of communicating. We see them everywhere, giving talks, producing documents. Do we know if the policy will really work, though? Doubts are setting in. I myself have doubts, but I don't want to get into that because that's not the purpose of my bill. The purpose of my bill is to make room for doubt and urge prudence.

I think doing this is in Canada's interest. Canada is a great country, but it's behind the times in many ways. Monetary policy is key to the country's prosperity. We can't let interest rates fluctuate wildly, just like people can't take a small amount of blood pressure medication one day and a large amount the next. We have to be prudent.

That's what the committee's job would be. I wonder how people at the bank get any sleep the night before a policy rate announcement. I wouldn't be able to sleep. As an economist who knows how the policy rate affects everyone's lives, I think it's far too great a responsibility to leave to one person. I think that a well-balanced committee would help a lot. It wouldn't fix everything, but it would help.

[English]

Hon. Tony Loffreda: Thank you, Senator Bellemare, for your speech and your bill.

Global concerns on central bank independence are mounting. Do you not see a larger risk for independence and a resulting blur between fiscal and monetary policy through your proposal?

Senator Bellemare: I will try to respond in English. In my proposal, there is space to enable coordination of fiscal and monetary policy. Like it or not, monetary policy has an impact on fiscal policy because it increases debt service, and fiscal policy has an impact on the monetary side of the equation as well.

If you have an expert on your monetary policy committee, with observation from the Deputy Minister of Finance, you could have great coordination of fiscal and monetary policy to curb inflation while being completely independent from partisan politics. We say the bank has to be independent; independent of what? It has to be independent of the political parties in power so it doesn't act in a partisan manner.

If you have a committee on monetary policy, you have more reason to expect independence than none. It increases the independence of the bank while multiplying the choices of policy decision. It's an innovation in social engineering or economic engineering in a country that really needs some innovation.

(On motion of Senator Martin, debate adjourned.)

[*Translation*]

DEPARTMENT OF FOREIGN AFFAIRS, TRADE AND DEVELOPMENT ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Amina Gerba moved second reading of Bill C-282, An Act to amend the Department of Foreign Affairs, Trade and Development Act (supply management).

She said: Honourable senators, I rise to speak to you today from the traditional unceded territory of the Anishinaabe Algonquin nation.

Honourable senators, it is a privilege for me to address you as the sponsor of Bill C-282, which seeks to amend the Department of Foreign Affairs, Trade and Development Act regarding supply management.

This bill has to do with a policy established in our country half a century ago, a policy that applies to all of our regions and that has served Canadians well. I am talking about supply management.

• (1600)

I salute the work of Luc Thériault, the member of Parliament for the riding of Montcalm and sponsor of Bill C-282.

I consulted several people and reflected carefully before agreeing to sponsor this bill in the Senate. I eventually agreed for three reasons.

First of all, it addresses the needs of Canadians in terms of the reliability and sustainability of our food supply and its implications, particularly in terms of health. It also addresses the needs of our farmers as the producers of this food supply. I will come back to that a little later.

Second, we need to take into account the effects of the changes that are forever transforming the vast sector of the farming economy. I'm thinking in particular of climate change, which is dramatically affecting global agricultural production. We must also take into account the notion — if not the obligation — to ensure food security. This obligation recently became political, and a prime example is India's decision to ban rice exports in order to meet the needs of its own population, which stands at 1.4 billion. I would remind the chamber that India is the world's leading rice exporter. Admittedly, these policies contradict the notion of an open market. They are based on different considerations and on other values that are embodied in the concept and reality of food security.

[Senator Bellemare]

I would like to remind senators that we all need to condemn the disgraceful use of agricultural commodities as weapons of war in Russia's current war on Ukraine. This disgraceful tactic is jeopardizing the already fragile food security of many African countries.

Third, my decision to sponsor this bill was also influenced by the considerable support that it received in the other place last June, with 262 yeas versus 51 nays. That means that almost 80% of members voted in favour of the bill, including the four party leaders. This solid support has already been expressed several times in the past. There have been many unanimous motions calling for the supply management system to be protected when trade agreements are being negotiated.

It is also important to mention that Bill C-282 represents the second attempt to draft legislation on this subject. In 2021, Bill C-216 died on the Order Paper after reaching second reading stage and being sent to committee. The motion was adopted with 250 yeas and 80 nays. I also want to take this opportunity to commend the work of Louis Plamondon, the member for Bécancour—Nicolet—Saurel, who sponsored that bill.

