



DEBATES OF THE SENATE

1st SESSION



45th PARLIAMENT



VOLUME 154



NUMBER 15

OFFICIAL REPORT
(HANSARD)

Wednesday, June 25, 2025

The Honourable RAYMONDE GAGNÉ,
Speaker

CONTENTS

(Daily index of proceedings appears at back of this issue).

Publications Centre: Publications@sen.parl.gc.ca

Published by the Senate
Available on the Internet: <http://www.parl.gc.ca>

THE SENATE

Wednesday, June 25, 2025

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

[English]

Prayers.

[Translation]

SENATORS' STATEMENTS

THE LATE SERGE FIORI, C.Q.

Hon. Leo Housakos (Leader of the Opposition): Honourable senators, it is with deep emotion that I rise today to bid farewell to a Quebec music icon, a poet of the soul, Serge Fiori.

There is something incredibly meaningful about his death occurring yesterday, June 24, on Quebec's national holiday. It is as though fate had intended that this son of Montreal, this builder of our cultural identity, should take his leave of this world on the very day that Quebecers celebrate their pride, their language and their roots.

Serge Fiori left his mark on much more than the music scene; he shaped Quebec's collective imagination. With Harmonium, he created music that was grounded and universal, sincere and daring, music that spoke to both the heart and mind. He sang of striving, doubt and wonder, and he touched the hearts of Quebecers in a uniquely unassuming way. Very few artists have reached so many generations.

Songs like "Pour un instant," "Un musicien parmi tant d'autres," "Histoires sans paroles" and "Comme un fou" were not just hits. They are a part of our history, refrains that unite hearts across the province and far beyond. Discovering "Si on avait besoin d'une cinquième saison" for the first time is to experience a profoundly innovative album that sets poetry to music.

His work is a cultural monument. It transcends fads and generations. Like Félix Leclerc and Gilles Vigneault before him, Serge Fiori belongs to that select circle of creators whose songs become part of our heritage.

Today we mourn a pillar of our culture, but his legacy lives on. For many of us, the opening notes of Harmonium songs remain etched in our memories. His melodies still resonate and his lyrics continue to touch our hearts — both those who grew up with his music and those discovering it, in awe, to this day.

Honourable senators, on this day after Saint-Jean-Baptiste Day, let us pay tribute to this man who the people of Quebec loved so deeply. Even after he retired from show business, Serge Fiori lived on in our lives, in our living rooms, on the roads we travel and at our parties. As he said in one of his songs, he saw himself as "just another musician," but for Quebec, he was, and will forever remain, one of the greatest.

Hon. Senators: Hear, hear.

ISRAELI-PALESTINIAN CONFLICT

Hon. Yuen Pau Woo: Honourable senators, on June 11, 2025, a group of nine humanitarian organizations briefed senators on the plight of children in Ukraine and Gaza, and they pointed to the vast discrepancy in Canada's response to the two crises. They urged senators to do more to draw attention to atrocities in Palestine and to encourage the Canadian government to take stronger action in support of Palestinian children.

Accordingly, a group of senators will be issuing a public statement this afternoon to express our concern about the extreme humanitarian crisis in Palestine, the disregard for international law by the State of Israel and the legal risk that Canada faces in failing to act in the face of crimes against humanity.

The facts on the ground are horrific. According to UNICEF, more than 50,000 Palestinian children have been killed or injured by Israeli forces since October 2023. A study by Oxfam concludes that more women and children have been killed in Gaza by the Israeli military over the past year than the equivalent period of any other conflict over the last 20 years. Specifically, 80% of Gaza's infrastructure has been destroyed.

Since the January 2024 International Court of Justice, or ICJ, statement on the plausibility of the claim of genocide by Israel in Gaza, Israel's assault on the occupied territory has only become more deadly. By any measure, Israel has not complied with the ICJ's order that Israel's court must take measures to prevent genocidal acts and incitement to genocide and to ensure humanitarian aid reaches Gaza.

For that matter, Canada and many of its allies have so far failed in their responsibility to act in the face of gross violations of international humanitarian law. We applaud Canada's recent statements condemning Israel for the denial of humanitarian assistance to Gaza, as well as the imposition of sanctions against two Israeli ministers and our vote in the UN on the protection of civilians.

However, these actions are not enough. The statement calls on Canada to do more, specifically to protect and fund humanitarian relief in Gaza, impose a two-way arms embargo in Israel, end Canadian involvement in illegal Israeli settlements, address anti-Palestinian racism, protect freedom of expression in Palestine, recognize the State of Palestine and review the Canada-Israel Free Trade Agreement, or CIFTA.

These actions constitute a minimalist set of responses to a crisis that is existential for Palestinians and corrosive to any sense of justice and humanity. For Canada, there's the added risk of reputational damage at a time when we are loudly trumpeting the importance of international rules-based order and our commitment to uphold it.

If anyone else is interested in signing on, please contact my office. Thank you.

[Translation]

THE HONOURABLE DANIELE HENKEL

CONGRATULATIONS ON APPOINTMENT AS HONORARY CAPTAIN OF THE CANADIAN COAST GUARD

Hon. Amina Gerba: Honourable senators, I rise today with great pride to recognize the appointment of our colleague, Senator Danièle Henkel, as honorary captain of the Canadian Coast Guard.

As the first woman to hold this position, she is a powerful symbol of hope and progress. Her appointment sends a clear message: Women have a place in all levels of leadership, including in marine institutions.

Honorary captains are tasked with building ties between the Coast Guard and civil society.

Through their commitment, they help to promote the values, missions and dedication of those who watch over our waters every day.

In a country bordered by three oceans, the coast guard is much more than a service. It is a pillar of our sovereignty, a guarantor of our security and a vital support for our coastal communities.

• (1410)

As an accomplished businesswoman, committed philanthropist and honorary lieutenant-colonel of the Régiment de Maisonneuve, Senator Henkel is a paragon of courage, resilience and inspiration. She navigates storms with grace and leads with humility. Her career is a beacon for those who seek a life of service, undertaking and building a better future for our communities.

Senator Henkel, your powerful voice and wholehearted dedication will enrich the Coast Guard, and all of Canada is honoured to have you there.

On behalf of the Progressive Senate Group and of everyone in this chamber, I would like to congratulate you most sincerely and wish you every success as you navigate these new waters.

[English]

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of the Horsman family, accompanied by Geneviève Lefebvre. They are the guests of the Honourable Senator Tannas.

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

Hon. Senators: Hear, hear!

[Senator Woo]

THE LATE JOHN MCCALLUM, P.C.

Hon. Mohammad Al Zaibak: Honourable senators, I rise today with a sad heart and profound respect to pay tribute to a remarkable Canadian, the Honourable John McCallum, whose passing leaves a void in our country's public life and in the hearts of many who knew and worked with him.

I had the pleasure of attending John's presentations on the state of our economy and interacting with him during his time as chief economist at RBC about 30 years ago. What I remember most about John since then was his bold and effective leadership when he was the Minister of Immigration, when our former colleague the Honourable Ratna Omidvar and I had the privilege of working closely with him to enable the sponsorship and resettlement of tens of thousands of Syrian refugees. This was accomplished through the privately sponsored refugee program that empowered Canadians from all walks of life, cultures and ethnicities to open their hearts, homes and wallets to sponsor and welcome Syrian refugees, adding yet another proud chapter to our Canadian history.

John played a significant role in facilitating that process, mobilizing the public service and helping fulfill the government's promise in 2015 to rapidly resettle more than 25,000 Syrian refugees in Canada in a few months' time. John fulfilled his challenge with the utmost professionalism and, more importantly, compassion and a kind heart.

The nearly 100,000 Syrian newcomers who have made Canada home since 2015 will forever be grateful to John, to the hundreds of thousands of Canadians who sponsored them and to this great country of ours.

I can say that even brief encounters with John were enough to leave a lasting impression. He was a gentleman in every sense of the word. He was plainspoken, warm, thoughtful and always equipped with a witty sense of humour that put people at ease. He had a gift for making you feel heard and difficult conversations feel constructive, as well as a rare ability to build trust.

John's legacy in Canadian public life — as an economist, cabinet minister and ambassador — is well-known. It is his character and not just his résumé that we remember today. John stood out as a leader who brought people together. Canada needs more of that kind of leadership.

John's passing is a loss, but his example is a gift — one that can inspire others to step forward. Please join me in offering deepest condolences to John's beloved wife, Nancy Lim, and their three sons, Andrew, Jamie and Duncan. May his memory continue to guide and inspire us all.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Navjot and Simron Adiwal. They are the guests of the Honourable Senator White.

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

Hon. Senators: Hear, hear!

ISRAELI-PALESTINIAN CONFLICT

Hon. Salma Ataullahjan: Honourable senators, I recently learned the story of a young girl named Malak. Malak is just 13 years old. When the refugee tent she was sleeping in with her family was hit by shrapnel, her father lost his life and she lost one of her eyes.

Holding the youngest of her six remaining siblings, just four months old, born after her father had died, Malak said to the BBC, “I carry a pain that even mountains cannot bear.”

A year and a half ago, I rose in this house to speak on the conflict in Israel and Palestine. I condemned the actions of Hamas and the taking of hostages, and I mourned the loss of life on both sides.

There’s a certain guilt I feel being a Muslim in a safe, comfortable place these days. I have spoken on this conflict, but have I spoken loud enough? Has my voice been heard? Have I fulfilled my duties as a human being?

In the year and a half that has passed, 56,000 Palestinians — 17,000 of whom are believed to be children — and 1,700 Israelis have lost their lives. Over 8,000 Israelis and 100,000 Palestinians — 1 in 20 Gazans — have been injured. More than 180 journalists and 220 aid workers have also lost their lives in the conflict. These numbers are staggering; they should shock every one of us, and they continue to grow.

I worry the world is forgetting the thousands of men, women and children who are suffering from a shortage of food, supplies and medical care. I worry the growing numbers of casualties and displaced populations are slowly becoming statistics instead of a horrifying picture of suffering caused by war.

We cannot stand by and allow this loss of life to continue. We cannot allow this devastation to be seen as normal. We cannot be selective about human rights. The death of every civilian on either side of this conflict should outrage all of us.

Young Malak dreams of becoming an eye doctor when she’s older, so she can help others who have suffered like her. As inspired as I feel by her empathy in the face of immeasurable pain, I fear for her future and the future of other children like her. What kind of world will we be leaving to them? How many kids will be given the chance to fulfill their dreams? When that future generation looks back on us, how will we justify our actions?

As the tragic images and stories continue to emerge, I — like many others — have stopped watching much of the news. But the humanitarian crisis in Gaza is not just a tragedy but a test —

of our values, and of whether we truly believe in the equal worth of every life. I hope we do not fail this test by failing the people of Gaza.

Honourable senators, peace is not built on silence.

[Translation]

NEW BRUNSWICK YOUTH ORCHESTRA

Hon. Victor Boudreau: Colleagues, it is my great honour to bring to your attention an organization that is near and dear to my heart. The New Brunswick Youth Orchestra, the NBYO, is celebrating its 60th anniversary this year.

As part of its celebratory tour, the NBYO will be making a stop here in Ottawa on July 4 at the National Arts Centre.

[English]

The New Brunswick Youth Orchestra, or NBYO, will be tackling one of the most challenging classical repertoires in history: *Symphony No. 1* by Gustav Mahler. Those who know me know I never tire of promoting the tremendous success story that is the NBYO. Serving over 1,200 children and youth each year, the NBYO is the largest employer of artists in Atlantic Canada, the largest youth musical program in Canada and a leader internationally in the space of music for social impact.

[Translation]

The NBYO has earned too many accolades over the years to list them all, but here are a few of them. In 2008, the NBYO won an East Coast Music Award for classical recording of the year. In 2011, it won first place in the symphony orchestra category at the Summa Cum Laude International Youth Music Festival in Vienna, Austria.

• (1420)

[English]

In 2017, the NBYO commissioned Howard Shore, winner of multiple Oscars and Golden Globes and *The Lord of the Rings* composer, to compose music to celebrate Canada 150. The world premiere of that music was performed in Moncton before an audience of 7,500 people.

Recently, the NBYO performed a gala concert for Her Royal Highness Princess Anne and another with *New York Times* bestselling author of *The Da Vinci Code* — and musician and composer — Dan Brown.

But there’s so much more to this story. Beyond its many musical accomplishments, the NBYO has also been an unparalleled social innovator.

In 2009, the NBYO launched Sistema New Brunswick — or Sistema NB — a free daily after-school program that uses music and the orchestra as a means for creating social change for children who otherwise would not have this opportunity. Today, Sistema NB engages more than 1,100 children for three hours daily, five days per week, in 11 orchestra centres throughout the

province. It is the largest program of its kind in Canada. Here's the best part: Over 90% of the musicians who currently make up the New Brunswick Youth Orchestra are graduates of Sistema NB.

[Translation]

As the NBYO celebrates this milestone year, it continues to have a tremendous impact on thousands of young people across the province.

We wish you many more anniversaries and continued success in uplifting more lives.

Thank you. *Meegwetch.*

[English]

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Farida Nekzad, senior journalist and media trainer, who founded the Center for the Protection of Afghan Women Journalists in 2017. She is the guest of the Honourable Senator McPhedran.

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

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

TAXPAYERS' OMBUDSPERSON

2024-25 ANNUAL REPORT TABLED

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the 2024-25 Annual Report of the Taxpayers' Ombudsperson, entitled *Clearing the Path*.

ONE CANADIAN ECONOMY BILL

PRESIDENT OF THE KING'S PRIVY COUNCIL FOR CANADA
AND MINISTER RESPONSIBLE FOR CANADA-U.S. TRADE,
INTERGOVERNMENTAL AFFAIRS AND ONE CANADIAN
ECONOMY—DOCUMENT TABLED

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada

Act, from the President of the King's Privy Council for Canada and Minister responsible for Canada-U.S. Trade, Intergovernmental Affairs and One Canadian Economy.

CROWN-INDIGENOUS RELATIONS AND NORTHERN AFFAIRS—
DOCUMENT TABLED

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from Crown-Indigenous Relations and Northern Affairs Canada.

PREMIER OF ONTARIO—DOCUMENT TABLED

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Premier of Ontario.

MÉTIS NATIONAL COUNCIL—DOCUMENT TABLED

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Métis National Council.

FORT MCKAY FIRST NATION—DOCUMENT TABLED

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Fort McKay First Nation.

CONFEDERACY OF TREATY SIX FIRST NATIONS—
DOCUMENT TABLED

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Confederacy of Treaty Six First Nations.

MÉTIS NATION—SASKATCHEWAN—DOCUMENT TABLED

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Métis Nation—Saskatchewan.

GREATER VANCOUVER BOARD OF TRADE—DOCUMENT TABLED

Hon. Hassan Yussuff: Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Greater Vancouver Board of Trade.

MOHAWK COUNCIL OF AKWESASNE—DOCUMENT TABLED

Hon. Bernadette Clement: Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Mohawk Council of Akwesasne.

PEMBINA INSTITUTE—DOCUMENT TABLED

Hon. Bernadette Clement: Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Pembina Institute.

NESKANTAGA FIRST NATION—DOCUMENT TABLED

Hon. Bernadette Clement: Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Neskantaga First Nation.

MUSHKEGOWUK COUNCIL—DOCUMENT TABLED

Hon. Bernadette Clement: Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Mushkegowuk Council.

NATIVE WOMEN'S ASSOCIATION OF CANADA—
DOCUMENT TABLED

Hon. Bernadette Clement: Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Native Women's Association of Canada.

UNION OF BRITISH COLUMBIA INDIAN CHIEFS—
DOCUMENT TABLED

Hon. Bernadette Clement: Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Union of British Columbia Indian Chiefs.

STURGEON LAKE CREE NATION—DOCUMENT TABLED

Hon. Bernadette Clement: Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Sturgeon Lake Cree Nation.

MIKISEW CREE FIRST NATION—DOCUMENT TABLED

Hon. Bernadette Clement: Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Mikisew Cree First Nation.

ONION LAKE CREE NATION—DOCUMENT TABLED

Hon. Bernadette Clement: Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Onion Lake Cree Nation.

NISHNAWBE ASKI NATION—DOCUMENT TABLED

Hon. Bernadette Clement: Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Nishnawbe Aski Nation.

CANADIAN PARTNERSHIP FOR CHILDREN'S HEALTH AND
ENVIRONMENT—DOCUMENT TABLED

Hon. Judy A. White: Honourable senators, I have the honour to table, in both official languages, the document regarding Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act, from the Canadian Partnership for Children's Health and Environment.

AUDIT AND OVERSIGHT

FIRST REPORT OF COMMITTEE ADOPTED

Hon. Marty Klyne, Chair of the Standing Committee on Audit and Oversight, presented the following report:

Wednesday, June 25, 2025

The Standing Committee on Audit and Oversight has the honour to present its

FIRST REPORT

Your committee, which is authorized to adopt a report to the Senate nominating two external members to the committee pursuant to rule 12-13(4), presents herewith its report which contains the said nominations.

Your committee also includes in this report recommendations relating to the remuneration, permissible expenses and terms and conditions of appointment for the external members.

Respectfully submitted,

MARTY KLYNE

Chair

(For text of report, see today's Journals of the Senate, p. 177.)

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

Senator Klyne: Honourable senators, with leave of the Senate and notwithstanding rule 5-5(f), I move that the report be adopted now.

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

Hon. Senators: Agreed.

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

[Translation]

ONE CANADIAN ECONOMY BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act.

(Bill read first time.)

(Pursuant to the order of June 12, 2025, the bill is placed on the orders of the day for second reading later this day as the first item of Government Business.)

THE SENATE

NOTICE OF MOTION PERTAINING TO THE SITUATION IN GAZA

Hon. Yuen Pau Woo: Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That, in light of findings and orders from the International Court of Justice and the International Criminal Court on the situation in Gaza, the Senate call on the Government to examine the risk to Canada and Canadians of complicity in violations of international humanitarian law, including war crimes, crimes against humanity and genocide, and to report on its findings within three months of the adoption of this motion.

[English]

QUESTION PERIOD

GLOBAL AFFAIRS

NORTH ATLANTIC TREATY ORGANIZATION

Hon. Leo Housakos (Leader of the Opposition): My question is for the government leader in the Senate.

The Parliamentary Budget Officer stated he received little concrete information regarding the military spending increase announced on June 9 and is therefore unable to confirm whether Canada will meet the NATO target of 2% of GDP by 2026. Yet the Prime Minister has fully endorsed a benchmark of 5% of GDP discussed at the NATO summit, already pointing to existing expenditures that Canada could count on towards that percentage.

• (1430)

How can the Liberal government commit to such an ambitious target, which is estimated at \$150 billion per year, when it cannot even provide the Parliamentary Budget Officer with credible evidence that it will meet the 2% target that it has already promised?

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

The Prime Minister is very clear that given the changing circumstances that Canada faces, it is necessary to make up for decades of underinvestment in our military in order to increase our commitment to our own sovereignty and the defence thereof. In that regard, the Prime Minister joined other NATO allies in setting a target and commitment to reach 5% of GDP over the next 10 years, I believe. It's important to recall, colleagues, 1.5% of that will be dedicated to investments in critical defence

and security-related matters, whether those are new airports, ports or telecommunication networks. The government is committed to reaching those goals.

Senator Housakos: Senator Gold, does this mean that the Liberal government still has no clear plan to spend the \$9 billion that it has announced? We're in this mess in the first place because governments have been fiddling around with the numbers in order to meet targets, but they are not actually doing things.

Can you confirm unequivocally that Canada will, in fact, meet the NATO target of spending 2% of GDP on defence by April 2026, even though the Prime Minister has just accepted this new 5% benchmark?

Senator Gold: The government has been clear that it intends to reach the 2% target. I don't need to add anything more to what the Prime Minister has already said.

The regrettable fact is that there are many reasons we have fallen behind our own needs, and this government is committed to addressing those, which includes, among other things, the fact that year over year, the Department of National Defence does not spend all the money that is allocated to it in the budgetary process.

PUBLIC SAFETY

CYBERSECURITY

Hon. Denise Batters: Senator Gold, the cybersecurity bill in the last Parliament — Bill C-26 — was eight years in the making. The government forced the Senate to pass the bill in three months, only discovering at the final stages that their own massive drafting mistake required a last-minute amendment. The Liberal government then decided to prorogue and then called an election, so the bill died on the Order Paper.

Now this Liberal government is trying to resurrect what is essentially the same highly flawed bill. In a recent media article, a legal expert described Bill C-8 as an “almost verbatim” copy of Bill C-26, saying, “It's the same bill back from the dead . . .”