In preparing this intervention, I recalled a time, an episode in my life as a business owner, that I will share with you in this chamber. There was a time when I worked closely with shea butter producers from Burkina Faso. These valuable female partners provided me with the raw materials needed to manufacture a range of body care products in Canada.

We collaborated in a very transparent manner with women who had formed a producer cooperative. Our company paid them a fair and equitable price for the fruits of their labour. Thanks to the fair trade system that we implemented, they could easily meet their needs and those of their families. They sent their children to school. What's more, they contributed to the local economy and supported the development of their communities. This collaboration also enabled them to acquire new skills and meet very strict quality standards. That is how we helped these women become the very first producers in the world to obtain organic certification for shea butter. That meant value added for their products, and the sale price per kilo more than doubled.

Essentially, Bill C-282 seeks to preserve a certain system, supply management, that provides Canada with a number of benefits comparable to those received, on a smaller scale, by these producers in Burkina Faso.

I acknowledge and respect the arguments of those in this chamber whose convictions on the issue of supply management differ from my own. However, I believe that food security for Canadians is a fundamental and unavoidable objective. I would even go so far as to say that it is one of our country's values and obligations. In that sense, it is non-negotiable. Consequently, it must be afforded solid and lasting protection.

To that end, we must look very carefully at the food needs of Canadians and protect what needs protecting, considering today's climate, economic and commercial ecosystems.

The issue of supply management goes far beyond economic and financial considerations alone. I agree that they are important, but they cannot replace the requirements of food safety and availability for Canadians, the sanitary quality of the food and the impact its production has on all of the land in our country in the rural regions. This production and protection contributes to land occupancy, to the viability and prosperity of the communities that occupy that land, and to the maintenance of private and public services within them.

What's more, supply management gives our country tools to ensure stability, predictability and good levels of investment in research and development in agriculture and agri-food, which are major economic sectors. In an era when severe climate change is unfortunately disrupting agricultural production around the world, supply management guarantees Canadians a secure supply of essential food items, the quality of which is verified and verifiable.

Supply management is not broadly known or understood, yet it has been at the heart of our agricultural production system for over 50 years. It seeks to regulate the price of three essential products: eggs, including hatching eggs, dairy products and poultry.

These three supply-managed sectors account for nearly 350,000 jobs, contribute up to \$30 billion to Canada's GDP and generate \$7 billion in tax revenue. More specifically, supply management accounts for 125,000 jobs in Ontario, 115,000 in Quebec, 90,000 in the Western provinces and 20,000 in the Atlantic provinces. That makes it a truly Canada-wide system, as I mentioned earlier.

Supply management is built on three pillars. The first is efficient management of supply.

• (1610)

In the case of dairy products, for example, research on consumer demand is conducted regularly and is used to allocate production quotas, which the Canadian Dairy Commission distributes amongst the provinces. Provincial authorities then sell them to their respective producers.

The second pillar is price control. A floor price and a ceiling price are set, and prices can move freely within this range.

The third pillar is import control. By setting appropriate tariffs, the system regulates the quantity of the products concerned crossing our borders. This three-pronged approach to supply management is both simple and effective. This system has many benefits for Canadians.

The first of these benefits concerns agricultural producers themselves. With this policy, producers receive guaranteed, fair and equitable compensation for their work. Reliable compensation protects their businesses and enables them to invest in applied research. Furthermore, it makes it possible for them to invest in very expensive modern equipment, which relies heavily on digital technology and is likely to rely on artificial intelligence in the future.

Finally, it encourages investment in governance in this area according to private sector or cooperative sector standards.

Without these capabilities, our agricultural sector would be in real trouble because of the EU's agricultural policy and its three generously funded programs: the European agricultural fund for rural development, the European agricultural guarantee fund and a program to compensate farmers for green agricultural practices. According to a recent study by *Le Devoir*, nearly 3,000 French farms have already received payments through the program, which was launched just two years ago.

According to France's national strategic plan for the upcoming common agricultural policy 2023-27, 90% of medium and large businesses get subsidies that make up 21% of their revenue, and at least half of them would be in the red without that support.

Left to its own devices, our agricultural sector would also be threatened by the agricultural policy of our great neighbour to the south, which, according to the OECD, has "continued strong support for farm incomes."

In both of these economic powerhouses, agriculture is protected, highly subsidized and fully protected from risk. Does it make sense for Canada to compete with those two giants on food production?

I would add that our supply management policy undoubtedly costs us less than our neighbour's agricultural policies or those of the 27 EU countries, let alone China and India.

Another major advantage of our supply management policy is that it enables our producers to establish a strong presence in Canada and, as noted earlier, to ensure the sustainability and prosperity of our regions. Our regions greatly benefit from this source of employment, which contributes to regional vitality and economic activity. Conversely, when farm operations shut down, it has a major impact on the regions, particularly those that are far from our urban centres.

If supply management were to be done away with, it is estimated that 80,000 jobs would be directly at risk. The health of our farms goes hand in hand with regional development. The two are inextricably linked.

The COVID-19 health crisis made it clear that the offshoring of agricultural production is a major problem. It exposed dependencies that we were completely unaware of. It highlighted the urgent need to build resilient local supply chains around essential common goods, such as health, education, transportation, communications and food security.

Supply management protects us by making our most essential food items subject to our own rules and controls, particularly food safety controls.

In poultry farming, for example, the industry has implemented a food safety program called "Raised by a Canadian Farmer." This program is now mandatory in all the provinces, and 100% of chicken farmers are certified. Supply management ensures not only that our products are of good quality, but also that they meet our animal husbandry and welfare standards.

Furthermore, by bringing our producers closer to consumers, supply management helps us meet our ecological objectives. In fact, shortening our supply chains is an inexpensive and effective way of reducing our greenhouse gas emissions.

According to a recent report from the United Nations Food and Agriculture Organization, the supply chain is becoming one of the largest contributors to greenhouse gas emissions from the agri-food system in many countries. Of the 16.5 billion tonnes of GHG emissions due to global agri-food systems in 2019, 5.8 billion tonnes came from supply chain processes. Clearly, supply management contributes significantly to our efforts to combat global warming.

By preserving Canada's farms, supply management is helping to preserve a valuable agricultural ecosystem that is undergoing profound change. Over the past 20 years, our country has lost the equivalent of seven farms a day.

This shift primarily affects farms that are not supply managed, and the result is that farmland ownership is being concentrated in the hands of major conglomerates. This threatens the family farm model in Canada. Between 2001 and 2021, the number of farms in Canada dropped by 23%, but active farms have grown in size from an average of 274 hectares in 2001 to 327 in 2021. Our neighbours to the south are experiencing the same phenomenon, only more dramatically. Canada still has 22 egg farms, but the United States has only a handful. A single one of them would be able to meet Quebec's entire demand.

This concentration phenomenon is undermining supply management.

Having such diverse farms in our country is a major asset. In addition to ensuring the occupation and development of our territory, as I said earlier, it protects Canada's supply from all kinds of adverse events. The latest of these was avian flu, which had a significant impact in the United States, driving price hikes. In contrast, the diversity of our farms protected Canadian consumers.

Clearly, supply management is good for consumers.

• (1620)

By keeping prices fair for the entire value chain, the system gives Canadians a guarantee that their supply is protected from shortages. The system also shelters them from significant and untimely price fluctuations. In an unregulated market, prices are volatile by nature, not least because of extreme weather phenomena that are occurring more and more frequently because of climate change.

Thanks to supply management, producers do not have to rely on government support programs or subsidies to survive. In that context, supply management can be seen as a sort of insurance policy for consumers. Not only does it contribute to protecting the work of farmers and producers by giving them stable incomes, but it also ensures consumers get a stable supply. It is a win-win partnership.

Like the majority of the senators in this chamber, I am unquestionably very much in favour of a market economy. However, I believe that we must take into account the context and the specific characteristics of certain essential fields that need to be protected and kept safe from adverse disruptions. Despite the clear and tangible benefits supply management offers our country, it is constantly under threat.

To the question of why we should include supply management in legislation, I would answer that recent free trade agreements have successively damaged this mechanism. They have progressively weakened it. Whether we're talking about the Comprehensive and Progressive Trans-Pacific Partnership, CPTPP, the Comprehensive Economic and Trade Agreement, CETA, or the Canada-United States-Mexico Agreement, CUSMA, they have all chipped away at the supply management system.