This Liberal government pledged to do politics differently; yet they are the same old Trudeau-era cabinet ministers pushing the same old flawed Trudeau-era legislation, so how can you call this “Canada's new government” when it's just the same old same old?

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

You won't be surprised if I don't agree with some of the premises underlying the question. This is an important bill. The Senate did its job, as it was asked to do in the last Parliament. The government is reintroducing this important bill, and I look forward to this chamber's study of the bill, if and when it does arrive from the House.

Senator Batters: That's right; the Senate committees do study legislation for weeks, hearing expert witnesses suggest improvements. Yet this Liberal government then still regurgitates the same old legislation. Prorogation and dissolution of Parliament were deliberate choices of this Liberal government. You had six additional months to actually fix this bill. The new bill doesn't even include an amendment that the Privacy Commissioner of Canada testified as being required. It seems “CEO” Carney prefers a rubber stamp. Either this government values the work of the Senate or it does not — which is it?

Senator Gold: This government is determined to provide Canada with the legislation that it needs to address the issues of the day, including the growing and broadening range of issues that cybersecurity addresses. Once again, Parliament will do its job to review the bill, as will the Senate, and if improvements are needed, I have every confidence the Senate will propose them.

ENVIRONMENT AND CLIMATE CHANGE

STRATEGIC ENVIRONMENTAL AND ECONOMIC ASSESSMENT

Hon. Mary Coyle: Senator Gold, the Library of Parliament recently produced a report for me on advancing a climate lens in Parliament. The report pointed to the 2024 Cabinet Directive on Strategic Environmental and Economic Assessment, which modernizes environmental and economic analysis in the development of policies, programs and regulations intended for cabinet. The research found that the regime advances climate mainstreaming and normalizes climate-informed decision making across the government.

As the government moves forward with its promise to strengthen Canada's economy and prioritize nation-building projects, we know that one key consideration is whether a project contributes to clean growth and to meeting Canada's objectives with respect to climate change.

Senator Gold, will the government continue to use the 2024 Strategic Environmental and Economic Assessment regime when making key cabinet decisions?

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

I can assure this chamber that as the government builds — and works to help us all build together — a strong economy for the future, it will never lose sight of the importance as well as the choices that its decisions will make on future generations. It will remain mindful of long-term sustainability and the kind of economy and environment we want for those generations. The government will continue to make investments and decisions that will drive emissions down, drive new economic growth across this country and, of course, open new export markets with like-minded countries.

Senator Coyle: I hope it will continue to use that valuable assessment regime.

Senator Gold, the Library of Parliament report also found that Parliament lacks a comparable framework by which to scrutinize legislation. Would the government consider introducing legislation similar to the Canadian Gender Budgeting Act to mandate a climate decision-making process for the Government of Canada and in Parliament?

Senator Gold: Thank you for your question, senator.

I can't speculate on what future legislation this government may introduce, but I can, again, repeat and reassure this chamber that the government will remain focused on the sustainability of the economic growth we all hope to achieve.

PUBLIC SAFETY

FINANCIAL CRIMES

Hon. Tony Loffreda: Senator Gold, Bill C-2, the strong borders act was introduced last month. It includes proposed amendments to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act aimed at strengthening Canada's legal framework through enhanced penalties and improved supervisory collaboration.

We recently learned that between 2020 and 2024, approximately 2.6 million suspicious financial transactions were reported to the Financial Transactions and Reports Analysis Centre of Canada, or FINTRAC. In 2021, the government committed to establishing the first-ever national agency exclusively dedicated to investigating complex financial crimes and enforcing federal laws in this area.

Can you confirm whether the current government still intends to create this agency? If so, when and where can we expect to see the corresponding funding requirements reflected in the estimates?

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

I cannot speculate on any future funding announcements, but I can say that this government remains committed to cracking down on money laundering and stopping the cash flow accruing to organized crime so that organized crime can be deprived of those illegal profits. That's why, among other reasons, the government introduced provisions in Bill C-2 to ensure that law enforcement has the tools that will be required to do that job.

Senator Loffreda: World leaders were in Canada recently for the G7 summit to address several issues, including international peace and security and global economic stability. Was Canada successful in using its G7 presidency to highlight the threats from illicit finance and to propose the development of a call to action to address criminal activity that impacts the financial sector and national security?

Senator Gold: Thank you for your question.

I've been advised that as part of the G7 Finance Ministers and Central Bank Governors' Communiqué, there was a commitment to remain steadfast in tackling financial crime, including money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction. The government will continue this important work.

FINANCE

BANKING FRAUD

Hon. Colin Deacon: Senator Gold, a recent CBC article shared a story of a widow whose late husband's pension was mistakenly deposited into another person's account. Her bank, CIBC, initially claimed that it could only recover \$3,200. It was not until the matter was investigated by the CBC that the bank issued a full repayment, but the bank still insisted that it had followed standard procedure.

• (1440)

This case highlights that Canada's largest banks are still not doing enough to protect customers from payment errors and fraud. Meanwhile, Canadians continue to pay some of the highest bank fees in the world.

Senator Gold, I asked you this in the last Parliament and I'll ask you again now: When will banks be held to higher standards of accountability in protecting Canadians from fraud? Currently, they have no incentive to invest in fraud protection at a level that matches the growing risks. Will the finance minister commit to following the leadership of other jurisdictions like the United Kingdom, where banks, rather than consumers, are responsible for bank fraud —

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question, senator, and for underlining the risks faced by Canadian customers vis-à-vis acts of fraud and damage that can accrue to them. I will certainly bring your concerns and suggestions to the attention of the minister — or my office will — at the earliest opportunity. Thank you.

OPEN BANKING

Hon. Colin Deacon: Thank you, Senator Gold. Canada has yet to implement either Real-Time Rail or the next phase of consumer-driven banking. These two reforms could help modernize payment systems and reduce fraud. The last Fall Economic Statement promised to launch the consumer-driven banking framework by early 2026 and to fund the FCAC over three years, yet the funding is absent in the 2025 Main and Supplementary Estimates. This may cause another delay. Can you give us an update on open banking or consumer-driven banking? Thank you.

Hon. Marc Gold (Government Representative in the Senate): Thank you. I don't have a timeline to share with you, but the government agrees with you that every Canadian deserves access to affordable and modern banking services. Again, I will remind the minister about your ongoing concern and advocacy regarding this matter.

[Translation]

HEALTH

WOMEN'S HEALTH RESEARCH

Hon. Danièle Henkel: Senator Gold, to this day, women's health continues to be sorely neglected in our public policy. From 2009 to 2020, a mere 5.7% of the funds awarded by the Canadian Institutes of Health Research, or CIHR, went to research projects on women's health issues, and even these often focused on cancer. Issues like endometriosis or mental health receive barely 3.8% of CIHR funding. As a result, women are diagnosed on average two years later than men across more than 1,300 common conditions. Endometriosis alone takes more than five years to diagnose. Furthermore, women spend 25% more of their lives in poor health. In eight provinces and territories, gynecological surgeries are reimbursed 28% less often than comparable procedures for men. If you'd like to have the sources for these data, I'd be pleased to provide them.

Is the government prepared to —

The Hon. the Speaker: Senator Henkel, I have to ask Senator Gold whether he has a response or comment for you.

Hon. Marc Gold (Government Representative in the Senate): Thank you for highlighting the challenges facing Canadian women and the gaps they must overcome. This is not surprising, but that doesn't make it acceptable either in a society like ours.

If I can read between the lines, the government is going to seriously address this issue, but it will do so primarily in partnership with the provinces and territories, since it is their constitutional responsibility. The Government of Canada certainly has a role to play in that regard, and it will do so, given the importance of the issue.

Senator Henkel: In any potential future strategy, will the government commit to fixing the funding gaps, requiring the systematic disaggregation of data by sex in research, and including women in clinical trials in an equitable manner, so that treatments can finally be designed for women rather than simply adapted after the fact?

Senator Gold: Thank you for the question and thank you for highlighting the importance of data disaggregation. Some work has already begun in that area following several interventions by various senators. That work must and will continue.

[English]

NATIONAL DEFENCE

CANADIAN COAST GUARD

Hon. David M. Wells: My question is for Senator Gold, the Government Representative in the Senate. Jonathan Moor, Assistant Deputy Minister and Chief Financial Officer at the Department of National Defence, stated that 60% of the Canadian Coast Guard budget is already included in the military spending Canada reports to NATO. Since when has this been the case, and on what basis can a civilian, unarmed organization be counted on to such an extent in our defence expenditures?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question. The Canadian Coast Guard plays a very important role in Canada and for Canadians analogous to roles played by similar organizations in other parts of the world. Every country is different and has different structures and ways in which it is organized.

As we look to the future, especially in our North — our vast borders in Northern Canada — the Coast Guard will play an ever-increasing role in protecting Canadians from risk, affirming our sovereignty and playing its part along with other players in the Canadian government to protect and defend Canadians.

Senator D. M. Wells: Senator Gold, if 60% of the Coast Guard's budget is already being counted, and, according to Mr. Moor, only an additional portion could be added, why did the Prime Minister present the integration of the Coast Guard as a decisive step towards reaching the 2% NATO defence spending targets? Was this simply political theatre, an accounting exercise or action with an asset that's not equipped for such a role?

Senator Gold: Thank you for your question. Respectfully, senator, I'm not sure that any of the answers you offered me are necessarily correct or capture the intent of this government.

This government recognizes that in too many ways our military infrastructure — whether physical or human resources — needs to change and improve so that it is up to the task. This is one area in which work needs to be and will be done.

Hon. Yonah Martin (Deputy Leader of the Opposition): Leader, how do you explain the contradiction between, on the one hand, the Prime Minister speaking of a strategic integration of the Coast Guard into our military capabilities, and, on the other hand, the Vice Chief of the Defence Staff, supported by other senior officials, stating that there are absolutely no plans to integrate it into the Canadian Armed Forces? It would seem that the Prime Minister's Office and the Department of National Defence can't even agree on this fundamental point. What is the truth, leader?

Senator Gold: Thank you for your question and for allowing me to elaborate further on your colleague's earlier question.

This government is moving quickly to address the challenges that Canada is facing. This government has made very clear announcements, which, frankly, have deviated from the way in which previous governments over many decades have operated — certainly with regard to defence. The Prime Minister and his cabinet members, working with others in our military and the Coast Guard, will work together to chart a path whereby the Coast Guard, military and other important institutions in our nation can work together to strengthen our defence and protect our sovereignty.

Senator Martin: Amid this confusion, the Prime Minister is promising that the Coast Guard under Defence will reach the 2% target, while Lieutenant-General Kelsey insists that it will remain civilian and unarmed. Canadians have a right to know. What exactly is the additional Coast Guard budget that the government intends to submit to NATO?

Senator Gold: The Prime Minister has just finished his meetings at NATO. Work will need to be done — and properly so — even at the expedited pace we're expecting from, and witnessing in, this government. I have every expectation that the budget figures will be presented in due course.

[Translation]

PRIME MINISTER'S OFFICE

SENATE APPOINTMENTS

Hon. Chantal Petitclerc: Senator Gold, this is likely the last question I will ever ask you in your role as the government representative.

• (1450)

First of all, thank you for everything. I will miss you. Now, here is possibly my last question.

On June 17, Chief Accessibility Officer Stéphanie Cadieux released her second report, which is on accessible employment in Canada. The report notes that far too many persons with disabilities who are highly qualified and eager to work still struggle to find a full-time job and earn an income higher than \$80,000.

Today's Senate is more diverse than ever, and we can be proud of that. That being said, one in four Canadians lives with a disability, and we have to acknowledge that this reality is far from reflected in this chamber.

Senator, do you agree with me that the government should do more to ensure that persons with disabilities are better represented in future Senate appointments?

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question. I will miss you too, my dear colleague. You were here when I arrived eight and a half years ago, and you are truly an outstanding colleague.

[Senator Gold]

I cannot speak to the process or the Prime Minister's decisions regarding appointments, but I certainly share your point of view. We must continue to make progress to make this chamber and our public places inclusive in every sense of the word.

[English]

IMMIGRATION, REFUGEES AND CITIZENSHIP

ASYLUM SEEKERS

Hon. Bernadette Clement: My question is for Senator Gold, and it's also my last interaction with you during Question Period. I'm grateful to you for your career and your service.

June 20 was World Refugee Day. At the height of the crisis at Roxham Road, when asylum claimants were crossing the border in unprecedented numbers, I visited the DEV Centre in my home city of Cornwall.

Asylum seekers from around the world were staying there, including a man named Firas from Turkey. Firas is among the many, many Syrian refugees in Canada who haven't been able to go home in years. Firas hasn't seen his mom in 10 years. He's feeling hopeful right now because France is now allowing Syrian refugees to return home temporarily without losing their refugee status. Shouldn't Canada consider a similar approach now that the Assad regime has fallen?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question. Canada very much welcomes the end of Syria's Assad regime — a regime that inflicted decades of suffering on its own people and on the families who lost hundreds of thousands of members to this violence.

I can't speculate on any changes to the Canadian refugee program, but I can reaffirm, on behalf of the government, its commitment to the Syrian people and lasting peace in the area. And I will certainly bring your suggestion forward to the attention of the minister.

Senator Clement: Thank you, Senator Gold. I understand Immigration, Refugees and Citizenship Canada, or IRCC, is slowly chipping away at the backlog of applications in its system. However, we know that people are being impacted by these delays, and part of that impact, of course, is being disconnected from family for years.

Senator Gold, what more can be done to ensure that IRCC meets its service standards and delivers answers to applicants in a timely manner?

Senator Gold: Thank you. This government has made many commitments, one of which is to improve the way in which government delivers its services through the head of the civil service. It is a testament to that commitment. The government remains committed to improving the efficiency of the system while maintaining its integrity.

CANADIAN HERITAGE

AIR INDIA FLIGHT 182

Hon. Andrew Cardozo: My question is for the Government Representative. June 23 marked the fortieth anniversary of the killing of 268 Canadians and 61 citizens of other countries in the bombing of a passenger plane off the coast of Ireland. On Monday, it was an honour for me to be at the ceremony marking this occasion.

Law enforcement investigations were badly handled, and despite various reviews, the truth has never been fully uncovered and the perpetrators were not held to account.

The families of the victims are concerned that this tragedy is being papered over, even though we know the bombs that exploded on the Air India plane and at Narita Airport were made by Canadians on Canadian soil.

The families request that the Canadian Museum of History organize a permanent display of this Canadian tragedy. I'm asking you to convey this request to the president of the museum as well as the Minister of Foreign Affairs and the Minister of Canadian Identity and Culture to ensure that the lives of these Canadian victims will be honoured appropriately.

Hon. Marc Gold (Government Representative in the Senate): I certainly will, senator. The one thing that I can say is that this was the most deadly attack in our country's history, and the victims will never be forgotten. I certainly will bring this to the attention of the minister and others, as you requested.

PUBLIC SAFETY

AIR INDIA FLIGHT 182

Hon. Andrew Cardozo: Thank you for your sensitivity to this issue, Senator Gold. This might be my last supplementary question, so thank you for your service to us.

This week, the RCMP revealed they know the identity of a third person involved in this disgraceful crime, and they have called him Mr. X, even though he's deceased. I'm asking that the identity of this person be revealed. It's the right of the Canadian families to know all there is to know about this Canadian tragedy. Could you ask the Minister of Public Safety to ensure this name is publicly revealed as soon as possible?

Hon. Marc Gold (Government Representative in the Senate): I'll certainly raise your concern with the minister, and the minister will make the appropriate decision.

FINANCE

CHARITABLE ORGANIZATIONS

Hon. Leo Housakos (Leader of the Opposition): Senator Gold, a few months ago, with great fanfare, the government announced the listing of Samidoun as a terrorist organization, which we all complimented, applauded and thought was the appropriate thing to do.

Yet, months later, what's the point of naming Samidoun as a terrorist organization if they continue to operate in the streets of Canada and continue to recruit and travel back and forth. And, most egregiously, they still hold the status of not-for-profit organization by the Canadian government.

How are these two things congruent with each other? On the one hand, they're listed as a terrorist organization, and on the other, the government refuses to pull away from them the not-for-profit status, which they enjoy.

Hon. Marc Gold (Government Representative in the Senate): Senator, thank you for your question. The decision to list the organization as a terrorist organization was a long time coming, and it was the right decision. That was within the direct prerogative of the government, taking advice — as we discussed many times in this chamber — from security forces and others.

The decision to grant, withhold or withdraw charitable status from an organization is, if I understand correctly, primarily in the hands of the Canada Revenue Agency, or CRA. It has not been the practice or policy of this government or previous governments, to my understanding, to direct them on what to do.

The incongruity that you underline may very well be a function of different decision-making authorities over these two matters. It is certainly a matter that I will reflect upon and bring to the attention of the government.

Senator Housakos: We were also enthused by the fact that, although it took a long time, both the Islamic Revolutionary Guard Corps, or IRGC, and Samidoun were listed as terrorist organizations.

I wholeheartedly agree with you, government leader, it's not incumbent on government to direct the CRA, but it is incumbent on government to ensure that all agencies across all levels of government respect the wishes of the Canadian government when we list terrorist organizations.

Government leader, do we need political will here to make sure that when we list terrorist organizations, all agencies must go after those terrorist organizations?

Senator Gold: Senator, I can't agree with the way you formulated the question. I understand the sentiment behind it, but I think you would agree with me that it is important for governments of any political orientation to respect the divisions of labour, to say nothing of the separation of powers, between the government and agencies that have an independent status.

ORDERS OF THE DAY

BUSINESS OF THE SENATE

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, pursuant to rule 4-12(3), I would like to inform the Senate that as we proceed with Government Business, the Senate will address the items in the following order: second reading of Bill C-5, followed by second reading of Bill C-6, followed by second reading of Bill C-7, followed by all remaining items in the order that they appear on the Order Paper.

• (1500)

ONE CANADIAN ECONOMY BILL

SECOND READING—DEBATE

Hon. Hassan Yussuff moved second reading of Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act.

He said: Honourable senators, I rise today to speak to Bill C-5, the one Canadian economy act.

When I was asked to sponsor this bill, I did not have any hesitation. Did I know it was going to be tough? Of course. Did I expect we would have to find ways to talk to one another? Of course, but nation building has never been easy. And nation building is fundamentally what this bill is about at a time when our country is under serious threat.

I believe all senators in this chamber know we find ourselves in a more uncertain and dangerous world. We realize that the relationship we had with the United States based on economic integration and military and security cooperation is over. The trade relationship we had with our closest neighbour, ally and friend — the one that has delivered prosperity for Canadians for so long — has fundamentally changed.

Colleagues, the unjustified tariffs placed on us by the United States — make no mistake — are a serious threat to our economy, our sovereignty and the Canadian way of life. While we cannot control the actions of the President of the United States, we can control how we at home respond. I believe we must take urgent action now to strengthen our negotiating hand and protect Canadian workers and our economy.

This legislation is a direct response to the moment we find ourselves in and seeks to do two things. The first part of the bill aims to eliminate the interprovincial trade barriers that have been in existence as long as we have been a country. The illegal and unjustified trade actions initiated by the United States highlight the urgent need to address these barriers that have fragmented our economy and constrained opportunities for Canadians.

The second part of the bill is about recognizing that for our economy to remain resilient to not only weather the storm with the current tariffs, but also better prepare us for the ever-increasing threats we will face in the future, we need to build things that are in the national interest and do it faster. These major nation-building initiatives are essential to unlocking our full economic potential and strengthening Canada both at home and on the global stage.

Today, I want to talk about these two parts of the bill and how it has been strengthened by amendments that were passed last week in the other place.

Senators, I want to start with Part 1 of the bill, which is seeking to help accomplish what we as a nation have been struggling to achieve since we came together almost 160 years ago to create this great Confederation — to have one economy serving the national interest. That is what is at the heart of this bill, serving the national interest.

If we are to safeguard Canada's economic sovereignty, we must start by strengthening our own internal trade ties. We cannot afford to be a patchwork of closed provincial and territorial economies when the pressures from abroad demand unity, resilience and self-reliance at home. While we have long championed open markets abroad, we've quietly tolerated closed doors at home. We've created a country where it is often easier for a company to sell to Germany than to ship across provincial borders. That is not only absurd; it is self-defeating.

Today, Canada's internal trade barriers are equivalent to placing a 7% tariff on our own goods in our own country. We need to eliminate these barriers and build a stronger one Canadian economy instead of 13.

The barriers this bill seeks to remove are those that exist between the federal jurisdiction and provincial and territorial jurisdictions to promote freer trade of goods and services and labour mobility. The bill would allow for federal regulatory agencies or departments to ensure that where there is provincial or territorial legislation that is comparable — comparable is the key — it would receive the same accreditation as federally. For Canadian businesses, this will make it easier to buy, sell and transport goods and services across the country.