For example, CETA allowed the import quota for European cheeses to be increased to 16,000 tonnes per year. As a result, small Canadian producers have seen their position greatly weakened. In particular, this has led to a drop in their cheese production and, in turn, a decline in milk producer sales. Furthermore, CUSMA provided additional access to the Canadian market equivalent to nearly 4%.

It is true that the producers who were affected were eligible for government compensation to make up for these breaches in the supply management system. However, this compensation proved to be not only insufficient, but also very expensive for Canadian taxpayers. For example, \$250 million of public money has been spent to offset the losses incurred under CETA by the dairy sector alone. Since the supply management system works so well without taxpayers' money, why dismantle it and then subsidize the producers who are affected? It just doesn't make sense.

Honourable senators, Bill C-282 is about protecting the supply management system. It is very simple. The bill amends section 10 of the Department of Foreign Affairs, Trade and Development Act to safeguard the system by making it a ministerial responsibility. It adds supply management to the list of directives that the minister must adhere to in conducting Canada's external affairs, specifically during free trade agreement negotiations. The minister responsible for international trade won't be able to do anything that would hurt supply management. It can no longer be used as a bargaining chip. Taking supply management off the table in international negotiations will preserve it forever.

Some of our partners around the world were unable to defend their equivalent of our supply management system, and they are paying a heavy price for it today. For example, Australia abandoned this system in the 2000s, profoundly altering the landscape of the country's dairy industry. Its farms were forced to undergo a transition. Farmers fought hard to compete with international prices for milk but were unsuccessful. The price that Australian farmers were getting per litre of milk was below the world average. In 20 years, from 2000 to 2020, the number of dairy farmers dropped from 22,000 to less than 6,000, which is a massive decrease. Since then, exports continue to fall, while imports continue to rise.

A growing share of the Australian dairy processing industry is ending up in the hands of foreign businesses. In the European Union, the end of the common framework signalled the start of industrial management of milk production. France has discovered that it is very difficult to promote and encourage small-scale markets and local producers. Between 2000 and 2010, 35% of the dairy farms in the Picardie region in northern France disappeared.

Honourable senators, supply management is like a shield. It protects Canadians from shortages and sudden price swings. It fights global warming by shortening supply chains. It ensures a decent income for our dairy, egg and poultry producers. It protects our regions from social and economic desertification and safeguards tens of thousands of jobs. Finally, it guarantees healthy, high-quality food on our plates.

Colleagues, we are at a crossroads, and the following questions should guide your decision. How do we want to treat our farmers? Do we want competitiveness at all costs or a resilient, sustainable and local ecosystem? How do we want to feed Canadians? How do we want our livestock to be raised? What role do we want our food sovereignty to play? These crucial questions are at the heart of our supply management policy.

When I began working with the women from Burkina Faso I mentioned earlier, I immediately saw the virtuous circle that had been created. If developing countries have benefited from this approach to trade, so too can developed countries like Canada. I'm convinced that Canada can take advantage of reasonable, regulated free trade, which will preserve its reputation as a responsible trading nation, while fully maintaining its supply management policy.

In closing, I just want to mention that, before this bill was introduced in the House of Commons, it underwent an external legal review, which confirmed that it did not infringe on the privileges of the Crown. As a result, I would ask you to vote in favour of sending Bill C-282 to committee as quickly as possible so that we can provide sober second thought, a process that I hope will be quick and have a positive outcome.

Thank you for your attention.

• (1630)

Hon. Clément Gignac: I want to begin by commending my colleague for her speech. She did her homework and it is very impressive. She has some really good arguments. My instinct as a senator from Quebec and the son of a dairy farmer who comes from a rural area is to support the bill. However, if I put on my economist hat, I must admit that this bill makes me somewhat uneasy. I will no doubt ask you to convince me of some of your arguments in committee. The first thing that makes me uneasy about this bill is that it ties the Government of Quebec's hands in the negotiation process.

You're saying that Canadian taxpayers don't subsidize this program, but the truth is that they pay more for their litre of milk and their dozen eggs than their neighbours south of the border do, and they have not been protected from inflation. The price of a dozen eggs went up by 16% in 2022, and the price of a litre of milk went up by 13%. The supply management system protects

dairy farmers, but what do you have to say to Canadian consumers who are indirectly subsidizing our producers but were not protected from price hikes last year?

Senator Gerba: Thank you for your question, dear colleague. I'll start by commenting on your statement about hands are tied and subsidies being given indirectly.

Nobody is being subsidized, and prices are very transparent. Producers set them in advance and disclose them well in advance. These prices have zero impact on inflation, and they are fair, set in advance and agreed to by all producers.

As I said in my speech, this system is not unique to Canada. Similar systems exist in all countries, and the WTO encourages states to protect certain essential sectors.

Therefore, my answer to your question is that we do not pay indirectly. We do not provide subsidies that cost taxpayers dearly. As in other countries, dairy producers disclose their prices well in advance. I hope I have answered your question.

Senator Gignac: Thank you.

[*English*]

Hon. Robert Black: Thank you very much, colleague. You said that many farms are conglomerates. However, 95% of all farms in Canada are considered family farms; I want to clarify that.

How does the government respond to other sectors — like steel or forest products — that may come out of the woodwork to request similar trade protection? How does the government handle that?

[*Translation*]

Senator Gerba: Thank you, senator, for your question. With respect to how other sectors might react, I think the government needs to respond on a case-by-case basis. We can't just use one sector to help others. The priority must be to help and meet the needs of consumers, the needs of Canadians. If a sector requires government support, it's up to that sector to demand it from the government. No sector should always have to pay to support other sectors.

Hon. Renée Dupuis: Thank you for your presentation, Senator Gerba. You quickly mentioned at the end of your speech that a legal opinion had concluded that your bill did not infringe on the prerogative of the Crown. Can you tell us more about the nature of that document? Is it a public document or a study that was tabled at the House of Commons committee? Is it a document senators have access to?

Senator Gerba: Thank you for your question, honourable senator. Yes, it is a public document. It's an independent study that was done during the first incarnation of this bill, and it's publicly available.

[English]

Hon. Jim Quinn: Thank you, senator, for a very informative speech; it was wonderful. My question is to help gather a bit of clarification.

You mentioned that we're losing seven farms on average in Canada every day. There is no doubt that supply management is essential to the sustainability of those sectors that you talked about. What about the other farms — even some of the ones under supply management — that are at risk because of other factors? How will the committee take that into consideration? Do you anticipate that will be raised at committee?

[Translation]

Senator Gerba: Thank you for your question, senator. I'll start by clarifying that I'm not a supply management expert. What I'm focusing on is Canadians' needs and their food security and food sovereignty. Therefore, if other sectors need protection, I believe the government is entitled to put them forward. I think we need to be guided by the knowledge that this bill is for Canadians because it involves their food security.

(On motion of Senator Martin, debate adjourned.)

[English]

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

SEVENTH REPORT OF COMMITTEE—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Moncion, seconded by the Honourable Senator Yussuff, for the adoption of the seventh report of the Standing Committee on Internal Economy, Budgets and Administration, entitled *Senate Budget 2023-24*, presented in the Senate on February 7, 2023.

Hon. Leo Housakos: Honourable senators, I wasn't planning to speak on Item No. 31, but I think I'm compelled to do so after months and years of frustration when looking at the evolution of this chamber, particularly the Internal Economy, Budgets and Administration Committee — it is moving toward a direction where I think, just like the country, we're spending an exorbitant amount of money very quickly, without justification. Furthermore, I also see a complete adaptation from what has

been the norm in this chamber in the years that I first came here of consensus building and administering the Senate in a non-partisan, transparent, accountable and bipartisan fashion.

• (1640)

Now the Standing Senate Committee on Internal Economy, Budgets and Administration has been taken over, in my humble opinion, with a reflex of whatever the administration comes to us with in terms of expenditures. We acquiesce and say yes. I see a troubling trend, which is the following: If you look at the request here for Budget 2022, the allotment of money that is being requested from this institution is \$126.7 million. In 2021-22, it was \$121.8 million. I think you will all agree there's a significant rise in spending, especially when you take a comparative analysis of the volume of government legislation this chamber has dealt with in the last seven years compared to the previous Parliament and government of seven years, the amount of government legislation we debated and voted on, the number of motions that we have debated and voted on and the number of private members' bills that we've dealt with in this institution. More importantly, if you do an analysis of the number of studies and committee work that was done when I came here in 2009 up until 2015, there's absolutely no comparison.

But let me tell you, if you look at the bottom line as of March 2016 — and March 2016 was the first appointment of this Trudeau government's independent senators. Of course, we've seen the growth of those senators and how that experiment is evolving and continuing to evolve. We've all tried to make it work under difficult circumstances.