To enhance labour mobility, the act provides a framework to recognize provincial and territorial licences and certifications for workers. This means that a worker authorized in a provincial or territorial jurisdiction can more quickly and easily work in the same occupation in federal jurisdiction. This will make it easier to do business across Canada by removing regulatory duplication and cutting federal red tape. This will also reduce costs and delays for Canadian businesses who follow comparable provincial and territorial rules.

We have heard from labour over the course of this bill's study that these duplications and red tape are barriers for working in federally regulated fields, are not necessary and are a detriment to workers.

While this act is a good first step, the federal government will continue to encourage the provinces and territories to align their own licensing and certification requirements for skilled workers, like doctors, nurses, teachers and more, to further improve labour mobility in Canada.

The federal government wants this bill to be symbolic of the need by all of us to recognize we must act now more than ever with common purpose and shared goals. Now, there are concerns that have been raised about not wanting standards to be lowered because of this bill.

I spent a lifetime representing workers in my life's work, and I understand the importance of fighting for higher standards, in particular those related to health and safety on the work site. Now, across this Confederation, we all know that some standards are better than others. I believe there is a recognition that we need to be incentivizing the move toward higher standards, not lower ones.

The bill recognizes the importance of this issue because it includes safeguards to protect the health and safety of workers and Canadians.

Firstly, the act applies to federal requirements on the interprovincial trade of goods and services when there are comparable provincial or territorial requirements. Secondly, the act allows the government to provide exceptions from recognizing comparable provincial and territorial standards when the risks to the health and safety of Canadians or the environment are deemed to be too high. To a large extent, the premiers have recently been working toward this goal for several years.

However, given the crisis with the United States and the fundamental change that appears now to be happening in our trading relationship, premiers and this government recognize the removal of these interprovincial trade barriers can no longer be delayed. P.E.I., Nova Scotia, New Brunswick, Ontario, Saskatchewan and Manitoba have all passed legislation to remove barriers to internal trade. British Columbia has also passed its historic Economic Stabilization Act, and Quebec is advancing its own reforms. I believe there is a consensus among the premiers that is as strong as it has ever been for a true one Canadian economy. Bill C-5 will help facilitate meeting this goal.

But while the individual actions of provinces are commendable, they are not enough on their own. What's needed now, more than ever, is strategic, coordinated federal leadership that can unify these diverse efforts into something even stronger. By stepping up, the federal government can help transform a fragmented system into a seamless, national economic space.

With Ottawa's leadership, we can move toward a Canada where duplication is minimized, investment is simplified and businesses and workers alike are empowered to thrive across the provinces and territories.

• (1510)

That's precisely the aim of Part 1 of the bill. It's a forward-looking proposal to modernize internal trade not through control but through collaboration.

This bill doesn't erode provincial authority; it respects it. What it offers is a new model of federal engagement, one rooted in partnership and mutual recognition, designed to streamline the system and make the country work more efficiently for everyone.

Senators, I would now like to turn to the second part of the bill, which deals with how we build large nation-building projects that are in our national interest.

There has been a growing recognition in this country that we can do better as a nation in building the required infrastructure necessary for our economic future. The current crisis, I believe, has focused our minds and raised our expectations, but to do better, we will need co-operation and collaboration.

Co-operation requires respect and trust, and collaboration means we need to put many shoulders to the wheel to achieve success for the country.

So how do we build things faster?

The Prime Minister believes we need to make a decision on projects within two years. The current timeline for major projects is five years and in many cases a lot longer. This bill creates a framework to identify and streamline projects of true national interest, projects that make us more resilient, more secure and more prosperous.

These could be projects like building transmission lines that connect our hydro power from Quebec to Ontario; resource corridors bringing critical minerals from northern Quebec or uranium from Saskatchewan and shipping them, refined, to new markets; hydrogen hubs in Alberta and in Sarnia, Ontario; and new infrastructure linking our Atlantic, Arctic and Pacific coasts.

We must be clear. This bill is not about undermining the role of provinces and territories or Indigenous constitutional rights. On the contrary, it builds on their progress and recognizes the hard work of premiers, businesses and labour, as well as Indigenous partners. What it says is this: We will build together, not at cross purposes.

What is a project of national interest?

The proposed bill sets out five criteria that the Governor-in-Council can consider to determine if a project is in the national interest. The projects could strengthen our autonomy, our resilience and our security; provide economic or other benefits

for Canadians; have a high likelihood of getting built — not just in theory but in practice; advance the interests of Indigenous peoples; and contribute to clean growth and to meeting Canada's objectives with respect to climate change.

A new federal major projects office will drive this shift toward identifying these major projects and thoroughly reviewing them before giving them a green light to operate. The office will be a single point of contact for coordination, oversight and quick issue resolution. The goal is to move to a simple, clear two-year timeline for decisions, removing long delays and putting speed and certainty at the centre of the approach. It's a "one project, one review" approach.

However, the government's intent is not to build at any cost. Projects that move forward must still meet strong environmental standards and involve meaningful consultation with Indigenous peoples and respect for their constitutional rights.

It is those rights that I want to talk about now.

This legislation makes a commitment that major projects in the national interest will only proceed after Indigenous voices are heard in true partnership. The rights of Indigenous peoples are not a footnote but a foundation.

Section 35 rights are enshrined in our Constitution, and the government has committed to stand firmly behind them. Minister Alty committed to that last week in this chamber when she said:

... let me be absolutely clear: Major projects will only proceed under this act with meaningful consultation and accommodation with Indigenous peoples whose section 35 rights may be affected.

This act requires extensive consultation with Indigenous peoples, first during the national interest designation process, then while developing the conditions these projects will have to meet.

This requirement is not optional. It is protected under the Canadian Constitution and is embedded throughout the legislation.

The legislation also confirms that the Government of Canada is committed to implementing the United Nations Declaration on the Rights of Indigenous Peoples, or UNDRIP, and ensuring that the rights of Indigenous peoples are respected. However, colleagues, we also know it exists in Canadian law separately, including through the passage of Bill S-13, which ensures that federal acts are interpreted in accordance with section 35 of the Constitution, so these commitments stand on their own.

I believe the government and businesses understand that without meaningful consultation and collaboration, the success of a project greatly diminishes. Two of the five criteria to consider a project of national interest speak directly to this in terms of advancing the interests of Indigenous peoples and having a high degree of success.

Minister Alty also recognized that fact when she said:

Projects that don't have Indigenous support will not urgently advance. We're looking for projects that can get going.

She added:

It is important to remember that we're looking to urgently advance, and it really is about those factors: the high likelihood of successful execution and advancing the interests of Indigenous peoples being the key.

Colleagues, it is important to remember that this legislation mandates that there must be meaningful consultation and accommodation with Indigenous peoples during both the process of determining which projects are in the national interest and the development of the rigorous conditions for each project.

The Indigenous leaders who appeared before us last week spoke eloquently and sincerely about the perspectives of their own Indigenous communities and the approach they believe is needed for the economic development of their communities and the country, an approach that is founded on respecting their rights and built on meaningful consultation and collaboration.

When I agreed to sponsor this bill, I believed that it was incumbent on the Prime Minister to meet with Indigenous leaders to build the trust and respect that will be necessary if the goals of this bill have any chance of success. I was happy when the Prime Minister announced last Friday that he will be meeting with First Nations, Inuit and Métis leaders over the coming weeks.

As I said earlier, if we are to have a spirit of co-operation to meet this moment of crisis, it will need to be founded on the trust and respect that are created through consultation and dialogue.

Before I conclude, colleagues, I want to discuss the amendments that were adopted in the other place. I believe they strengthened the bill by addressing some of the issues that senators and witnesses raised with the ministers last week. Broadly speaking, the amendments can be described as fitting into three categories: accountability and transparency, parliamentary oversight, and clarity.

I want to highlight a few amendments that deal with transparency and oversight, as well as those concerning Indigenous consultations.

One amendment that I believe strengthens oversight and, more specifically, the Senate's role in oversight was an amendment that will establish a parliamentary review committee composed of members of both houses.

With respect to Indigenous consultations, the other place adopted an amendment that requires the government to ensure that a process is established to allow for the active and meaningful participation of the affected Indigenous peoples and that a report of the consultation process and the results are made available to the public.

There were concerns raised by colleagues last week about the extent to which the minister responsible could list new acts from which major projects could be exempt, including the Indian Act and the Official Languages Act. Another amendment was adopted to specifically exclude these acts and others from being listed as exempted acts for the purposes of the national interest project regime.

• (1520)

In addition, there are a number of other amendments that require clear definitions and disclosures of reports on the implementation of the national projects.

In conclusion, colleagues, I believe we have been asked to do a lot in a short time on this legislation. Whether we like it or not, the circumstances in which we find ourselves as a country have been forced upon us, and we must now meet not only the moment of today but the unknown challenges that we will undoubtedly face in the near future.

The first part of the bill is designed to eliminate the outdated barriers that prevent Canadians from doing business with each other and from working where they are most needed to build a truly unified national economy. With many of these barriers that exist now, premiers have argued over the decades that they have served their interests but have they served the national interest?

The intent of the legislation is also to streamline the approvals process to advance major projects — one project, one review. The government knows that failing to uphold our legal responsibilities around consultation and accommodation will only lead to costly and time-consuming delays in the courts.

I believe, colleagues, that there is a sense, since the election, that the country wants to find a way to move forward. The government got a mandate from the people. The elected house passed this bill, with Part 1 receiving almost unanimous support. We cannot lose sight of this.

They also made a number of amendments that addressed concerns raised and that strengthen the bill. I believe this is a moment when we must start looking at how to put the national interest first. In order to do that, we must trust in one another and hold accountable the people whom we elected for the things they promised to do.

Colleagues, as I said at the start, nation building has never been easy and nor will it ever be easy. That said, that is what this bill is all about. I ask for your support in passing it without amendment. Thank you so much.

Some Hon. Senators: Hear, hear.

Hon. Denise Batters: Senator Yussuff, I would have actually liked to ask Senator Gold these questions because I'm not quite done with asking him questions in this Parliament but he hasn't

made a speech on a government bill for two and a half years, so I won't be able to ask him about this at this second reading stage anyway. I will ask you as sponsor of the bill.

Last Friday, after the House of Commons passed Bill C-5, Prime Minister Carney held a press conference. In that, one reporter asked the Prime Minister:

Do you have specific projects you're hoping to green-light once the bill gets Royal Assent? And is that why you've rushed it through Parliament?

"No," replied Prime Minister Carney.

Senator Yussuff, I know this bill is under a potential closure motion here in the Senate, with the goal, again, to get it passed it quite quickly. Given that, why are we here?

Senator Yussuff: We're not done until Friday. You may still get a chance to ask questions of Senator Gold, but I thank you very much for the question.

We are here because there is a sense of urgency in the challenges currently facing the country economically. There is recognition by all 13 of our premiers that this country needs to come together given the crisis we face economically. They are doing their part to truly build a national economy. This bill furthers that goal by having the federal government work with the provinces and territories to accomplish that same goal.

Similarly, the premiers have asked the Prime Minister to look at how we can build national projects much faster. The bill lays out some foundational ways on how we can go about that as a country.

At the end of the day, in regard to why we are here, we are here passing a very important piece of legislation to deal with the economic challenges our country is facing. In addition, the bill will set forth and unblock the important economic vitality of this country by making us one national economy going forward.

Senator Batters: Yes. Recently, the Prime Minister and the premiers met in Saskatoon in my home province of Saskatchewan to discuss. Each premier, I understand, gave a list of projects that they want to see passed, major projects in their home provinces. I would have hoped to maybe hear a little more as to what major projects this very bill will help to pass rather than just seeming to launch a series of meetings.

Senator Yussuff, you're also a member of the Prime Minister's Council on Canada-U.S. Relations. You've been on that council for quite some time, and you continue on that council, I believe.

As part of your work with that body, what major projects do you see as being important in dealing with Canada-U.S. relations and the crisis, as your government calls it, that we're currently in? What major projects can help Canada in that situation?

Senator Yussuff: Hypothetically, I can list a lot of projects in my thinking, but I think it's critical in the context of this crisis for our first ministers to determine what is in their interests, not what is in my interests. As you said, at the meeting held in Saskatchewan, each premier had their own priorities from their own perspectives. At the end of the day, when this is adopted by the House and the Senate, I hope those premiers can bring forth to the Prime Minister the projects they believe are important for the development of this country but also to unlock the economic vitality of this country.

I'm not going to tell you, in my biased way, what projects I believe the country should consider. I'll let the premiers do their jobs in telling the Prime Minister about their priorities from their provincial and territorial perspectives. They have outlined those and certainly shared them with the Prime Minister when they met in Saskatchewan.

Hon. Marty Deacon: Thank you for your comments and your work on this legislation. We have heard that we need this legislation to adapt in a rapidly changing world. We've also heard from thousands of Canadians on some of the issues that you've addressed in your speech today.

I'm just going to shift my question a little bit around the sunset clause. While there's a sunset clause after five years, do you have any concerns about a future government, especially a majority, using geopolitical shifts or other crises to introduce similar legislation? How might senators push back in the future if you, I or a majority of our colleagues don't believe such legislation meets the moment as we've been told that this bill does today?

Senator Yussuff: First of all, thank you for the question. Hypothetically speaking, I think this house always recognizes its independence to examine any legislation that comes before this body, to give it due consideration, but also with the recognition of doing our job. If the government should submit a piece of legislation that we believe will not meet the national interest, it is, by all means, our responsibility to reject that.

Hypothetically speaking, this bill does have a sunset clause in it. A future government may decide that national projects are still in the national interest. If that is the consensus of the premiers and the Prime Minister, we will have to consider that they chose to extend this legislation. But if a future government should want to bring in another piece of legislation to accomplish the same thing, that would be their right. If they get a mandate from the people, they are absolutely entitled to bring forth legislation for us to consider as an independent house at that particular time.

Hon. Mary Robinson: Senator Yussuff, my question has to do with the preambular amendment in Part 2 of the bill. We do not know what projects the government will classify as being in the national interests, but these projects could end up touching on agriculture as that industry is very closely tied to the interests of Canada's economy, sovereignty and security as mentioned in the preambular clause where "... good-paying, unionized jobs ... " has now been amended in.

As you know, unionized work in agriculture is not common, not because it is not seen as valuable but more because of the resulting increases in costs of production. Farmers sell predominantly in commoditized markets with little or no

opportunity to increase what they are paid — they can't pass along the costs. With already slim margins, there is no room for farmers to absorb added costs. To introduce unionized work, there would need to be a systemic change — something I don't see this amendment taking into consideration.

• (1530)

With Bill C-5, we are essentially being asked to take part in a trust exercise. What guarantee can the government provide to those in agriculture that their ability to stay in business will not be further compromised?

Senator Yussuff: Thank you for the question. I can't speak for the entire agriculture sector, but as you know, some parts of the agriculture sector are unionized. Greenhouses in Quebec, Manitoba, parts of Ontario and parts of B.C. are unionized. But the clause is meant to ensure that good union jobs also build this great economy, and to a large extent, the bill does not impose any particular standard. As you know, those standards are established at the provincial level. Workers can choose to join or not join a union, but if those standards are established at a provincial level, when workers choose to join a union, they will benefit, and so will the sector.

At the end of the day, this bill doesn't impose additional requirements on any sector that is provincially governed, across this country.

Senator Robinson: My second question pertains to Part 1 of the bill, which deals with interprovincial trade barriers. In essence, what the bill does is this: In cases where both federal and provincial trade regulations apply to the same thing and aim to achieve the same outcome, the provincial regulations will be understood as meeting the federal requirements. This is concerning for some commodity groups, as it was the federal regulations that gave these groups more certainty, for example, federal meat-processing facilities and organic labelling under the Safe Food for Canadians Regulations.

I understand that the hope is that provinces will come together to create a regulatory pathway that alleviates the patchwork of regulations which exist across the country right now, especially if federal regulations are removed. But at the end of the day, we are being asked to take part in a trust exercise, believing that this is how governments will move forward. We're being asked to trust that the federal government knows when to step aside and to place our trust in the provincial governments, which believe they can figure this out.

What guarantee can we give our commodity groups right now that this will actually result in the efficient movement of products between provincial barriers?

Senator Yussuff: Thank you for your question. The trust exercise we're engaged in right now is also expressed by our first ministers across this country. They have collectively invested their best effort into figuring out how to help build and strengthen the economy of the country. The federal government is an interlocutor, and there is a process in which all sides, including provincial and territorial governments, will work together to try to achieve the greater objective.

In this exercise, the reality is that they're all trusting each other to do what is in the best interest of our one economy. In that regard, we have to trust our premiers and interprovincial trade ministers to work together to achieve the greater good of the country.

That trust is based on everything this legislation is about: How can we better achieve those objectives? The federal government has no desire to impose its standard on somebody else unless it's going to achieve the greater good of the country.

To a large extent, for the 13 premiers and the federal government, this is an exercise to try to improve the economy of the country. Everybody understands that this is a moment when we can all step up, but when there's an impasse, first ministers will designate their respective minister to figure out how they can overcome that impasse. But, for industry that is relying on the regulatory regime to give them certainty, they can expect that each province will defend their self-interests across this country to ensure we can achieve the greater good, which is what this bill is intended to do: to build one national economy, reduce red tape and facilitate equal trading among ourselves so that it can be far better than what it is today, based on the current regime we've been following so far.

Hon. Yuen Pau Woo: Thank you for your second-reading speech and for your work on this bill. You've been at it long before it arrived in our chamber, and we know how hard you have worked to advocate on our behalf with the government, including the letter we received today from Minister LeBlanc, which lists a number of consoling statements about concerns that have been raised in this chamber.

One of those concerns comes from me and has to do with the Statutory Instruments Act, or SIA. As many of you know, parts of the SIA could be considered as red tape and could perhaps be expedited or dealt with, and therefore should be excluded from this bill. But there's a part of the SIA, which I raised with Minister LeBlanc, that kicks in after the bill has passed, after regulations have passed. It would come to the Standing Joint Committee for the Scrutiny of Regulations, and we would look at whether regulations are consistent with the statutory instruments. That has been excluded as well.

The minister's letter suggests that he takes this issue seriously and isn't going to let it go, but it is still excluded in the bill. I would like some advice from you on what you think the solution is to that problem, as the minister has articulated?

Senator Yussuff: Thank you for your question, and thank you again for raising this issue so that we can understand its importance.

The recognition of the work that the joint committee has done on the statutory regulatory regime is fundamental to any piece of legislation. As the minister assured you and all senators in his response, that will continue, and there was no intention to exclude that from the legislation.

The government will clarify this at the earliest opportunity when other legislation comes before this body. As such, the next time we have any particular legislation that comes here, by which the government can clarify that, I think it will give you certainty.

But in addition to that, we have the minister's letters to confirm that he's committed to this and that this is an issue which will not somehow disappear because it was not included in the legislation before us to consider.

Senator Woo: You are saying that we don't need an amendment now to deal with it because this government intends to include it in some sort of relevant omnibus bill close at hand. I take that to be the general gist of your response.

On a different issue, one of the amendments that came from the House has created what appears to be a discrepancy between, on the one hand, the five criteria for designating projects of national importance that you mentioned, and on the other hand, the listing of projects under register and accounting for how these projects are meeting the criteria. The discrepancy is this: Whereas the "factors" clause has five items, the "register" clause only has four. The criterion that has been left out in the "register" clause is the one that has to do with clean growth, environment, sustainability and so on and so forth.

One could have a suspicious mind about this, but I'm not going to go down that road. Can you clarify whether there is in fact a discrepancy and what might explain it?

Senator Yussuff: Thank you for your question and your diligence in reviewing what has been adopted. One thing about this chamber is that nothing is ever lost on us, doing our work. So again, I think it speaks volumes about the effort we have put into this.

As you know, there are five criteria, and the government fully expects the reporting to be on all five criteria — not just four — even though it was not mentioned in the amendment. It's not meant to exclude anything; the government intends to ensure that the reporting will be on all five factors.

Again, to give certainty, the government is prepared to tweak the language at the earliest legislative opportunity, whether with the BIA or with some other legislation to ensure that this is taken care of. The chamber can be reassured that, despite the amendment, and however it was captured, the intention was to report on all five criteria when Parliament receives a report on the five principles of the bill.

• (1540)

Hon. Rodger Cuzner: Will the good senator take another question?

Senator Yussuff: By all means.

Senator Cuzner: Thank you so much. I'd like to expand a little more on the capacity-building fund. Could you share a little more about that?