As of March 2016, the operating budget of the Senate of Canada was \$74.6 million. We've gone, in a very short period of time, from an operating budget of \$74.6 million to \$126.7 million. The question I ask is — there's nothing wrong when you see an organization spend 40% more in terms of expenditures and investments, but you also want to see the return on investment. Quite frankly, I'm concerned that that return on investment isn't there. That's why the official opposition — and some take difficulty with the term "official opposition," but this chamber does have an official opposition, and thank God our role is to make sure we hold the government accountable — has been calling on the government for years and the majority of government appointees to basically take steps to wield in that spending, be responsible and be transparent.

Another concern we have — above and beyond the bottom line — is the fact that we have gone away from an operating philosophy of consensus between the government and the opposition to one where, right now at the Senate Committee on Internal Economy, we've seen over the last five or six years more votes on various issues whenever there's a disagreement. In the past, if you go back again to 2015 and going back for a number of years, I didn't see that much acrimony. At least at the time when I was there as chair, we always tried to work on consensus. So when we had a deputy chair of the opposition that didn't agree with something, even though the majority on steering was from the government side or the majority on the Internal Economy was from the government side, we didn't make those changes or carry on those expenditures. In the spirit of cooperation, accountability and transparency, we have to go back to those operating methodologies.

Another thing that we in the official opposition have been concerned about, and have been voicing those concerns now at Internal Economy for a number of years, is the fact that the administration seems to be taking over this institution. There's a reflex on the part of the committee to be acquiescing to the Information Services Directorate, to finance or to the various bureaucratic elements of this institution that come to us with proposals instead of the driving force for some of these changes and decisions being senators.

It's not incumbent on directors of departments to be going to Internal Economy and basically saying, "We think this is best for the Senate," and Internal Economy saying, "Yes." Once upon a time, these decisions were taken by senators, for senators and for this institution, and quite frankly, a number of us who have been around for a long time feel that these important issues aren't being consulted and brought to the leadership of our respective groups before decisions are taken.

Case in point: We had a very important cyberattack on our institution of Parliament, a cyberattack that was carried out in the last few days against the House of Commons and this very institution called the Senate. Our servers were attacked by Russia. They were attacked on the House side and in this chamber. How many of you are aware of that? And you know why you're not aware of it? You don't seem to be important as shareholders of this institution. Information Services Directorate is aware of it. The administration is aware of it. I hope Internal Economy at least is aware of it.

Let me tell you, when it happened on the House side, as is normal practice for an institution that is self-governing like parliament, immediately members of Parliament were notified — their internal department of administration, the leadership, the House leaders and immediately the members of the House of Commons. That is normal operating practice of an independent parliament that controls its own destiny and is in charge because at the end of the day Internal Economy, which is given administrative authority of this institution, is given that authority by this chamber. They're accountable to this chamber. The administrators who run the Senate, they run it on the directive of Internal Economy, and the directives also have to be approved and signed off by this institution. That's how a legitimate parliament operates.

So, colleagues, if many of you are wondering why this particular Item No. 31 and the budget of 2023-24 have not been approved and the official opposition has not spoken before about it, this is because these are some of the concerns we have and we think they need to be addressed.

Excuse my suspicion, but there's no surprise at the lack of transparency and accountability when we have a government like this current government. In the midst of every and any scandal, they blame anyone but themselves. They never take responsibility. We've seen it in the last few days with what has happened over in the other place, which has been a major blemish and an insult to the memory of all Canadians who fought during World War II. What happened was inexcusable and unacceptable, and the Prime Minister throws the Speaker under the bus instead of protocol of the Prime Minister's Office and the government taking full responsibility. We have a Prime Minister who has been hiding for a couple of days. At least in this

chamber, we have a Government Representative who isn't hiding. He's here on a regular basis. He takes our questions, but unfortunately, we in the opposition are equally frustrated. We never seem to get answers. We don't get any more answers from him and the government than we do from Internal Economy on these important issues.

For example, the National Security and Intelligence Committee of Parliamentarians, or NSICOP. In the midst of these cyberattacks and in the midst of foreign interference that no one is denying — and we need to take immediate action to address these — we have a government that is missing in action. We have a process with NSICOP —

POINT OF ORDER

Hon. Yuen Pau Woo: Honourable senators, I rise on a point of order. I do not see the relevance of these points to the item at hand and would ask that the honourable senator revert to the question at hand and educate us again on the golden period that he so eloquently reflects on.