I had the opportunity to work with some First Nations groups in the wake of the *Marshall* decision. It was a tremendous opportunity, but there was so little capacity within a lot of those communities — and some of our Senate colleagues can speak first-hand on that — but there was patient investment. It wasn't one and done. They have gone back a couple times and reinvested in training and mentoring, equipment purchase and access to certain fisheries.

Now, 20 years later, it's a huge success story. I don't believe it has seen its full potential yet, but it's one that has grown with a good federal partner.

Do you see that same opportunity through these investments and the capacity-building fund?

Senator Yussuff: Thank you for the question. As you're aware, the government, much earlier, outlined that currently there is \$5 billion allocated to this fund. The government is going to double that fund to \$10 billion. This is to allow Indigenous communities that want to partner on projects to have the financial support to do so.

This shows a commitment to building Indigenous participation in major projects across the country, for those who choose to participate, by ensuring they have the resources to be real partners at the table. It speaks volumes to what would be a transformation of Indigenous communities that want to own projects but also be part of some major projects that can help build this country and from which they can benefit directly, especially if the developments are taking place in their territories across the country.

I think in later years, we will reflect that the government has done tremendous recognition. Doubling the fund will make much more money available. That was not possible under the previous fund. Doubling it will mean that more partners can take advantage of this.

Senator Cuzner: Thank you very much for the answer. My second question is on the meeting with Indigenous leaders on July 17. Could you share with the chamber a little more information regarding the intent behind that and where you see that going?

In Nova Scotia, our premier, Tim Houston, has been a champion of offshore wind. Most of those projects have major Indigenous equity positions. You talk about patience and impatience. A number of those projects have really advanced and are ready to go.

Can you expand on and share with the chamber what you see coming forward in the July meetings with Indigenous leaders?

Senator Yussuff: Thank you for the question. As you know, we had Indigenous leaders before us who spoke eloquently about some of their concerns. They were not the only ones. A lot of letters have been received, and those who have been dialoguing with friends and colleagues in Indigenous communities across the country recognize there is some worry and ambivalence about how consultation will be conducted and, in addition, how the federal government can truly respect and partner with them going forward.

This meeting is of critical importance, with the Prime Minister committing to be there. He will hear first-hand from Indigenous leaders about those concerns. I hope the government will consider those concerns as they're considering national projects. Equally, I hope they consider how they can do a better job in communicating what that consultation should be all about.

As you know, we have a constitutional requirement to meet that. We've passed Bill S-13 in this chamber and committed to the UN declaration on how we're going to treat the Indigenous community and nations in this country.

With a new Prime Minister of the country, there's an understanding of what the expectation might be, and I hope it will give real meaning to this legislation's implementation as the government moves forward.

Hon. Denise Batters: Senator Yussuff, I want to hear a bit more detail about the more major amendments to Bill C-5 that were passed by the House of Commons late last week. We in the Senate, who studied this bill in a Committee of the Whole pre-study before these amendments were part of the bill, haven't had much of an opportunity to hear about these amendments. You mentioned them in your speech but quite briefly.

I understand that one amendment in particular was to take the Indian Act out of the list, which the federal cabinet would be allowed to ignore in their dealings with major projects. The government previously had the Indian Act in the list. Are there any other acts that have been similarly taken out with amendments? Are there any other major amendments to be considered by this chamber?

Senator Yussuff: Thank you for the question. I want to acknowledge the serious way in which our colleagues in the other place looked at the bill, heard the testimony of witnesses that came before them — and equally the Senate — and reflected very strenuously in looking at the legislation and how they can improve it. Of course, all of us are quite often worried when certain pieces of legislation are excluded from the preview through a process that we're not a part of.

The other place ensured that all relevant legislation is covered in the act, so the process of approving projects cannot simply be accomplished without respect.

The Hon. the Speaker: Senator Yussuff, the time allowed for debate has expired. Are you asking for more time to answer the question?

Senator Yussuff: Yes.

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

Hon. Senators: Agreed.

Senator Yussuff: Senator Batters, what our colleagues did in the other place reflects one of the best efforts I've seen in a long time. They approved a piece of legislation that the other place wanted to support, but they also put in the oversight to ensure that we don't get the short shrift and the government ignoring a particular piece of legislation passed for the betterment of this country. I think the Indian Act is one. Other pieces of legislation that seem to be excluded are now included and covered by those amendments in the other place, and I think we now have a better amended bill as a result of their efforts there.

Hon. Leo Housakos (Leader of the Opposition): Honourable colleagues, I rise today as the critic for Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act.

According to the government's press release, these two acts:

... will remove federal barriers to internal trade and labour mobility, and advance nation-building projects crucial for driving Canadian productivity growth, energy security, and economic competitiveness.

Senator Yussuff has already gone into great detail about both parts of this bill, so I will spare you having to listen to all those details a second time — or a third or a fourth, probably, as the day goes on.

I would also note that a record number of senators showed up at the government's briefing on the bill. We sat through over 10 hours of committee hearings, listening to the testimony of 3 cabinet ministers and 17 witnesses — doing what the Senate does best. I think the last thing we need at this point is more information; I assume we are all fairly well informed on the content of the legislation. However, I do need a few minutes of your time to outline my observations and concerns regarding this bill.

I would like to begin by acknowledging that Bill C-5 is a step in the right direction and that Canada needs this initiative to succeed.

As noted by Jay Khosla at the Committee of the Whole, removing interprovincial trade and labour mobility barriers could increase Canada's GDP by up to 4%.

The economic potential of the current inventory of resource projects already planned or under way represents over \$600 billion in potential capital investment and up to \$1.1 trillion in cumulative GDP growth. This potential needs to be vigorously pursued and harnessed.

[*Translation*]

As you know, honourable senators, Canada currently ranks second to last among all OECD countries in terms of real GDP per capita growth between 2015 and 2024 — just ahead of Luxembourg. We also rank second to last among OECD countries in terms of how long it takes to obtain a general construction permit. After the lost decade, it's high time for Canada to get back on the path to prosperity.

• (1550)

However, honourable senators, will Bill C-5 really help us do that? That's far from clear at the moment. Let me explain why, starting with the first part of the bill.

[*English*]

Part 1 of Bill C-5 removes federal barriers to interprovincial trade and enhances labour mobility across Canada. It establishes statutory recognition of goods, services and worker credentials that meet provincial or territorial standards as also meeting comparable federal requirements. It also authorizes the Governor-in-Council to make regulations that facilitate this process. This is an objective I am certain we can all support.

However, I would be remiss in my role as the critic of this bill if I did not point out that this effort amounts to a very little drop in a very large bucket. I was surprised by this, considering that this bill is the flagship legislation of this government and was released with so much fanfare. During the election, Prime Minister Carney led Canadians to believe that he had a plan. He told Canadians that "we can give ourselves far more than Donald Trump can ever take away."

This is true, of course, but we do not see it in Part 1 of Bill C-5. Instead, we see an initiative that has a very narrow impact. With respect to goods and services, it impacts only those that are subject to both a provincial/territorial requirement and a federal requirement. The federal requirement must be related to interprovincial trade. When asked, officials gave the example of a washing machine. They confirmed that there is actually no list available of the goods and services that will be affected by the legislation, which makes it very hard to measure the real impact.

I am not sure if that is a feature or a bug of this legislation. I am not cynical by nature, colleagues, but I notice that, so far, this government does not like to provide any means of measuring the significance of their promises, the amount of their spending or the impacts of their legislation.

So it sounds good, but we are left to wonder and wait and see what the actual value of this legislation will be. It is the old "trust us" effect.

My concern has been that perhaps the reason we are unable to measure it is because it doesn't actually amount to much. Regrettably, the government said nothing during our committee meetings to change my mind on this point, and I asked the question repeatedly. I continue to doubt that Bill C-5 will make any noticeable impact on the interprovincial trade of goods and services.

What about labour mobility? By establishing a framework for the federal recognition of provincial/territorial occupational standards, Bill C-5 seeks to reduce duplication in regulatory processes and enhance efficiency for businesses and workers. Once again, this is a laudable objective, but the legislation will make very little difference.

Let me quote an official at the briefing:

The majority of occupations, trades and professions are regulated by provinces and territories. Very few occupations are federally regulated; even less are subject to both federal and provincial/territorial regulation.

This means that Bill C-5 will not impact “the majority of occupations, trades and professions.” It will not even impact the “very few occupations” that are federally regulated. It will only impact the sliver of occupations, trades and professions that are subject to both federal and provincial/territorial legislation. You don’t have to take my word for it. The government admitted this itself: the impact is miniscule.

But this begs the critical question: Why were there different certifications in the first place?

The government seems to be taking the approach that there is no critical difference in certifications, so it will simply recognize provincial certifications from this point forward. The government gave the example of a land surveyor, stating the following:

... an Ontario-licensed land surveyor who wants to work on a federal project won’t need additional certifications to do so. They can use their existing Ontario license to get a federal one, reducing delays and paperwork.

However, colleagues, this oversimplifies a complex reality, and it is somewhat misleading. While an Ontario-licensed surveyor may apply their provincial licence as part of the process to obtain a Canada Lands Surveyor Commission, they must still complete additional training and certification through the Association of Canada Lands Surveyors, or ACLS, in order to legally survey Canada lands. This requirement reflects the significant differences in legal, regulatory and cultural frameworks between provincial and federal jurisdictions, which cannot be bridged by a simple licence transfer.

The core surveying techniques, such as using GNSS, total stations and processing geospatial data, are indeed similar across provincial and federal lands. However, the legal, regulatory and contextual frameworks diverge substantially, necessitating specialized training for federal certification.

Provincial land surveyors, licensed by bodies like the Association of Ontario Land Surveyors, are trained primarily in provincial statutes and are authorized to perform surveys only within their province’s jurisdiction. In contrast, Canada Land Surveyors, certified by the Association of Canada Land Surveyors, are the only professionals legally authorized under the Canada Lands Surveys Act to conduct surveys on Canada lands, including Aboriginal reserves, national parks, the Yukon, the Northwest Territories, Nunavut and offshore areas.

ACLS training specifically addresses federal legislation, such as the Canada Lands Surveys Act, the Indian Act and the Territorial Lands Act, along with Indigenous property rights, federal registries like the Canada Lands Survey Records and culturally sensitive land administration processes.

These areas are not covered in provincial training, despite some awareness of federal statutes in provincial curricula. These distinctions between the licensing systems ensure that surveyors are equipped to handle the distinct legal definitions of boundaries, types of title and tenure and dispute resolution processes unique to each jurisdiction, and they underscore why provincial and federal surveyor credentials are not interchangeable.

Yet, I would note, colleagues, that the bill says at clause 10:

Subject to the regulations, a federal regulatory body must

(a) recognize an authorization to practise an occupation issued by a provincial or territorial regulatory body as comparable to an authorization that the federal regulatory body may issue to practise that occupation; and

(b) on application by the holder of such a provincial or territorial authorization, issue them an authorization to practise that occupation.

Without additional training, the roles and corresponding licences are simply not interchangeable; yet, the legislation insists that they must be.

Colleagues, it is possible that these concerns could be addressed through regulation. Governments always promise to solve all the magical problems through the magic of regulation. However, it is of great concern to me that the government does not appear to realize that our varying licensing systems can be reflective of critical distinctions in training. Conservatives believe in cutting red tape and in reducing mobility barriers, but we must ensure it is done carefully, responsibly and that there is alignment.

[Translation]

The final point I want to raise about Part I of the bill is this. Labour mobility is important, and necessary, even, but in all honesty, it is secondary to a much more serious problem that the government is not addressing: the acute shortage of skilled workers in Canada.

This is a real crisis affecting numerous sectors, with major economic and social impacts. In the construction industry, for example, BuildForce Canada predicts a shortage of 29,000 workers by 2027. Why? It is because more than 257,000 workers will retire by 2029, and there are not enough new recruits to replace them. Consequently, the housing crisis is worsening and costs are rising.

The situation is no better in the manufacturing sector. According to Canadian Manufacturers & Exporters, 85% of companies are struggling to recruit skilled workers. In 2022, that cost the industry \$7.2 billion in late deliveries and lost contracts.

The same is true in the restaurant sector. In March 2023, Statistics Canada reported a job vacancy rate of 7.6%. Kelly Higginson, president of Restaurants Canada, said:

Trained chefs have become increasingly hard to find, and paying more to attract those workers translates to higher menu prices.

Several factors are fuelling this crisis: an aging population, a decline in birth rates and an education system that is not keeping pace. We need to act quickly and adopt strong policies that go well beyond the modest labour mobility reforms set out in Bill C-5.

• (1600)

Ironically enough, if we don't do something about the shortage of skilled workers, these changes will simply result in more competition between the provinces when it comes to attracting workers from other provinces. I don't think that is the intention of this bill. However, it could very well be the consequence.

[English]

Colleagues, Part 1 of this bill is well intentioned, but it ultimately represents a modest symbolic gesture in place of the bold, comprehensive action our labour market needs and our economic challenges demand. This bill is not as advertised, and that is regrettable.

Part 2 of this legislation creates the building Canada act, which streamlines the federal approval process for nationally significant infrastructure and resource projects. It allows the Governor-in-Council to designate projects as being in the national interest, subject them to a single coordinated federal review and deem authorizations under existing laws to have been granted, subject to conditions established in a single conditions document issued by a designated minister.

This is where it gets interesting, colleagues. The conditions referenced in the document are drawn from the 12 acts of Parliament and seven sets of regulations listed in Schedule 2 of Bill C-5. Yet the first draft of the bill gave cabinet sweeping authority to unilaterally add to, amend or remove any of those acts or regulations from the schedule. It also empowered cabinet to exempt any national interest project from any part of those laws or regulations. Under clause 23, cabinet could go even further, issuing regulations to override or modify any provision of Bill C-5 itself. In other words, through Bill C-5, the government attempted to give itself sweeping powers to exempt national interest projects from the application of any law or regulation — or to vary the application of laws or regulations, including provisions of the building Canada act itself.

The initial unamended bill was just one big blank signed executive order: Cabinet could do or not do pretty much anything it wanted to get a project through. Thankfully, colleagues, the Liberal government does not have a majority of seats in the House of Commons. As Senator Yussuff explained in his speech

quite well, 25 amendments were made at committee and 3 amendments were made at third reading, which clipped the government's wings and curtailed the excessive executive power it wanted to give itself.

A parliamentary review committee is now required to report twice a year on the minister's and cabinet's exercise of their powers and performance of their duties under this act. The term "national interest" will now have to be defined for each project instead of being left vague and ambiguous. Before a project of national interest can be added to Schedule 1, there is a 30-day notice period, which includes publishing the name and description of the project in the *Canada Gazette*. Conflict of interest guidelines have also been introduced. A public registry must be established for national projects, which includes descriptions of the projects, cost estimates, estimated timelines and more. A national security review has been mandated in the event that there are state-owned or foreign investments in national interest projects. Meaningful Indigenous consultation has been mandated once again, and the process, along with its results, must be made available to the public within 60 days. There will be no more settling for non-answers from ministers at Question Period about who was or was not consulted and where the money went. The government is now forbidden from bypassing or changing the requirements set out in 17 acts of Parliament, including the Indian Act, the Official Languages Act and the Criminal Code.

When you read the entire list, it drives home how bizarre it is that the government intended to give itself the unilateral power to bypass the provisions of these and any other laws. The amendments removed the ability for cabinet to exempt a national interest project from being subject to parts of Bill C-5. They removed the ability for cabinet to change Bill C-5 after it was passed by "varying the application of any provision of this Act . . ." The final thing that I will mention — although there are many more that I could — is that the minister will now be required to publish an annual progress review on national interest projects, including timelines and budgets.

Colleagues, these were all needed changes — reasonable, measured and responsible ones — but they would never have happened if we had left it to the government itself to make them. They happened because — when all is said and done — the House of Commons did their job. The government intended to pass a law that would give them executive powers on steroids. And if you feel as if you are experiencing a little bit of *déjà vu*, it is not your imagination. We have seen this before with this government. They seem to think that they should have the power to govern without the nuisance of parliamentary oversight.

If you recall, they tried this same tactic in March 2020, during the early days of the COVID-19 pandemic. As part of its initial emergency aid package, the government introduced a draft version of a bill that included a clause granting the Minister of Finance sweeping powers to spend public money, increase borrowing and change taxes without parliamentary approval until December 31, 2021. They wanted us to give them *carte blanche* so they could bypass parliamentary oversight and the parliamentary process for a period of 21 months.

This attitude and mindset are like a cancer with this government — it goes into remission shortly before elections and then flares up again the moment they think no one is paying attention or they believe it is warranted by some national crisis or emergency. Nothing is better than a government in pursuit of a good crisis.

I fear that it betrays the Liberal Party's deep discomfort with accountability and belief that democratic scrutiny is an obstacle to be managed, not a principle to be upheld. If you doubt me on this point, colleagues, I would draw your attention to the fact that even now we are being asked to approve this legislation, yet the government has been unable to provide us with a corresponding budget for its implementation. These are pretty serious questions, colleagues.

This perhaps would not be alarming in and of itself, but we must recall, as Senator Marshall has noted in this chamber, that we are already operating with a dearth of information about the fiscal health of the country. We still have no debt management report for 2023-24, no budget for this year and no borrowing strategy. Nonetheless, the government now expects us to approve legislation which will require even more funding. This is more than a little concerning.

Colleagues, I must point out the elephant in the room: This legislation is necessary because of one primary reason — the failures of the government over the last decade. After a decade of anti-development legislation, such as Bill C-69 and Bill C-48 — which we consistently warned would stall investment, kill projects and strangle economic growth — the government nonetheless passed it and moved on. Their policies have so thoroughly entangled Canada's project approval process that, in their view, the only solution is to write a new law to exempt themselves from the rules they created because it would be too embarrassing just to repeal the legislation that caused the damage in the first place.

This government built the regulatory walls — we passed them in this chamber — and they've asked for a key to the back door to impose the conditions that led to the cancellation of more than \$670 billion in energy and resource projects since 2015. Now, with Bill C-5, they are in crisis management mode, scrambling to get project proponents and investors back to the table in order to mitigate a colossal mess of their own making.

Let's be clear, colleagues, Conservatives in the House of Commons supported Bill C-5 because Canada urgently needs to get major projects moving. I intend to support this bill as well because the stakes are high and the need is significant. The responsibility to implement this legislation wisely, effectively, expeditiously and transparently falls directly on this government, but also on Parliament. Canadians want and need to see real progress. They need tangible results with real-world impact, not platitudes and press releases. They are tired of lofty promises and political theatre. They want shovels in the ground, jobs created and barriers removed.

Colleagues, in a nutshell, we are in a crisis. Senator Yussuff is absolutely right: The country must come together and Parliament must come together. But we are, I must underline, in a crisis created by this government over the last 10 years. Creating red tape, being as environmentally enthusiastic as they were and

putting in place bills like Bill C-69, Bill C-48 and other regulatory measures that discouraged the unleashing of our Canadian resources is in large part why this crisis has occurred. We have seen economic stagnation in this country over the last 10 years that has allowed individuals like Donald Trump to take advantage of us being weak and meek, and only then did it become a crisis. If we had unleashed our natural resources and been preoccupied in the last decade with wealth creation, we would not be facing Donald Trump in the manner and in the crisis we are today.

• (1610)

We have a government that spent the last 10 years under the leadership of Chrystia Freeland and Steven Guilbeault being environmentally enthusiastic. Now under the leadership of Prime Minister Carney, we are optimistic but skeptical because you know what? Minister Freeland and Minister Guilbeault are still there.

Senator Batters: Same crowd.

Senator Housakos: I can't believe that all of a sudden, they traded in their excessive environmental enthusiasm for an excessive enthusiasm for energy development. We'll see where the chips fall. At the end of the day, when it comes to nation building, we'll see if this new government — with the same old ministers — will embrace nation building and energy building with the same degree of enthusiasm that they embraced environmental zealotry and overenthusiasm over the last 10 years.

Senator Yussuff, it also concerns me when you say that the government will use its judgment, and when it's all said and done, they won't impose projects. They are going to respect our First Nations people and the environmental guidelines, but they will impose them in cases where it's for the greater good. When I listen to that statement, that causes a bit of concern because, again, we can't really size up which way the government is going to go. Are they going to show the good intentions which we believe and I believe have been forced upon Prime Minister Carney by a general election, where millions and millions of Canadians voted for change? They want to turn their backs on a decade of creating red tape, stalling projects, stalling foreign investment and stalling our energy development, and they want to turn the page under the guise of this crisis? I want to turn the page under the principle of nation building. Nation building should not be based on an existential crisis forced upon us by some overzealous President or another. It should be a constant drive forward to make this country stronger and wealthier and to have a foundation to build where our First Nations people are part of that, and they're equal partners, while we respect our environmental guidelines. We need to return to some semblance of balance, which I think we have lost over the last decade.

I am the friendly critic of this bill. We will support this bill. We are going into the next little era of this new government — even though it has the same old ministers — with a great deal of hope because we need to meet that aspiration because the country is at a crossroads, and there's no turning back.

Let me be clear here: This bill, colleagues, is not great legislation crafting. There's nothing great or legislative about this. This is all very political. This is a government that came out of the eve of the election putting a deadline of July 1, which is nothing more than a public relations exercise, and the Prime Minister is saying, "Trust me, I will get us there. We want the country to collectively come together, and I will get us there."

I will hold an open mind. The opposition group will hold an open mind. As you saw, by the way, they voted and were constructive in helping build this legislation in the House. They have an open mind. But the success or failure of this legislation is incumbent on the Prime Minister. Will he have the political will to do everything this legislation intends to do? If he does, I will be the first to climb to the rooftops to compliment him and yell from a megaphone, "Congratulations. Our country and our process of nation building is on the right path." But if he fails Canadians at this juncture, there will be a political price to pay.

Colleagues, we are going to pass this legislation. This is not new. The elected House has given us a clear mandate. They expect this passed unamended by July 1 and in place, but we are once again at the mercy of a political piece of legislation in the hands of a Prime Minister who we're counting on to do the right thing.

I will finish by saying this, colleagues: I've studied this legislation very carefully, and I've worked with many of you in this institution for many years. If it were a Conservative government tabling this legislation, let's be clear: Many of you would be on your feet voting against it and ripping your shirts in indignation and amending it until the cows come home. The good news is that it's a Liberal government right now that is putting this forward, and they have our support wholeheartedly, and I suspect they have the support of most of the people in this chamber as well. Thank you, colleagues.

Some Hon. Senators: Hear, hear.

Hon. Patrick Brazeau: Senator Housakos, I was just building up on the meeting in July with Indigenous leaders. I meant to ask this question to the sponsor of the bill earlier, but time ran out. Let me get a little bit creative with the time I have here.

Do you think it would be important for the opposition in the Senate to ask the sponsor of the bill what exactly is the purpose of the meeting with Indigenous organizations? I ask this because I am the former head of one of the five national organizations, which are all funded by the Government of Canada. Many of these organizations are funded to play ball with the government.

Wouldn't it be important to have clarification on why the meeting is taking place with Indigenous organizations, given those five Indigenous organizations in Canada are not the rights holders of anything? They are political lobby organizations. Hypothetically, what happens if a future project of the Government of Canada includes the Algonquin people? Well, the Assembly of First Nations, the Métis National Council, the Congress of Aboriginal Peoples, Inuit Tapiriit Kanatami and the Native Women's Association of Canada do not represent the Algonquin people. Do you think it's important for the opposition

in the Senate to seek clarification as to what exactly is the consultation process taking place on July 17, and is that really helping the process for the real First Nations in this country?

Senator Housakos: Thank you for the question. Obviously, the government is best suited to answer it. The only thing I can surmise is that the government is consulting far and wide. I'm very disappointed to hear that they only invited groups that are associations rather than First Nations representatives. It's probably a political exercise, but, again, I'm only surmising that's the case.

As you saw from the amendments that were made in the other house in regard to the Indian Act — and I suspect there might be a few more amendments coming from this chamber — First Nations people are the most important in developing our resources and showing respect for our land, and there has to be a robust consultation.

If you look at the way Bill C-5 is structured right now, it's relying on the goodwill of government to reach out and come to arrangements with various First Nations peoples, depending on which region of the country and depending on what type of infrastructure project we're talking about.

You and I have been here for an equal amount of time — a very long time. I always get weary, regardless of political colour, when I have to rely on the goodwill of governments without some legislative pressure and some parliamentary oversight. I don't know if that answers your question. I hope the government does a better job at it than I do.

(The sitting of the Senate was suspended.)

(The sitting of the Senate was resumed.)

• (1640)

The Hon. the Speaker: Honourable senators, I would like to thank everyone for their quick action, especially that of our emergency and security personnel.

We're still debating Bill C-5.

Hon. Marilou McPhedran: Would Senator Housakos take a question?

Senator Housakos: Sure.

Senator McPhedran: Thank you. My question relates to any risk analysis that you may have done on the bill, Senator Housakos, and it also pertains to the letter of assurance that we received from Minister LeBlanc.

I see a major risk in the various consolidations of decision-making powers. On one hand, a single minister in Part 1 and again in Part 2 — yet unnamed — is given sole authority to issue a document authorizing a "national interest project," and, for example, the publicity of that document lies, again, in the sole hands of the minister, thereby, likely occluding information to Canadian citizens, taxpayers and — arguably — parliamentarians.

We are asked to pass the bill with little consultation and without knowing which minister would be responsible. My question to you is this: Do you also support this concentration of power and lack of specificity in the decision making of an unnamed minister?

Senator Housakos: Thank you for the question, Senator McPhedran. Of course, I'm concerned. I highlighted that in my speech.

The analysis we've done indicates that right now, at least, there's a political will to move infrastructure and energy projects forward, which hasn't been the case over the last decade.

Like you, we find it excessive that so much concentration of authority over these decisions will go to one minister or — for that matter — even a small group of ministers. That's because the success of these projects will be highly dependent on the ability to bring so many different groups together — from environmental groups to First Nations to capital investors.

Over the last decade, we've seen how rigid capital can be. We had a witness who said that capital goes or capital grows, and investors do not want any impediments whatsoever.

So we have various elements on the table with extreme positions and a government that hasn't been able to bring them together for over a decade. On the contrary, they've managed to drive in so many wedges that we've seen very little confidence in terms of energy and infrastructure investment in Canada.

Again, I'm skeptically optimistic that this Prime Minister will be able to get this done without any parliamentary oversight or very little of it. There is some now, thanks to the amendments that have been made, but initially, there was almost zero. We share those concerns, so thank you for the question.

• (1650)

I also want to thank Senator Ravalia. How lucky we are in this chamber to have Dr. Ravalia in our midst. Thank you for always being there for all of us.

POINT OF ORDER—SPEAKER'S RULING RESERVED

Hon. Marilou McPhedran: Honourable senators, I rise on a point of order concerning the vote on Bill C-5, and in particular, the process by which this chamber will be asked to render a final decision at third reading.

Your Honour, having consulted with parliamentary colleagues, Indigenous and civil society leaders, and thanks to my office team and Chamber Operations and Procedure Office, or COPO, I rise today to raise this point of order and request you to rule on how this house should vote on this bill.

[Senator McPhedran]

I acknowledge that the Speaker in the other place had greater precedence for his decision to allow two votes on this bill: one on Part 1 and another on Part 2. This bill presents a complex legislative proposal that includes two distinct and unrelated components.

As currently framed, it requires senators to cast a single vote either in favour of or against the entire package. This approach is procedurally problematic and places senators in an untenable position, particularly those who support one part of the bill but not the other.

Your Honour, I would ask you to please consider that on November 5, 2013, there was a ruling — so there is at least one precedent in this place — in response to a formal request from an honourable senator, and the Speaker ruled on the possibility of splitting government motion 5 for the purposes of voting. In doing so, the Speaker affirmed that there is a practice in parliamentary procedure allowing the separation of a complicated question, for the purpose of a vote, on different elements of the motion. This is done to better capture the sense of the House, but can only be done if the motion contains two or more distinct propositions that would, if decided separately, be coherent.

In that case, the speaker exercised authority under rule 1-1(2) of the *Rules of the Senate*, which allows recourse to the practices of other parliamentary chambers. I, therefore, respectfully ask the Speaker to consider whether it would be procedurally permissible under the Speaker's inherent authority to interpret and safeguard the fairness of Senate proceedings to allow the vote at third reading to be divided into two questions corresponding to the bill's distinct components: Part 1 and Part 2.

This is not a request to divide the bill itself nor to amend or delay the legislative process. It is a request to ensure that each part of this complex proposal receives a clear and unambiguous expression of the will of this chamber.

Hon. David M. Wells: Colleagues, I don't think this qualifies as a point of order. It may be more appropriate to address the bill in the manner that Senator McPhedran has suggested as a motion at third reading, but I don't think it qualifies as a point of order.

Hon. Leo Housakos (Leader of the Opposition): I don't want to enter into the nuts and bolts of the point of order. Like Senator Wells, I don't think it's a point of order, Your Honour, because we're still at the outset of second reading. We're not actually at the stage of voting. It is premature to call a point of order on a vote that hasn't occurred yet.

Hon. Marc Gold (Government Representative in the Senate): I rise on the point of order. I submit that this is not a proper procedural course of action.

Under the terms of the programming motion adopted by the Senate on June 12, 2025, the possibility of the bill being referred to a standing committee is excluded. As the programming motion adopted by the full Senate states, “. . . no motion to refer the bill to committee be received . . .” and it later states:

. . . except as provided in points 14 and 15, if the bill is adopted at second reading, it be placed on the Orders of the Day for third reading at the next sitting of the Senate . . .

As it was established by the fifth report by the Standing Senate Committee on Rules, Procedures and the Rights of Parliament, which the Senate adopted on April 6, 2017, and was noted in a ruling by Speaker Furey on June 15, 2017, specific procedures must be followed when proposing that a bill be divided.

This point of order has taken me by surprise, so please indulge me in gathering my thoughts. There are no rules in the Senate — as I understand it — for dividing bills. There are different rules in the House of Commons, as the point of order properly underlined.

Moreover, this Senate, which is the master of its procedures, has adopted a motion which provides for the bill to receive one final vote no later than 5:15 p.m. on June 27. For several reasons then, this is not the appropriate procedural path to take. I would oppose this point of order and suggest that it is, in itself, out of order.

The Hon. the Speaker: I'd like to thank the senator for bringing this question to the floor, and I will certainly take this into consideration. Thank you as well to our colleagues who intervened.

[Translation]

I will take the matter under advisement and get back to you shortly.

[English]

SECOND READING—DEBATE

On the Order:

Resuming debate on the motion of the Honourable Senator Yussuff, seconded by the Honourable Senator Petten, for the second reading of Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act.

Hon. Paula Simons: Honourable senators, I rise today to speak to Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act. However, I rise today, haunted, in a sense, by the ghost of a bill we passed in this chamber in 2019: Bill C-69. You might say that my entire time in the Senate has been stalked by the looming presence of Bill C-69.

The first time I ever rose in the Senate was on the day of my swearing-in: October 16, 2018. Now, it is certainly unusual for a senator to speak on her very first day in the Senate, but the day of my swearing-in happened to coincide with the presence of

Amarjeet Sohi, the then Minister of Natural Resources, who was here for ministerial Question Period. I had known Minister Sohi for years because he was an Edmonton city councillor when I was the city columnist for the *Edmonton Journal*, so I wanted to ask him a question — not just to say hello — specifically about Bill C-69, which amended the Impact Assessment Act, and which was tremendously controversial in Alberta.

When I told the clerk that I wanted to ask a question — minutes after being sworn in and before joining any group — she laughed and told me that would likely not be possible. But to humour me, she put my name on the question list at the very bottom. I was as surprised as I was delighted when the Speaker, George Furey, allowed me to ask the very last question of the afternoon, specifically about whether the environmental impact assessment rubric for Bill C-69 would take into account the downstream impact of fossil fuel consumption.

When I gave my first speech in the Senate three weeks later, it wasn't a personal speech about my family or my life's work. It was, instead, about Bill C-69.

The bill was supposed to make the approval of new major projects, such as interprovincial power lines, pipelines, port expansions and rail lines, more reliable. There had been a problem — let's recall — with major projects making it most of the way through the environmental assessment process only to have court challenges to those assessments derail big projects at the last minute. Project proponents were asking for more assurance up front that they wouldn't have the rug pulled out from under them at the last minute. At the same time, Indigenous peoples and environmental groups were demanding better consultation so that their voices and concerns would be considered during, and not at the end of, the process.

In my Senate debut, I said:

We need a better, more transparent and more nimble process to approve new pipeline infrastructure. We need an efficient, effective regulatory regime that gives investors some assurance that projects can actually be built.

• (1700)

I continued:

But that doesn't mean running roughshod over environmental concerns or over Indigenous sovereignty. Indeed, the only way we can create a regulatory system that provides investor confidence is by having an open, comprehensive and comprehensible template to ensure that the environment is protected and that First Nations and Métis settlements are respected partners in the collaborative process.

That was true in November of 2018, and it remains every bit as true today. Sadly, however, Bill C-69, the Impact Assessment Act, never became that template. And I greatly fear Bill C-5 won't get us there either. Bill C-5, after all, is supposed to do what Bill C-69 was supposed to do — give proponents clarity up front and give First Nations, Inuit and Métis communities a meaningful voice.

But I worry that in our rush to “fix” Bill C-69, which, let’s recall, was supposed to fix CEAA 2012, the Harper government’s Canadian Environmental Assessment Act, we may end up right back where we started, with Indigenous voices marginalized and environmental concerns sidelined. That’s not only a problem for the honour of the Crown and the future of our environment. Far from giving certainty to project proponents, it could just fuel more court challenges, more protests and more confusion. Shortcuts make long delays. Bill C-5 could end up backfiring, stalling projects that we actually do need.

Now, Bill C-69 certainly was not rushed through the Senate. After significant debate, we sent it for thorough study to the Standing Senate Committee on Energy, the Environment and Natural Resources. We heard from hundreds of witnesses from the energy sector, the mining sector, the transportation sector, environmental groups, Indigenous nations and organizations, from premiers and academics and industry analysts. We held public hearings all across the country: in Vancouver, Calgary, Fort McMurray, Saskatoon, Winnipeg, St. John’s, Halifax, Saint John and Quebec City.

And when I say public, I mean public. We were interrupted by protesters in Calgary who feared the bill would cripple Alberta’s energy economy. In Winnipeg, environmental and Indigenous protesters stopped the hearings for a time, marching through the hotel ballroom where we were meeting.

Then, it came time for amendments. I remember, as a rookie senator, watching in a kind of awe as senators Howard Wetston and Yuen Pau Woo took apart the bill — which was a shaggy mess — and put it back together with some kind of logic.

In the end, the Senate passed 188 amendments to the bill, and the government accepted 99 of them in whole or in part. Even after those amendments, the act was still seriously flawed. The parts of it which dealt with major projects within one province have largely been struck down as unconstitutional by the Supreme Court of Canada. Meantime, the legislation has been blamed, fairly or not, for the apparent paucity of big projects approved since its inception.

Bill C-5, of course, attempts to “fix” that by allowing the government to pre-designate certain proposals as projects of national interest — or PONIs, if you will. Once a project is pre-designated as a PONI, the bill would allow it to be fast-tracked through environmental and other regulatory approval processes. If things don’t move fast enough, well, the bill would give the superminister responsible for PONIs the power to skip over the requirements of a long list of legislation, such as the Fisheries Act, the Migratory Birds Convention Act, the Canada Marine Act or the Impact Assessment Act itself. Those are the very laws meant to safeguard our environment.

Just before they rose, our colleagues in the other place did pass some smart last-minute amendments, as Senator Housakos mentioned. Those curtailed the power of the superminister to run roughshod over other pieces of legislation, including the Indian Act and the Canada Labour Code. They added amendments to improve transparency of the process and to ensure that provinces and territories would be fully consulted. They removed the most

problematic and obviously abusive parts of the “Henry VIII clause,” which would have given the Governor-in-Council sweeping and unacceptable superpowers.

So, this version of Bill C-5 is better than the original, but it remains deeply flawed. The bill still front-end loads the approval process by asking for consultation and accord with affected parties to designate something as a national interest project before the environmental and other impact assessments are done. This prejudging could lead to problems if a project has been granted PONI status, and then experts subsequently learn that the project could present a major risk, say, to a whale-calving site or to the nesting grounds of a rare and endangered bird or to a groundwater aquifer.

I worry, too, that designating something as a project of national interest, in itself, could taint the independence of any environmental analysis, since the project would go in with special status.

And the pace with which this bill has moved through Parliament has, in and of itself, damaged hard-won relations of trust with First Nations, Inuit and Métis communities. We have worked so hard on reconciliation in the last decade. This feels like a betrayal of so much of that work.

This bill needed more debate and analysis than we were allowed to give it. Our Committee of the Whole hearings were useful, but we should have sent a bill this important to the Standing Senate Committee on Energy, the Environment and Natural Resources and to the Standing Senate Committee on Indigenous Peoples for proper study. At the very least, I wish we had been given the politically unconstrained opportunity to make our own amendments here. Instead, we’ve been painted into a corner because the bill has been sent to us after the other place has risen.

The government wants to move the conversation around vital nation-building projects, they say, from “whether” to “how.” Yes, some of the long list of preconditions required by Bill C-69 did seem purposely designed as excuses to build absolutely nothing anywhere near anything. But I worry that we’re now overcorrecting in expediting megaprojects that may not be in the local interest, even if they are in the national interest. Frankly, I worry that the aura of urgency around Bill C-5 may create unrealistic expectations that may come back to bite this new government.

Some of the rhetoric around this bill has created the unfortunate and false impression that the government itself will be funding a stable of nation-building PONIs, that the government will be using this legislation to fix the Chignecto Isthmus or build a pipeline to Prince Rupert, a new rail line to Churchill or a new all-season road to Norman Wells. When it becomes clear that there is no federal funding attached to this bill, I think there are likely to be disappointment and political backlash.

So let us be clear. There is no Santa Claus. There is no “Pink Pony Club,” where we’re all “. . . gonna keep on dancing . . .” This bill is not a tickle trunk full of public infrastructure projects. This is primarily a bill about creating greater certainty for project proponents who are using their own capital to build projects that match market conditions. And if those private project proponents don’t feel that Bill C-5 gives them certainty, then we will have rushed here, running roughshod over the rights and sensibilities of Indigenous communities for naught.

I want to end with a message to my fellow Albertans, especially those who made Bill C-69 the scapegoat for every frustrated ambition.

My Alberta friends, I want to speak to you directly and directly to political leaders in our province who are playing with fire as they pander to separatists and racists and fan embers into flames.

Albertans, if you really want a pipeline, be it to the Pacific or to the east, face some hard truths. No private enterprise is going to risk tens of billions of dollars to build that kind of national infrastructure if they think there is any chance that Alberta could separate. A pipeline will only be built if there are a market case and investor confidence. Prime Minister Carney is giving you what you said you wanted — the de facto repeal of Bill C-69. If you throw that opportunity away by threatening to break up the country, on your heads be it.

But I hope, when it comes to nation building, Albertans can have an imagination beyond oil pipelines. What about a western electrical grid that allows Alberta greater access to green hydro power from British Columbia, and Saskatchewan greater access to green hydro power from Manitoba? What about passenger rail connecting Edmonton and Calgary, or a network of blue hydrogen pipelines so that we can have hydrogen trains and buses and power plants?

We need bold new projects that actually improve our environmental future by greening our grid and our transportation systems. We need projects that empower and employ and enrich Indigenous communities and accord them the respect they deserve, legally and morally, as full partners in Confederation. We need those projects for Alberta, for Canada and for our collective futures.

I wish that we had not rushed this bill. I wish the Senate had been allowed to provide true sober second thought, to assure Canadians that this was the best possible legislation to help build the national consensus that this legislation will require if we really want it to work. Because in this moment of global crisis, when old alliances are crumbling and economic certainties are dissolving, we really do need to dream big, to build big and to build a united nation with a sovereign future. I just don’t know if Bill C-5 will get us there or if, like a revenant of Bill C-69 before it, it will come back to haunt us and thwart our vaulting ambitions.

Thank you. *Hiy hiy.*

• (1710)

[*Translation*]

Hon. Lucie Moncion: Honourable senators, I rise today to take part in the debate at second reading of Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act. My remarks will be brief, but there are a few important points I’d like to highlight.

Part 1 of Bill C-5, which enacts the free trade and labour mobility in Canada act, is undeniably eagerly awaited. I welcome this important first step toward removing barriers to interprovincial trade and worker mobility. In this uncertain diplomatic climate, we have a unique opportunity to come together and take back control of our economic future. Canadian unity gives us the strength to weather any storm, from coast to coast to coast. I commend the government for putting forward this vision for our country right from the start, and I hope that, in a spirit of cooperative federalism, more barriers can come down through strong federal leadership and ongoing collaboration among the provinces and territories.

Last week, the Canadian Chamber of Commerce released a document encouraging us to think about the big projects our country could undertake to bolster its economic security and resilience. These projects include ensuring the supply of critical minerals and materials; strategic trade coordination; food chain security; trade enablement; AI adoption acceleration; digital regulatory interoperability; energy sustainability, affordability and security; carbon measurement and compliance efficiency; global health; infrastructure resilience; and cybersecurity.