Hon. Leo Housakos: Thank you, Madam Speaker. It is very important to highlight that there's a pattern on the part of this government and this Prime Minister of not answering questions transparently and accountably. NSICOP is one of those things when it comes to foreign interference, Senator Woo.

Senator Woo: This is about a budget of the Senate. It is not an issue about the government's management of the Senate. The government has no role in the management of the Senate Standing Committee on Internal Economy, Budgets and Administration or our institution, and the honourable senator is abusing his privilege by speaking on irrelevant matters.

The Hon. the Speaker pro tempore: Senator Housakos, I'm listening and this chamber is listening to the point of order from Senator Woo, and then you can rise on the point of order and give your point of view.

Senator Woo: Well, I've made my point that Senator Housakos is speaking about matters that are irrelevant to the matter at hand. The government, whom he has a right to criticize, does not play a role in the establishment of our budget. It does not play a role in directing the Internal Economy Committee. These points he has raised are perhaps suitable for a pulpit elsewhere and for the base that he wants to appeal to, but they are not becoming of this chamber and they are not becoming of the sorts of discussion we should be having — that is, legitimate discussion on the matter at hand — which is the budget for this institution.

Senator Housakos: Madam Speaker, as you recognize, at the end of the day, in the middle of a debate, there has to be a legitimate point of order. Now he jumps up in order to curtail debate. There has been nothing in his point of order that calls into question the procedure of someone speaking on the item at

hand during a debate. The item at hand concerns the budget and the operating methodology of the Standing Committee on Internal Economy, Budgets and Administration, or CIBA.

• (1650)

I'm calling into question the accountability and transparency of the majority side of this chamber and of CIBA itself. I have someone who doesn't have a procedural issue with this point of order — he has a problem with the content of the debate — so I think I have a legitimate right for Your Honour to recognize that I may continue my debate on this particular item.

SPEAKER'S RULING

The Hon. the Speaker pro tempore: Does any other senator wish to add their comments regarding this point of order?

I appreciate the point of order. However, if we have an Order Paper, it is because there is an order of issues that we want to discuss and be efficient in our debates. The current item that we are debating is a motion by Senator Moncion, seconded by Senator Yussuff, for the adoption of the seventh report of the Standing Committee on Internal Economy, Budgets and Administration, entitled *The Senate Budget 2020-24*, which was presented in the Senate on February 7, 2023.

Senator Housakos, please focus on this particular issue.

Hon. Leo Housakos moved:

That the Senate do now adjourn.

The Hon. the Speaker pro tempore: Honourable senators, it is moved by the Honourable Senator Housakos, seconded by the Honourable Senator Martin, that the Senate do now adjourn.

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

Some Hon. Senators: No.

Some Hon. Senators: Yes.

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

Some Hon. Senators: Yea.

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

Some Hon. Senators: Nay.

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

And two honourable senators having risen:

The Hon. the Speaker pro tempore: Do we have agreement on a bell? The vote will be at 5:52 p.m.

Call in the senators.

• (1750)

Motion agreed to on the following division:

YEAS THE HONOURABLE SENATORS

Ataullahjan	Loffreda
Audette	MacAdam
Batters	MacDonald
Bellemare	Manning
Boehm	Marshall
Boisvenu	Martin
Boniface	Massicotte
Busson	McPhedran
Carignan	Mégie
Cordy	Miville-Dechéne
Cormier	Mockler
Cotter	Moodie
Coyle	Oh
Dagenais	Osler
Dasko	Patterson (<i>Ontario</i>)
Deacon (<i>Ontario</i>)	Petitclerc
Dean	Petten
Downe	Plett
Duncan	Poirier
Dupuis	Prosper
Francis	Quinn
Gerba	Ravalia
Gold	Ringuette
Greene	Seidman
Greenwood	Simons
Harder	Verner
Hartling	Wells
Housakos	White
Klyne	Woo

Kutcher
LaBoucane-Benson

Yussuff—61

ABSTENTIONS
THE HONOURABLE SENATORS

NAYS
THE HONOURABLE SENATORS

Nil

Forest
Omidvar

Pate—3

(At 5:59 p.m., pursuant to the order adopted by the Senate earlier this day, the Senate adjourned until 2 p.m., tomorrow.)

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