These projects are key to our country’s growth and productivity at a defining moment for our future. Bill C-5 invites us to be open-minded and to take a forward-looking approach to the prosperity we want to bring to Canada.

That being said, I will now talk about Part 2 of the bill, which enacts the building Canada act.

[*English*]

The intent of this legislation — to accelerate progress and streamline project approvals — is both commendable and timely. I believe this is something all Canadians can support.

That said, the version initially tabled in Parliament raised significant concerns. It granted broad discretionary authority to the executive branch to unilaterally designate projects as being of national interest, with no oversight or safeguards.

Provisions under the proposed sections 21 to 23 would have allowed the government to override any law and regulation. The bill also lacked clear and robust language affirming the constitutional duty to consult Indigenous peoples and did not adequately reflect the need to respect areas of exclusive provincial jurisdiction.

Those who stand to be affected by these decisions must be given a meaningful voice in the process. Given this chamber's role in providing sober second thought and protecting minorities, the lack of safeguards and oversight, along with the concentration of power, calls for careful attention.

According to the constitutional interpretation established by the Supreme Court in *Reference re Secession of Quebec*, we should ensure that the legislative proposal is consistent with the following principles: federalism, democracy, constitutionalism and the rule of law, as well as respect for minorities. These principles should guide our overall assessment of the constitutional rights and obligations involved in this bill.

In the context of Canada and our democracy, it is difficult to envision a contemporary situation that would clearly justify granting near-absolute powers to the executive. The principle of democracy calls for a reasonable balance among the legislative, executive and judicial branches. While the initial version of the bill appeared to raise concerns about this balance, the subsequent amendments represent a step toward addressing those issues and reflect an ongoing dialogue about the appropriate distribution of powers in a democratic society, including in times of crisis.

The belief that a crisis justifies all exceptional measures can set dangerous precedents. As legislators, we must remain vigilant and evaluate legislative proposals on a case-by-case basis. The first version of the bill received by Parliament, which informed our study in the Committee of the Whole, underscores the importance of a Parliament that exercises its legislative powers with rigour and diligence, while keeping in mind the principles inherent in our Constitution.

The amendments proposed by the other place also offer comfort in relation to other constitutional principles, notably federalism and respect for minorities.

[Translation]

I am delighted to see that the work carried out in the other place has paid off and will enhance oversight, transparency and protections regarding the environment and the health and rights of Indigenous peoples through the implementation of the bill.

I would, however, like to point out a particular omission in the series of proposed amendments with respect to the public registry. It is important to mention it in this chamber so that our debates address this observation. I'm referring to the comments Senator Woo made earlier.

The creation of new requirements for establishing a public registry and disclosing detailed information on the projects is clearly a good measure. However, I note the omission in new proposed subsection 5(1.1) of the environmental factor, which is on the list under proposed subsection 5(6). This particular subsection lists factors relevant to the designation of a national project by the Governor in Council on the recommendation of the minister.

Despite the absence of binding language in this regard in the legislation, I still expect the public registry to include information about the extent to which a project "is expected to" contribute to clean growth and to meeting Canada's objectives

with respect to climate change. In my opinion, including this information in the registry is necessary and would be a good practice that is also consistent with the legislators' intent, based on the full list in proposed subsection 5(6). I would like the government to make a formal commitment to include this information in the public registry.

Before I wrap up my speech, I would like to stress one last essential point. The bill, as amended, strengthens Parliament's oversight role, notably via a parliamentary committee.

Colleagues, that means our work is only just beginning. We will have to continue to monitor the implementation of the bill in a way that is consistent with our duties and privileges as guardians of the principles underpinning our Constitution.

In short, this bill offers Canada an opportunity to get ahead of the major economic, environmental and geopolitical changes to come. That's why we need to ensure that the powers that it confers are exercised in a way that is consistent with a modern vision of Canada, particularly with regard to environmental and health standards. I have confidence in this government. However, I think it would be imprudent to trust it blindly. Since we are not subject to the same constraints as the elected members in the other place, the privileges and responsibilities conferred on us as senators require sustained vigilance and rigorous scrutiny of every bill, including those coming from the government.

Hon. Julie Miville-Dechéne: Honourable senators, I rise to speak to Part 2 of Bill C-5, the building Canada act, whose stated aim is to speed up approvals for major energy infrastructure and natural resource development projects.

I fully understand the very specific context in which this bill was created. Canada has had to endure the shock of a tariff war with its American neighbour, and this conflict has created a great deal of uncertainty and caused many layoffs. The Canadian economy has been shaken, and solutions must be found to revitalize economic activity.

• (1720)

The goal is commendable. However, the chosen approach is incredibly unusual and almost unprecedented: giving the government the power to suspend laws passed by Parliament in order to speed up approvals for major national projects. I've been following the news for a long time, and I can't recall any federal government ever suspending laws to deal with a recession.

Former Conservative minister Lisa Raitt summed up the situation perfectly in response to a question that I asked her in Committee of the Whole last week. She said:

The language of the bill is very broad, and it does give the minister — whoever is appointed — carte blanche in a lot of ways to determine which of the acts.

... the government obviously felt that they needed to have this very broad power, which is very broad, admittedly, and can be terrifying, because the government is basically saying, "Trust us. We're going to do a great job."

Some of the amendments adopted by the other place require more transparency on the part of the government about the exact nature of the projects and more parliamentary oversight. MPs also made sure that certain laws could not be suspended. Yes, those are improvements, but they are not enough to allay concerns.

What's more, because the government was in a hurry, we heard our witnesses before they had a chance to review the House of Commons amendments. We therefore lacked the external expertise to assess these amendments. This resulted in a very rapid and approximate study process for a chamber that is supposed to conduct a sober second review of the legislation before it. The use of committee of the whole, where ministers appear before all senators, has serious limitations. It is difficult to ask more direct follow-up questions or to interrupt a witness who is not really answering the questions, in short, to obtain more in-depth answers, which can be done more effectively in specialized Senate committee meetings with only 12 senators.

There is a reason why complex bills take some time to study. Finding errors or unexpected consequences of certain clauses requires research, consultation, rewording, and so on. I have experienced this in the past. It took more than a year of deliberations to pass important bills such as Bill C-11 on web-based platforms and Bill C-18 on broadcasting. Filibustering does happen, but it's not the norm.

In any event, that is not the reality facing senators. The members of the House of Commons ended their parliamentary session on Friday. They are no longer in Ottawa. It will be very hard for us to adopt amendments and ask the House of Commons to vote on them because the members would have to be recalled during the summer. Why did the other place not extend the sitting for at least another week to give us the opportunity to do our work properly? I'm not privy to any inside information, but ever since the Senate gained more independence and started proposing amendments to bills, we've been hearing that this really irritates several members of the government. In fact, the sponsor of this bill, our colleague Senator Yussuff, told us at the end of his speech that he hoped the bill would be passed without amendment.

So we're stuck. When we propose improvements to a bill, we're told we don't have the legitimacy to do so because we are unelected. When a bill is quickly passed as is, we're told that this demonstrates our complete uselessness.

[English]

Andrew Coyne, a long-time critic of the Senate, puts it this way in his latest book that I'm reading, *The Crisis of Canadian Democracy*:

We would appear to be caught in a dilemma. A Senate that merely waves through bills passed by the commons is superfluous; A senate that defeats them is a menace. The

dilemma will persist so long as we fail to address the basic underlying contradiction between the Senate's immense legal powers and its total lack of democratic legitimacy.

Naturally, this is Andrew Coyne's opinion. I do not share all of it.

[Translation]

With the procedural aspect out of the way, let's return to the content of Bill C-5.

In Committee of the Whole, Minister Dominic LeBlanc reiterated Prime Minister Mark Carney's commitment:

Clearly, the bill is not being considered by the Senate, by Parliament, with a view to imposing any kind of project on Indigenous people or on a province or territory.

Based on this commitment, it seems like the intention is certainly not to push ahead without the consent of Indigenous peoples or provincial governments to launch a major project in their province. However, the amendment passed in the House concerning the provinces is not entirely clear. It states that the federal government has to consult the government of a province where a project is to take place, and that the federal government has to obtain written consent from the provincial government in question if the project falls within areas of exclusive provincial jurisdiction. What happens if this national project has an impact on the environment, which is a jurisdiction shared by both levels of government?

Furthermore, why doesn't the bill state that the federal government would accept an environmental assessment performed by a province, rather than cause further delay by requiring a federal environmental assessment as well? The Centre québécois du droit de l'environnement has also noted that the bill gives no clear indication regarding the continued application of provincial laws to designated projects.

At this stage, what matters is not what people say. What matters must be written in the bill. I'm particularly concerned about the federal government's power to fast-track things and choose which environmental protection targets it wants to achieve. Several acts, including the Canadian Environmental Protection Act, 1999, can be suspended. As my colleague, Senator Simons, explained, a national project can be pre-approved before its environmental impact is known.

I realize that Bill C-69 on federal environmental impact assessments, which we passed, has had major, even outsized consequences, creating unacceptable delays in carrying out projects. Still, we could have targeted that legislation specifically instead of every single piece of pro-environment legislation.

A proposed alternative is just as worrisome. For example, paragraph 5(6)(e) of the building Canada act states that the government may choose, but is not obligated to choose, projects that will:

contribute to clean growth and to meeting Canada's objectives with respect to climate change.

In other words, the government is giving itself the right to choose major projects that will increase our greenhouse gas emissions even as wildfires proliferate across the country and we are already behind schedule on our climate targets.

In Committee of the Whole, I asked Minister LeBlanc whether pipeline construction was really a project of the future, a 21st-century project, when we think of our planet's survival. His answer was meant to be reassuring:

You're right about pipelines getting a lot of air time. I said as much to reporters on the record a few times, even on the air. I would say that, at the first ministers' meeting in Saskatoon, less than 5% of the conversations were about pipeline projects.

If we believe in a green transition, shouldn't future national projects contribute to a low-carbon, biodiversity-friendly economy? Should we trust the government and grant it these extraordinary powers in the hope that the right balance will be struck? Does the severity of the crisis with our main trading partner justify suspending laws? There are no easy answers to these questions.

I will personally be voting against Bill C-5.

[English]

Hon. Kim Pate: Honourable senators, this newly elected government promised to bring us together to uphold Canadian sovereignty and Canadian values with "elbows up." To this end, we were advised that Part 2 of Bill C-5 is aimed at promoting national projects that build up Canada. Regrettably, the process thus far with this legislation has raised significant concern amongst Canadians.

• (1730)

The rushed legislative process undertaken with respect to this bill raises the spectre of expedited future projects being pre-approved, with irreversible and generational consequences for health, communities, economies and the environment, over the protests of those most negatively affected, without adequate work to understand — much less obtain consent regarding — likely risks.

Canadians see a risk that, rather than empowering all of us, Bill C-5 will hand unprecedented power to a few in cabinet. Instead of bringing us together in the face of threats made by our neighbour to the south, it risks exacerbating inequality and division, emulating and reinforcing attempts to power grab.

Indigenous leaders, with decades of experience working to defend inherent rights of sovereignty and self-determination, have been especially clear.

Former minister of justice and former attorney general Jody Wilson-Raybould assessed the passage of Bill C-5 in the other place as follows:

Today Canada became weaker.

Bill C-5 gives unchecked powers in a few officials, overrides laws of Parliament, & steamrolls constitutional rights.

Our economy won't grow by creating conditions of uncertainty & conflict... Our sovereignty is not protected by being anti-democratic.

Last week, National Chief Cindy Woodhouse Nepinak urged us:

We know how it feels to have Trump at our borders. Let's not do that and have Trump-like policies with each other. . . .

Our late colleague Senator Sinclair challenged each of us and the nation of Canada with four questions: Where do we come from? Where are we going? Why are we here? Who are we?

The Bill C-5 legislative process and approach to nation building shape what Canada stands for and who we are.

The amendments made to Bill C-5 so far provide some positive safeguards, but — as acknowledged by MPs from every party in the other place — they are not sufficient. Bill C-5 still grants the government unfettered discretion to define, pre-approve and designate national interest projects without first assessing their risks.

The five factors that the government may use to determine national interest projects remain optional instead of mandatory. Proposed section 5.1, which requires governments to report on how projects will respond to these factors, crucially omits the requirement of the government to report on how projects will further the goals of ". . . clean growth . . ." and ". . . meeting Canada's objectives with respect to climate change."

Amendments now protect some legislation, such as the Indian Act, but Bill C-5 still mostly leaves in place the government's ". . . unchecked power to exclude or alter . . ." laws.

The pace with which this bill has barrelled through Parliament leaves significant concerns about democracy and respect for law and legal rights unanswered.

National Chief Woodhouse Nepinak emphasized what this means for First Nations, and ultimately for Canadians as a whole, when she urged us to take time and do things properly — to take the summer to talk with each other, to work through the bill and make it stronger and to address the parts detrimental to the rights of First Nations peoples. She was clear in saying:

. . . ramming something through in 7 or 14 days is not the Canadian way. All we ask is you follow your own rules, follow your own laws and look at how far we have come. Let's not step years back and hurt that very delicate relationship that's now coming. People are trying to work on that together. First Nations are trying

She continued, “This will impact them and their children and grandchildren ahead.”

First Nations interested in the potential economic opportunities provided by Bill C-5 have nevertheless been troubled to see it fast-tracked without meaningful consultation.

The Assembly of First Nations, or AFN, have been clear that part of the meaningful work and consultation that the federal government must undertake with First Nations rights holders must involve, at a minimum, incorporation into Bill C-5 the standard of free, prior and informed consent required by the United Nations Declaration on the Rights of Indigenous Peoples Act.

At committee in the other place, an amendment to this effect was, unfortunately, defeated.

While Minister LeBlanc has reiterated, including in his recent letter to us, that “. . . full consultation . . .” will take place, many remain concerned about what this will amount to in practice.

As the AFN pointed out during the Committee of the Whole, while the preamble of Bill C-5 speaks to the UN declaration act and the duty to consult as “. . . interpretative . . .” there is no “. . . concrete inclusion in the bill of those standards. . .” nor an “. . . operationalization of those standards . . .” — including free, prior and informed consent.

The to-be-created Indigenous advisory council is characterized as a response to the government’s consultation obligations, yet we are provided “. . . no information about what the government actually intends . . .” or how it foresees meeting the standard of free, prior and informed consent. AFN rightly caution that under Article 19 of the UN declaration, an advisory council of government appointees, even if Indigenous, cannot constitute an entity with which the government can carry out consultation or obtain consent.

As Inuit Tapiriit Kanatami — or ITK — President Natan Obed reminded us, absent the clear incorporation of free, prior and informed consent within Bill C-5, we risk falling further into the trap of paying only lip service to Indigenous rights. He testified to senators that:

It has been Canada’s weakness that it pats itself on the back for being a great champion of Indigenous peoples, an upholder of the rule of law and respect for Indigenous peoples’ rights, while at the same time acting very differently through its legislation and practices. I think of those things as being borne out of not only ignorance, but also a clear decision about whose rights matter and whose don’t — and how to get to an end goal that makes Canada feel good about itself while still trampling on the very rights it says it upholds.

In the wake of inadequate consultation with respect to the bill, Indigenous peoples are understandably concerned by vague invocations of the UN declaration when it comes to Bill C-5.

Mere days after the Speech from the Throne reaffirmed that:

As Canada moves forward with nation-building projects, the Government will always be firmly guided by the principle of free, prior, and informed consent —

— the AFN reported that the Crown failed to meet its legal, constitutional and international obligations for deep consultation and consent when it came to assessing Bill C-5’s substantial risks to collective rights of First Nations.

First Nations rights holders were instead:

. . . given an unreasonably tiny window both before and after tabling, with much less engagement in a substantive exchange of views. . . .

Indigenous peoples already disproportionately bear the burden of Canada’s policies of irresponsible environmental degradation. Inadequate consultation with respect to Bill C-5 and the natural resource projects that it enables will only exacerbate this travesty. Why have 34 First Nations lost any hope of having input on Bill C-5? Because the entire time we have been considering Bill C-5, they have been fighting forest fires caused by human-induced climate change that threaten the lives and worlds of their peoples.

Like the Calls for Justice of the National Inquiry into Missing and Murdered Indigenous Women and Girls, ITK President Obed reminded us that “. . . the negative effects of natural resource development within Indigenous communities . . .” — include — “. . . gender-based violence within natural resource development projects. . . .”

There has been virtually no discussion of this dimension of Bill C-5.

Jody Wilson-Raybould said, “We need to be clear that this new economy is not going to be built on the backs of . . .” — indigenous peoples in their communities — “. . . and it’s not going to be built on the lands that . . .” — they — “. . . have protected for generations.”

In the past, Canada has too often abdicated its responsibilities and relied on Indigenous peoples to challenge inadequate environmental standards and protect the air, land and water upon which we all rely. The costs for Indigenous peoples have included everything from litigation fees to criminalization for attempts to address Canada’s failure to respect Indigenous laws and self-determination.

Bill C-5 is generating the need for young Indigenous community leaders to once again prepare to challenge — and therefore shoulder — this unjust burden. Indigenous youth rallied against Bill C-5 on Parliament Hill, the beginning of what

Ramon Kataquapit — a youth councillor with the Chiefs of Ontario and Nishnawbe Aski Nation and a member of Attawapiskat First Nation in northern Ontario — describes as “... a movement” to protect their cultures and lands.

Terra Roy, another youth councillor with the Chiefs of Ontario, recalling their mother taking them to Idle No More protests more than a decade ago, says:

It's frustrating that at 11 years old I was doing that, and now again at 23 ... If I'm tired of having to fight this again, I can only imagine how my grandmother feels.

• (1740)

AFN also emphasize that when it comes to nation-building projects:

... we want to talk about jobs, the economy and growth, but that's not going to happen unless the infrastructure gap in First Nations communities is closed.

They continue:

Without action on clean water, on wastewater infrastructure and proper schools, First Nations will be left out from the one Canadian economy.

AFN's proposals for clean water, housing, schools and other essentials would be investments with significant positive impacts on the Canadian economy. Redressing these inequalities and legacies of colonialism should most definitely be part of nation building under Bill C-5. National Chief Woodhouse Nepinak spoke to us directly about our duties in the context of Bill C-5. She said:

... I see the onus on all of you, the heavy lifting as you are sitting here trying to get through this. At the same time, I think there is a huge opportunity here to do things differently in this country, to work together and come together. Let's get everybody to the table: the Prime Minister, the whole of cabinet, senators and First Nations people.

She continued:

There are a lot of treaty people out there, people with inherent rights from coast to coast to coast, who want to come here and talk to you. You should hear from them; give them that respect.

Colleagues, if Bill C-5 is proposing to build Canada's next chapter, we can and must insist on a solid foundation. This means upholding principles of equality, justice and democracy; protections for the air, land and water that sustain us; and respect for the UN Declaration on the Rights of Indigenous Peoples and the inherent sovereignty and self-determination of First Nations, Métis and Inuit Peoples. In these times of urgent need for action, let us not fail. *Meegwetch*. Thank you.

Hon. Salma Ataullahjan: Thank you, Senator Pate. Government officials indicated they had sent letters to 66 Indigenous groups, yet the Ontario Chiefs said that everything

is being done in a rush. Is it true that the federal government blocked First Nations from Ontario from speaking in the committee?

Senator Pate: I understand that's what the claim was, so I believe that to be true.

Hon. Mary Jane McCallum: Senator Pate, would you agree that when you're consulting with groups, you don't need to consult with people who agree with you, since there's nothing to accommodate? You have to go to the ones who disagree, because then you can accommodate with respect to whatever it is you're doing. Would you agree with that?

Senator Pate: Well, in my experience, consultation is done with people who have an interest in the issues that you're raising. Sometimes they may be in agreement with an action being proposed and sometimes not. Certainly, it's obviously not to exclusively consult with those who agree with you.

Hon. Marc Gold (Government Representative in the Senate): Senator Pate, thank you. Are you aware of the following initiatives — which are just a start — that the Prime Minister will be holding full-day meetings with First Nations rights holders on July 17, meetings with Inuit at the end of July and with Métis to follow? These meetings will reach to the community level and will be an open dialogue on the path forward. There are over 700 First Nations alone, so they will necessarily include more than 125 rights holders. This will layer on top of regional outreach. The government will also work with an Indigenous advisory council, which will be stood up as part of a major projects office, to develop consultation protocols that reflect these conversations.

Senator, consultations with Indigenous groups are required in the legislation both when deeming a project to be in the national interest and at the condition-setting stage. It will be an ongoing process. The Prime Minister has also been clear that he feels that Canada is bound to the principle of free, prior and informed consent. Would you agree these are positive steps in the right direction?

The Hon. the Speaker pro tempore: Senator Pate, I'm sorry, but the time allotted for debate has expired. Are you asking for more time to answer the question?

Senator Pate: If it's the will of the chamber, yes.

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

Hon. Senators: Agreed.

Senator Pate: Yes, I certainly agree that the commitments made by the Prime Minister are a very positive step in the right direction. The issue remains that many First Nations are concerned about the fact that now we need to see if these steps will be followed through on. The bill will pass before those actions are taken, and that was the point I was trying to make. Absolutely, though, those commitments are important.

As I've said to every person who has contacted me by telephone and by — I haven't responded to all the emails, to be clear. Sorry to those of you who have emailed me, but now you know what I'd say: those commitments are important. If they're not followed through on, it puts an added obligation on all of us to make sure they are.

I think the letter from Minister LeBlanc was helpful. It would be even more helpful if there were a similar communiqué from the Prime Minister.

[Translation]

Hon. Danièle Henkel: Honourable senators, Bill C-5 reflects a major commitment to kick-start the Canadian economy after years of underinvestment.

As the chamber of sober second thought, the Senate has a unique opportunity to ensure that the bill creates value for the entire economy.

I want to thank and congratulate all colleagues who have already taken part in the debate and helped to shed light on the key issues raised by this bill.

In Committee of the Whole, legitimate concerns were raised on the environment, the ancestral rights of Indigenous peoples, and the scope of the concept of "project of national interest."

However, let me point out one disturbing paradox: No one can claim to be kick-starting the economy without enlisting the full participation of those who are the driving force behind it every day. I'm talking about our SMEs.

Bill C-5 cannot ignore SMEs, and nor can we.

[English]

With over 30 years of experience as an entrepreneur, I've come to understand, deeply and personally, the central role that small- and medium-sized businesses, or SMEs, play in our economy. It's one of the key reasons why I chose to serve in the Senate. I wish to be a voice for SMEs and to ensure they have a seat at the table when major economic decisions are made.

The numbers speak for themselves: SMEs represent 98% of all businesses in Canada, account for 54% of total employment and contribute nearly half of our GDP.

[Translation]

However, they are conspicuously absent from calls for tenders and government procurement.

According to figures published by Public Services and Procurement Canada, the volume of federal contracts awarded to small and medium-sized enterprises was 38% in 2008, 32% in 2022, 24% in 2023, and 20% in 2024.

It should be noted that, during this period, some SMEs may have been absorbed by larger companies or bought up internationally. That said, the number of SMEs has continued to increase, which makes these figures even more alarming.

This decline is no accident. It is the result of systemic barriers that have been identified for years.

Several high-quality parliamentary reports — in particular those of the Standing Committee on Government Operations and Estimates, or OGGO, published in 2009 and 2018 — have highlighted some major barriers.

The committee in the other place identified the following barriers, to name but a few. First, the excessive complexity of procurement processes and the large number of documents required. What is the delay in simplifying these procedures and finally adapting them to the realities of SMEs?

Second, unequal access to information and the complexity of the language used. Why are tender documents not always identical in French and English? Also, why is the terminology so complex?

• (1750)

Third, our SMEs don't have the human resources to respond to calls for bids. How can they bid when the cost of participating is sometimes more than the contract is worth?

Fourth, the government systematically prioritizes the lowest bid over quality or innovation.

Lastly, the lengthy waits for payment cause serious cash flow difficulties for our SMEs.

These systemic barriers affect all of our SMEs, but their impact is felt even more by under-represented groups, such as women-owned businesses.

[English]

The government is clearly aware of the issue. It has already set a target of 15% for women-owned businesses. While this goal was met in terms of contract volume from 2023 to 2024, no data has been released regarding the value of these contracts. It is crucial that women-owned businesses are not confined to low-value contracts especially in high-value sectors.

[Translation]

Another systemic bias that is still holding women-owned SMEs back in 2025 is access to financing. Lenders ask women subjective questions that they would never dare ask a man. I've experienced this myself, as have many other women.

A man will be asked about his business' growth potential, but a woman will be asked to justify what she has achieved so far and to detail her expansion plans. Then she'll be asked questions such as "How do you plan to maintain work-life balance while running a business?" or "Is there someone who could act as your guarantor?"

Visible minority women entrepreneurs are frequently asked whether they have ever bid on public contracts. Most of them say no, not because they lack the will or the skills, but because they haven't yet been given the chance. Because they're excluded from the outset, they end up not trying anymore.

Those questions have nothing to do with the capacity or credibility of their business. Still, the same doubts persist. Are these women really capable of meeting the contract requirements? Can they meet the specifications?

Is it rational to think that an SME would invest the time and money to submit a bid if it weren't able to fulfill it? That line of reasoning is totally obsolete in 2025.

On top of all that, women lack access to investor networks and are under-represented on decision-making committees. The data speak for themselves. According to the 2024 report from the Women Entrepreneurship Knowledge Hub, women-owned businesses receive only 4% of venture capital funding in Canada.

[English]

Despite extensive efforts to inform small to medium-sized enterprises, or SMEs, why did the results still fall short? We know that the Office of Small and Medium Enterprises, the Business Development Bank of Canada and numerous regional organizations have invested heavily in training sessions and informational events. And yet, accessing public procurement remains a daunting challenge for most SMEs.

If the information is readily available and widely shared, then the issue isn't communication; it's the bidding process itself that needs a complete overhaul.

[Translation]

Here are a few examples of meaningful levers that could trigger real positive change.

I decided to compare two government procurement platforms. The American platform, GSA Advantage, centralizes information and allows federal agencies to make purchases from a single source, similar to an online catalogue. The Canadian platform, CanadaBuys, which was launched in 2022, simply posts tender opportunities without providing any direct transactional functionality. The Canadian system creates a lot more red tape for our SMEs.

I am therefore proposing that the federal government require large companies and Crown corporations that obtain public contracts to work with SMEs by setting quotas or reserving a minimum percentage of subcontracting for them.

I also propose including provisions that feature indicators to measure real gains for SMEs and that implement tax or other incentives to actively encourage such partnerships.

The government could also take inspiration from positive examples, such as WEConnect or Aéro Montréal, which are already strengthening supplier networks and support much more inclusive procurement.

[Senator Henkel]

Finally, in order for these changes to produce positive results, calls for tenders must place greater emphasis on quality and innovation, rather than using the lowest price as the only criterion. This would allow innovative SMEs to better position themselves. It would also prevent contracts from always going to the same bidders.

[English]

Honourable colleagues, Bill C-5 could be a perfect opportunity to turn federal procurement into a true engine of national prosperity. Public contracts represent 13% to 20% of Canada's GDP. Governments hold a powerful lever to boost the economy nationwide without leaving anyone behind.

We need a new mindset — one that connects economic performance with social responsibility. I call for an economy that wins without exclusion, that grows without forgetting SMEs and that prospers by supporting those who innovate every day, often behind the scenes.

[Translation]

It's high time that we recognized the people working quietly behind the scenes to keep our economy going. Behind every SME is a face, a story, a desire. We have a responsibility to reach out to them to build prosperity that is both sustainable and shared.

This challenge affects us all. Let's use Bill C-5 as a true springboard for our SMEs and our communities.

Thank you for listening. *Meegwetch.*

[English]

Hon. Marilou McPhedran: Honourable senators, having consulted with Indigenous and civil society leaders, and with thanks to my office team, I rise today to express apprehension with the content and process of this bill. I intend to present amendments for consideration on my behalf as well as that of Senator Anderson.

First, at second reading, I will give some context to the proposed amendments that will be coming. Released today, The Hague Summit Declaration states in article 2:

United in the face of profound security threats and challenges, in particular the long-term threat posed by Russia to Euro-Atlantic security and the persistent threat of terrorism, Allies commit to invest 5% of GDP annually on core defence requirements as well as defence- and security-related spending by 2035 to ensure our individual and collective obligations, in accordance with Article 3 of the Washington Treaty. . . .

• (1800)

Prime Minister Carney confirmed earlier today that this new NATO military spending target will require Canada to spend \$150 billion annually on defence-related items. Please ask yourselves where these billions for militarization will come from if the promised rapid prosperity does not actually happen.

The interconnection here is through money — money for militarization, money for climate justice. I come from Manitoba, Treaty 1 territory, the homeland of the Red River Métis Nation and the province where some 21,000 people have been displaced by wildfires, a disproportionate number of whom are Indigenous people. I thank Senator Pate for the extensive analysis of injustice inherent in Bill C-5, and I will not repeat that.

As noted this morning in *The Globe and Mail*:

Millions of Canadians are currently living underneath a heat dome, where high pressure clamps a lid on sweltering air and turns cities into steam rooms. Toronto, Montreal and Ottawa just broke weather records — temperatures are 10 C warmer than normal for this time in June. . . .

I once headed up Toronto's Healthy City Office, and in our *State of the City* report in 1991, we were sounding the alarm on air quality and rising temperatures. Back then, Toronto averaged fewer than 10 days each year where daily temperatures topped 30 °C. Scientists predict now 55 days of temperatures in the 30s °C by 2050.

While the U.S. government has essentially torched all environmental protection law, Canada's government, of course, takes a more subtle route with Bill C-5, but it's still a statutory juggernaut that will roll over Indigenous leaders and the rest of us who still prefer and believe in respecting Indigenous sovereignty and greener options than the extraction industry to drive our economy.

Every senator has been receiving letters from concerned Canadians asking us to do our job, to prove that we are indeed bringing sober second thought to Bill C-5 and that we are honest in knowing that sober second thought cannot be done in the time or the process allotted for our review of this country-changing bill.

The premise of Bill C-5 is that Canadians deserve investment in ambitious projects that serve our unique identity, our autonomy, our security and a sustainable path for a healthy and just future for generations to come. Honourable colleagues, we took an oath to serve this country, and at the core of this country is our democracy. Key to Canadians' — not just the already rich Canadians' — achieving economic growth, prosperity and well-being is democratic resilience.

The process now under way to push this bill through the Senate weakens our democracy, and the secret, unaccountable decision making that remains in this bill is the antithesis of a high-functioning democracy.

I went on record on the first day that Prime Minister Mark Carney was sworn in, questioning his corporatist history and orientation. Many a rich man and many rich corporations have become exponentially richer, widening the income inequality in countries where leaders have capitalized on fear to make sweeping changes in the name of "saving" the country where those changes have been to deregulate and make unaccountable decisions that — regardless of the awe felt by many who believe in a new leader to save them, regardless of rhetoric of the leader

on trust needed in the crisis — result in the rich getting richer, and the commonwealth, the promised safety and prosperity for non-rich folks becoming very hard to find.

In her book *The Shock Doctrine*, Naomi Klein named this pattern "disaster capitalism," treating crises as exciting market opportunities. Bill C-5 may have a sunset of five years, but that is more than enough time to erode and eradicate public services to health and education and protection against environmental racism, to make some species extinct. And it is more than enough time to destroy what trust and respect has been built in the past decade with Indigenous peoples and their leaders, forcing them to the courts.

Let me quote Chief Claire Sault from her letter to senators received just yesterday:

Mississaugas of the Credit First Nation is not opposed to economic growth or national development. We want prosperity for ourselves and our Indigenous and non-Indigenous neighbours and partners. However, we reject any approach that continues the colonial pattern of sidelining First Nations in decisions that affect our lands. A truly one Canadian economy must be built on mutual respect and shared prosperity.

And yet, we are expected to pass this bill with so little consultation in advance, without knowing what minister will be responsible. We know this concentration of power and decision making yields weak results. Indeed, Bill C-5's inspiration is to solidify our sovereignty and independence in the face of the havoc wreaked by a single decision maker south of us with consolidated power. We must not ignore the precedent, and we must safeguard against it.

I close with a quote from today's editorial in *The Hill Times*:

. . . with faith in government eroding globally, and abuses of power going unchecked — such use of omnibus legislation is disheartening and counterproductive, to say the least.

Stay tuned for third-reading amendments. Thank you, *meegwetch*.

Hon. Mary Jane McCallum: Honourable senators, I rise today to speak to the second reading of Bill C-5, the one Canadian economy act.

I would like to remind senators and those Canadians who are watching our proceedings today of the dire consequences of the negative impacts of resource extraction on First Nations lands and lives as it has occurred relentlessly over the past 60-plus years. Over many years, First Nations have presented solid evidence within various Senate and House of Commons committees of the severe and irreversible harm that resource extractive projects bring to their territories, resources and way of life.

During the last Parliament, testimony by First Nations and other racialized communities who experienced these harms firsthand helped to pass the National Strategy Respecting Environmental Racism and Environmental Justice Act, which received Royal Assent in June 2024. First Nations have borne and continue to bear the brunt of environmental racism, resulting in their premature morbidity and mortality. This slow violence over these years has amounted to genocide.

Colleagues, remedial measures regarding mitigation by resource extractive companies have not been rigorously applied. The number of orphan wells has doubled to 3,200 as the bankruptcy of Sequoia Resources is now settled. Tailings ponds from oil and gas extraction continue to grow; not one pond has been mitigated.

In the Burrard Inlet, Rueben George of the Tsleil-Waututh Nation testified that the community had to do extensive mitigation around the impacts of extractive activity in their area. After 40 years' work, they were finally able to harvest clams. However, as they were mitigating the toxins left behind by oil and gas activity, these extractive companies were continuing to destroy other sections of their land at a rate greater than what their mitigation efforts were restoring.

Not only are the resource extractive companies abandoning their responsibilities to mitigate — nor are they being forced to comply with the Polluter Pays Principle and CEPA's precautionary principle — they have also been given subsidies by the federal government: \$29.6 billion in direct subsidies and financing to oil and gas in 2024 and \$18.6 billion in 2023.

• (1810)

Over the past five years, financial support to the industry has climbed to \$74.6 billion. Who reaps the benefits? Foreign-owned companies and wealthy shareholders do.

Honourable senators, the operating model of these extractive companies is not compatible with the right to a good life — *mitho-pimatisiwin* — for First Nations.

For the industry, there has always been a fundamental tension between the two competing mandates: the pressure to contribute to the social goal of climate change mitigation, and the need to perform financially and meet obligations to shareholders, owners and provinces through activities that directly contribute to climate change. Of course, the interests of shareholders, owners and provinces have always won.

Evidence shows that large oil companies have lobbied governments against emissions regulations and confounded public discussion around the science of anthropogenic climate change, while continuing to profit from polluting activities. What we demand are changes to the way the oil industry operates so that the industry undertakes to improve the sustainability and social conscience of their operations. The high carbon emissions of the oil industry gives it a deciding role in the success of climate change mitigation.

[Senator McCallum]

Honourable senators, prevention is now absolutely critical and the only solution at this time for First Nations. The attempt to mitigate emissions has largely proven to be inadequate. The CBC reported just yesterday in an article entitled “Alberta's oilsands to hit record production high in 2025” that not only are oil sands operations continuing to grow, but their emissions output also remains on a similar upward trajectory.

Given the uncertainty of the projects to be listed under Schedule 1 of this bill, coupled with the intended setting aside of critical segments of pro-environmental legislation, we cannot argue that Bill C-5 will result in extractive companies increasing their toxic outputs that negatively affect the air, water, land and lives of First Nations.

Colleagues, despite the fact that a healthy environment is essential to human life, health and well-being, resource-extractive projects have continuously impacted the environment in ways that demonstrably harm First Nations. Yet, in 2022, the right to a healthy environment was recognized by the United Nations General Assembly, with 161 countries, including Canada, voting in favour of recognizing this right.

Canada then recognized the right to a healthy environment for the first time at the federal level in 2023 through amendments to the Canadian Environmental Protection Act, 1999, also known as CEPA. This right is also recognized in different forms in Ontario, Quebec, the Yukon, the Northwest Territories and Nunavut.

As a result of these federal amendments, the government must develop an implementation framework by June 2025 that will set out details about the scope and fulfilling — at the federal level — the right to a healthy environment. This is not discretionary, yet Prime Minister Carney has seemingly made clear his intent to unilaterally ignore or set aside the government's legislated responsibility toward the right to a healthy environment.

This represents a new threat by Prime Minister Carney through Schedule 2 of Bill C-5, which would look at erasing vital protections within various federal laws that look after the environment in multiple ways. This includes CEPA, which is the only act that addresses the right to a healthy environment in Canada.

I have heard that Bill C-5 is for the greater good. Here is a quote from Jakub Bożydar Wiśniewski, a fellow of the Mises Institute:

“For the greater good”: the phrase that always precedes the greatest evil.

As First Nations, we have been sacrificed for the greater good all our lives.

Colleagues, I maintain that there is no need for this bill, as resource-extractive industries have already been granted the power to continue to do catastrophic harm, to pollute and to destroy, despite existing federal and provincial legislation.

As we will hear, the notion of economy-environment trade-offs is a smoking gun. In the book entitled *The Right to a Healthy Environment: Revitalizing Canada's Constitution*, author David R. Boyd states:

... a huge pile of studies proves beyond a reasonable doubt that Canada lags behind other nations in terms of environmental performance. . . . The conservative Conference Board of Canada . . . [stated the] Scandinavian nations [Sweden, Finland and Norway] also outstrip Canada in terms of economic competitiveness and innovation, debunking the myth that there is a trade-off between strong environmental protection and economic prosperity.

The author goes on to say:

A collaborative research project involving Yale University, Columbia University, and the World Economic Forum ranked forty-five nations ahead of Canada in environmental performance. Nine of the countries ranked in the World Economic Forum's top fifteen for environmental performance are also in the top fifteen for global competitiveness, again undermining the notion of economy-environment trade-offs.

During a year-end interview in 2006, Prime Minister Harper acknowledged, "Canada's environmental performance is, by most measures, the worst in the developed world. We've got big problems."

In 1969, Prime Minister Trudeau said:

This challenge of pollution of our rivers and lakes, of our farmlands and forests, and of the very air we breathe, cannot be met effectively in our federal state without some constitutional reforms or clarification.

In 1978, the Canadian Environmental Law Association concluded that the Constitution's silence:

... led to jurisdictional buck-passing between the federal and provincial governments, failure to pass needed laws, erratic and haphazard enforcement of existing legislation and pollution havens.

In 1984, J.P.S. MacLaren argued, "... the spectre of constitutional challenge prevented Ottawa from effectively implementing or enforcing environmental laws."

In 1992, the Supreme Court ruled that the environment:

... is a constitutionally abstruse matter which does not comfortably fit within the existing division of powers without considerable overlap and uncertainty.

Here is another quote:

Another major problem caused by constitutional uncertainty is that corporations often challenge Canadian environmental laws — both provincial and federal — as being beyond the jurisdiction of the government that passed them. For example, the Supreme Court of Canada struck down a Manitoba law that imposed liability upon industrial polluters whose mercury discharges harmed fisheries.

• (1820)

In the 1990s, Ottawa came within a hair's breadth of losing its ability to regulate toxic pollution because of a constitutional challenge. The case arose when Hydro-Quebec was charged with dumping PCBs into the Saint-Maurice River in violation of the Canadian Environmental Protection Act, or CEPA.

Hydro-Quebec's defence to the charge of dumping PCBs was that CEPA was unconstitutional, that the federal government lacked the requisite authority to regulate toxic substances. According to Hydro-Quebec, pollution was a local matter falling within the provincial government's exclusive jurisdiction.

As three levels of Quebec courts sided with the polluter, the issue eventually went to the Supreme Court. In the absence of a clear constitutional mandate for federal environmental law, lawyers defending CEPA did the best they could with a handful of poor options: (a) the trade and commerce power of the federal government; (b) its criminal law power; and (c) Parliament's residual jurisdiction under the vague "peace, order and good government" power to legislate respecting matters of national concern, as provided for in the introductory paragraph of section 91 of the Constitution Act, 1867.

By the narrowest possible margin — five to four — five Supreme Court judges upheld CEPA's constitutionality. To do so, however, required some judicial creativity, as they relied on the federal government's criminal law power. Because of the Constitution's silence regarding environmental protection, the courts and Ottawa are forced to perform jurisdictional gymnastics to validate —

The Hon. the Speaker: Senator McCallum, your time has expired. Are you asking for more time?

Senator McCallum: Yes.

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

Hon. Senators: Agreed.

Senator McCallum: Canada's constitutional gap is also used to delay, block or water down proposed environmental legislation and regulations. A classic example is the federal endangered species legislation.

In 2012 it became clear that the Conservative government led by Prime Minister Stephen Harper was exploiting a very narrow perspective of constitutional jurisdiction in order to emasculate the federal government in terms of its role in protecting Canada's environment.

I ask colleagues: Is this Liberal government going down that same path of emasculating the federal government in terms of its role in environmental stewardship?

I will leave you with that thought for today and look forward to continuing my remarks at third reading debate tomorrow.

Kinanâskomitinâwâw.

Hon. Pat Duncan: Honourable senators, I appreciate the opportunity to speak tonight. Forgive me, I'm usually using paper, but I will use my computer tonight.

I have written remarks regarding the labour mobility portion of Bill C-5, but tonight I would like to address the substantive issues requiring consideration: Part 2 of Bill C-5, which pertains to nation building. The preamble states, "... urgently advance projects throughout Canada, including in the North ..."

Why was the North singled out, and what constitutes the North? It may be that the legislative drafts people were requested to include this phrase to signal the government's attention and focus on Canada's Arctic — also undefined. If, as is often the case, the intention is to refer to the three northern territories, I find the phrase deeply troubling.

Inhabitants of any of Canada's 10 provinces and Canada's Indigenous people are recognized by the Constitution. The Yukon, the Northwest Territories and Nunavut were established through acts of Parliament. Parliament can change those acts. The three acts are not listed in the schedule and therefore could be subject under this act to changes by the Governor-in-Council under this legislation.

Some might say quite patronizingly or perhaps in a typical colonial fashion, "Don't worry."

There are those of us who recall in 1985 the First Ministers' Meetings when the Premier of Ontario was less than welcoming to the duly elected leader of the Government of the Yukon Tony Penikett. My first act upon my election in 2000 was to officially sign the Ta'an Kwäch'än land claim agreement. The signature line for the Yukon prepared by Ottawa read, "government leader."

The first question from the media upon my election was, "Will you use the title premier?" to which I replied, "Yes." It took a long time for Ottawa to change the parlance. My colleagues at the first ministers' table were far more generous and accepting in their use of the term. That was only 25 years ago. The Nunavut Act passed in 1999.

The recognition of the territories within Canada's confederation family is in its infancy. Be mindful of the youngest and shoulder your responsibility seriously as parliamentarians. The world is watching, and they all want what you have.

Please note that it's not my intention to engender constitutional debate, nor do I intend to introduce an amendment to add to the schedule of the act. I have too much respect for the elected members of the provinces and of the other place, as well as the First Nations and Inuit to do that, prolonging this debate. I'm asking you to offer your respect to the three territories and to be mindful of the responsibility you bear in this chamber and in the other place for these three acts of Parliament that constitute their place in Confederation.

There's an expression that those who don't know their history are destined to repeat it. There's also the old adage that one can and must learn from our history in order to ensure that we don't repeat mistakes of the past.

Part 7, consultation, makes this especially evident. As evident during the Committee of the Whole, in my questions, the minister's consultation is ill-defined, not well appreciated by all governments, nor is there an agreed-upon definition of those who should be consulted.

Allow me to share the Yukon's experience.

In 1942, with a perceived threat from Japan, including an attack on the Aleutian Islands off Alaska, the U.S. Army Corps of Engineers built the Alaska Highway from Dawson Creek in British Columbia to Fairbanks, Alaska. Most of that is in the Yukon. The Canadian government's contribution was to provide the right-of-way.

Department of Public Works assumed responsibility, and the Americans continued to fund the upkeep of that highway through Canada, giving money to the Yukon government right up until the 2000s. The CANOL pipeline, also part of the war effort, was constructed from Norman Wells in the Northwest Territories to a refinery in Whitehorse. The refinery was closed, and the remains of the vehicles involved in the construction were left rusting on the side of the road. What was the Canadian contribution to this American project? Not so much. Again, the land. A pipeline was constructed from Haines Alaska through Haines Junction in the Yukon and on the Alaska Highway through the Yukon to Fairbanks, Alaska.

Senators, you may have heard of a toxic substance used as a defoliant used in the Vietnam War by the Americans: Tordon 101. There is a record of the use of Tordon and defoliants by the Americans on Canadian soil over that pipeline. A specific claim is still being discussed with the Yukon Champagne Aishihik First Nations and the Government of Canada. The Specific Claims West of the former Department of Indian Affairs is where I'm told this outstanding and unresolved claim in the archival information resides.

These were three American projects on Canadian soil — largely in the Yukon — with significant environmental and social impacts, and, aside from the infrastructure of the Alaska Highway, there was little or no lasting economic benefit to Canada or Canadians.

Elijah Smith, father and author of *Together Today for our Children Tomorrow*, consulted with all Yukon First Nations in developing that document, which became the foundation of the land claims. The consultations and that document were the foundation of the Umbrella Final Agreement.

• (1830)

The Umbrella Final Agreement has a chapter that requires the Yukon to do a development assessment. The Yukon Environmental and Socio-economic Assessment Act, or YESAA, is a made-in-the-Yukon law designed to meet the needs of Yukon First Nations and other Yukoners. It is unlike any other assessment legislation throughout Canada. YESAA established the Yukon Environmental and Socio-economic Assessment Board, an independent arm's-length body responsible for carrying out environmental and socio-economic assessments.

The seven-person board is appointed by Canada based on nominations from the Council of Yukon First Nations as well as the Yukon government and Canadian government. The board work is governed by the legislation. As noted, it is signed and developed by the Government of Canada, the Yukon government and Yukon First Nations.

The Yukon Environmental and Socio-economic Assessment Board can recommend that a project proceed, proceed with conditions, cannot proceed or be referenced to a higher level of assessment if necessary, including to a federal panel. These decision makers are the Yukon government, Yukon First Nations and the Government of Canada. Public involvement in the process is not only welcomed, but also encouraged.

Colleagues, the Yukon Environmental and Socio-economic Assessment Board was established in 2003. The act came into full effect in 2005. It's far from perfect. It's a work-in-progress, just like an independent Senate is a work-in-progress. It's taking time. Not everybody is happy with the outcome, but we're working on it together.

I share the story of this challenging and difficult work with you for several reasons. It includes the historical impact within one part of Canada of living so close to our American neighbours, as well as Canada's lack of regard in the past for First Nations and our failure to assert economic and social sovereignty in the Yukon specifically. We must learn from the Yukon story to ensure that in the future, specifically through Bill C-5, we don't repeat mistakes of the past. History provides lessons in the development of assessment legislation that is the envy of others. We are a Yukon that leads with our Yukon First Nations.

There's also an expression about the devil being in the details. The details will be in the implementation of Bill C-5. How Bill C-5 will work with existing legislation is not clear yet. Others have noted that a project declared to be in the national

interest might have preferred status over an environmental review. I see this differently. I see it as an opportunity for Canada to share, to build our country and to include the North.

The key factor with all the projects will be investors. Beyond government, there's an opportunity for First Nations to invest, to come together and to finance, for example, the transmission line that's being discussed. Finally, British Columbia has recognized our need and agreed that, perhaps, a transmission line could be extended. We need to share as Canadians, and we need to build our country. I believe we need to build it together.

I see a window of opportunity in Bill C-5 not only for the Yukon and for Yukon First Nations but for all of Canada. I appreciate the comments that have been made, but I also urge my colleagues to recognize that there are places in this country where we've made progress, where we've worked together and where we've developed and created a society that is trying to build our country for all of us. Thank you.

[Translation]

SPEAKER'S RULING

The Hon. the Speaker: Honourable senators, I would like to come back to the point of order raised by Senator McPhedran. The request is that I exercise the authority of the Speaker to split the vote on Bill C-5. In the Senate there is only one known case of the Speaker having done this, as addressed in a statement by Speaker Kinsella on November 5, 2013. At that time the Senate was dealing with a quite complicated substantive motion that dealt with a number of very distinct issues. The motion was drafted in such a way that separate votes were feasible.

The *Rules of the Senate* contain no provisions dealing with the separation of votes on a bill, either at second or third reading. The situation is different in the House of Commons, which has a provision in its Standing Orders expressly governing separate votes on provisions of a government bill in some situations. This is what happened last Friday.

I would remind senators that the motion for the reading of a bill is actually very simple: "That the bill be read a second (or third) time." This simple motion, on its face, is not amenable to separate decisions.

If the Senate were to make a decision on a motion for the second or third reading of a bill in more than one vote, and rejected one of them, this would be equivalent to making an amendment. Our Rules and procedures do not allow amendments to the text of a bill at second reading. Unlike the House of Commons, however, our procedures do allow amendments to the text of a bill to be proposed at third reading, and this provides a far more direct and clear way for senators to propose amendments, and that has the benefit that it is in line with normal procedure.

To summarize: the question for the reading of the bill is not a complicated one, separate votes on the second reading motion are not feasible, and, finally, normal procedures and practices can be used to propose changes to the text of the bill during third reading debate. This gives ample opportunity for senators to refine Bill C-5 if they so wish.

As such, if a standing vote is requested, it will not be split, either at second or at third reading.

SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Yussuff, seconded by the Honourable Senator Petten, for the second reading of Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act.

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

Hon. Senators: Agreed.

(Motion agreed to and bill read second time.)

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

(Bill placed on the Orders of the Day for third reading at the next sitting of the Senate.)

[English]

APPROPRIATION BILL NO. 1, 2025-26

SECOND READING

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) moved second reading of Bill C-6, An Act for granting to His Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2026.

She said: Honourable senators, I am pleased to introduce Bill C-6, appropriation act no. 1, 2025-26, which provides supply for the Main Estimates.

I've given a version of this speech many times now, but each time, there are new colleagues in the chamber, so I hope those of you who have heard it before will forgive me for a quick refresher on the process before I get to the details of what these estimates contain.

Appropriation bills are a fundamental part of Parliament's annual financial cycle. A few weeks ago, the government presented its spending estimates for the coming year, but spending estimates need to be approved by Parliament, and bills like this one are the mechanism for doing so. Once approved, these funds will enable federal departments and agencies to continue delivering programs and services to Canadians.

Spending estimates generally come in four annual instalments. There are the Main Estimates, which is what this bill is about. The Main Estimates outline the bulk of planned federal spending

for the coming fiscal year. However, not all expenditures can be captured in the Main Estimates for a variety of reasons. Sometimes, initiatives are still being developed at the time the Main Estimates are tabled, and in some cases, new needs arise over the course of the year.

• (1840)

For these purposes, the government tables supplementary estimates for Parliament's consideration.

The Supplementary Estimates (A) are tabled in the spring. The ones for this year were tabled in early June, just a few weeks after the Main Estimates, and we'll be dealing with those shortly in Bill C-7. The Supplementary Estimates (B) are tabled in the fall, and the Supplementary Estimates (C) are tabled in the winter, as required.

That's why I've been giving this speech four times a year as long as I've had this job. It gets more exciting every time. However, it is fundamental to the functioning of our federal government, so I'll turn now to some specifics about the Main Estimates for 2025-26.

These Main Estimates for this year present information on \$222.9 billion in voted expenditures, meaning spending to be approved by Parliament, and \$264 billion in statutory spending, meaning spending that has already been authorized through existing legislation. That comes to a total of \$486.9 billion in planned budgetary expenditures for 130 organizations. This includes \$294.8 billion in transfer payments to other levels of government, organizations and individuals; \$143.1 billion in operating and capital expenditures; and \$49.1 billion to pay interest and administrative costs on the public debt.

Overall, the total planned spending in this year's Main Estimates represents a slight increase of \$230 million over the total from last year. This increase reflects updated forecasts of statutory spending that were previously published in the *2024 Fall Economic Statement* for things such as health care transfers to provinces and territories.

Obviously, since the Main Estimates cover almost all federal spending for the year, I can't go into detail about every expenditure, but I'll note some of the larger items.

The largest voted expenditures in the Main Estimates are proposed for the Department of National Defence, for a total of \$33.9 billion. I think we all understand that we've entered a new era with new defence and security considerations. We need to be strong at home and prepared to assert our sovereignty, particularly in the Arctic and northern regions, and we need to be reliable, capable partners for our allies, particularly in the Euro-Atlantic and Indo-Pacific regions. Plus, our Armed Forces remain a vital resource when Canadians are faced with natural disasters and other emergencies, as we've already seen this year.

[The Hon. the Speaker]

Planned defence spending includes \$12.3 billion to ensure the readiness of our Armed Forces; \$9.5 billion for military procurement; and \$4.9 billion for sustainable bases, IT systems and infrastructure.

I'll preview now that in the Supplementary Estimates (A) I will be talking a lot about defence spending — as those of us who were at the National Finance Committee know — but we'll deal with that in Bill C-7.

The second-largest amount proposed in these estimates is for the Department of Indigenous Services, with a total of \$25.2 billion. If approved, this money will go towards important initiatives, including providing health care; building and maintaining community infrastructure; supporting First Nations Child and Family Services; and supporting ongoing work with First Nations to establish a new, more predictable and more flexible fiscal relationship with the federal government.

On a personal note, I recently had the opportunity to meet the new Minister of Indigenous Services, Minister Gull-Masty, the first Indigenous person who has taken on this role, and I congratulated her for that. I left that meeting feeling inspired by her ambition and determination, and I look forward to hearing more from her, including at what I'm sure will be numerous appearances at the Indigenous Peoples Committee, as she leads the work to implement the initiatives enabled by these investments.

The last spending bucket I'll touch on in these estimates is the proposed \$13.1 billion for the Department of Employment and Social Development, commonly known as ESDC. ESDC delivers a range of vital programs and services, including supporting seniors with basic income security, supporting unemployed workers, helping students finance post-secondary education and assisting parents who are raising young children.

The Main Estimates notably propose \$107.1 million for ESDC's Canadian Apprenticeship Strategy, which promotes skilled trades as a career option and helps Canadians discover and succeed in apprenticeship programs.

Another \$64.3 million is earmarked for ESDC's New Horizons for Seniors Program, which funds projects that engage seniors in their communities, including as mentors and volunteers.

I mention these as just a few examples of ESDC initiatives that are funded in these estimates and that can make a tangible difference in people's lives in communities across Canada.

Finally, here are a few additional highlights in this year's Main Estimates: \$7.6 billion for veterans' benefits; \$6.3 billion for housing; and \$1.9 billion for border management, with an additional \$513 million for border enforcement.

Anyone who would like to examine these or other spending proposals in more detail can go to the Treasury Board website or check the transcript of recent meetings of the National Finance Committee. Our committee has been studying the estimates since they were tabled a few weeks ago, and I thank all committee members for their work.

Before I wrap up, I want to address something that's particular to the estimates this year because of the election we had this spring. Since Parliament wasn't sitting, the Governor General issued special warrants to fund government operations in the interim. The total amount of the two special warrants was \$73.4 billion. The first was for \$40.3 billion and covered the period from April 1 to May 15. The second was for \$33.1 billion and provided additional supply for the period from May 16 to June 29. This spending authorized through these special warrants is included in the Main Estimates totals, and the amounts listed for each organization take this spending into account.

Colleagues, I invite you join me in supporting Bill C-6 and approving the government's spending plans for 2025-26. As these estimates demonstrate, the government is proposing investments to meet the unique challenges and opportunities of this moment and to address Canadians' priorities in a way that is accountable and fiscally responsible.

Thank you.

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

Hon. Denise Batters: I have a few.

First, at the start of your speech tonight, Senator LaBoucane-Benson, you referred to the subject matter of Bill C-6, the Main Estimates, as being part of our annual fiscal cycle. Recently, we heard from Senator Marshall, the extremely capable opposition critic of this bill and many other financial bills that we have coming before this chamber, as describing certain other parts of the annual fiscal cycle as being currently missing in action.

Could you give us some insight about parts that the government has not complied with in this particular annual fiscal cycle and why it has not?

Senator LaBoucane-Benson: First, I agree that our critic is very capable, and I'm looking forward to hearing Senator Marshall speak.

Referring to the "missing" parts is not very specific. Could you tell me specifically what you're asking for?

Senator Batters: Thank you. Let's start with the budget. Where is that? Where are many of the other borrowing documents and that sort of thing, which I'm certainly not nearly as well versed with as Senator Marshall is — I'm sure she'll speak about those in her speech. But I am referring to those types of factors that typically go along with this annual cycle.

Senator LaBoucane-Benson: Thank you, senator, for the question.

With regard to the budget, we have been told by the Prime Minister that it will be coming in the fall. I think when we consider everything that is happening in the world right now, a budget in the fall would most likely be a lot more detailed. It will give us more meat on the bones in a few months, when things such as this new agreement with the EU are completed and we know what the expectations for spending will be. That's coming in the fall.

For example, one of the things my colleague has talked about is debt servicing. Actually, what Senator Marshall has specifically asked for is a date for when the debt management strategy will be published.

The Financial Administration Act requires publication within 30 days of the start of the fiscal year. The Department of Finance is preparing a debt management strategy right now. The statutory deadline is September 26, but they are preparing it now, and it will be tabled in due course.

• (1850)

Other than that, the budget and the debt management — I know Senator Marshall has asked for departmental plans, which have already been published.

Senator Batters: Next, you gave a bit of detail, referring to the Department of National Defence, or DND, section as being the biggest item in these Main Estimates at a total of \$33.9 billion. You've provided a few brief breakdowns, but given that it's \$33.9 billion, you said you're going to speak more about this defence spending in Bill C-7, but that is Supplementary Estimates (A). From my understanding, that's about \$9 billion; however, that's additional spending, not the \$33.9 billion. Given that it's \$33.9 billion, I would like to get more details about the types of expenditures included in that, perhaps some of the biggest parts — the military procurement, you said, is about \$9 billion or so.

Could you please give us more details about that? I know many Canadians would like to hear about that. For \$34 billion, they deserve to.

Senator LaBoucane-Benson: Thank you very much for the question.

When I look at the Department of National Defence and Canadian Armed Forces, or CAF, Departmental Plans, they have divided them into six core responsibilities. The first core responsibility is in operations. The results they are looking for are around Canadians being protected against threats, that people in distress receive effective search and rescue, Canada's Arctic sovereignty is preserved, North America is defended against threats and the Canadian Armed Forces contribute to a more stable and peaceful world.

With that, they are looking at hiring and equipping people properly in the Armed Forces.

Core responsibility number two is about a ready force. The department will prioritize and direct defence activities to ensure that the CAF is ready to execute complex operations. This will include enhancing readiness across four key pillars: people, equipment, training and sustainment.

The third core responsibility is on the defence team. It will focus on its multi-year program to improve the ability to attract, recruit and retain its workforce; and advance efforts to build a team that supports a broad perspective of cultural and linguistic diversity, gender balance, age and other characteristics of Canadian society.

The fourth responsibility is about future force design. They want to look at defence capabilities that are designed to contain future threats, and defence and security challenges that are addressed through innovative solutions.

The fifth is on procurement capability, and the sixth is on sustainable bases, information technology systems and infrastructure.

The departmental plans provide quite a bit of detail on all six core responsibilities, and that's where a significant amount of that money is being spent.

Senator Batters: Thank you.

Let's just go back, then, to the military procurement part of it. As you said, they want to make sure that our capable men and women of the Canadian Armed Forces are equipped more properly. Of that \$9 billion that's military procurement in this bill — I'm not talking about the one that you'll be speaking about later, Bill C-7 — what types of items are we looking at for military procurement? Also, is there anything in there for fighter jets?

Senator LaBoucane-Benson: In core responsibility number five, procurement of capabilities, the planned expense is \$9.5 billion. The planned human resources are 3,064 people. The departmental results are around defence procurement being streamlined, defence information technology acquisition is well managed and supplies are available and well managed. They're really looking at the way they procure and are making sure that resources are used effectively and efficiently so they're managed well.

To address these challenges, DND will develop a defence industrial strategy that will aim to ensure the CAF can secure the timely and reliable access to key capabilities while supporting the Canadian defence industry's base.

So there is an entire full plan of procurement capabilities in the Departmental Plans, but that's just an overview.

Senator Batters: Some of those are details about the specific items they're planning to procure, but I'll move on.

Can you give us more details about what the largest items included in those special warrants were? You said the total was \$73.4 billion. The first one was \$40.3 billion, and the second was \$33.1 billion for the most recent few months. Please tell us what the largest expenditures were out of these special warrants.

Senator LaBoucane-Benson: Thank you for the question.

I don't have a breakdown in front of me of the special warrants. They were based on funds that were already approved that were needed to run the government.

As far as getting down into the details, my office would have to provide you with that. I can't right now.

Senator Batters: Okay. Then I would just please ask that perhaps you could include that in your third reading speech because it is \$73.4 billion. Just receiving a piece of paper or having to watch hours of committee meetings — I think we'd need to know that before we're asked to vote on \$73 billion.

The Hon. the Speaker: Honourable senators, it is now seven o'clock. Pursuant to rule 3-3(1), I am obliged to leave the chair until eight o'clock, when we will resume, unless it is your wish, honourable senators, to not see the clock.

Is it agreed to not see the clock?

Some Hon. Senators: Agreed.

Some Hon. Senators: No.

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

Honourable senators, leave was not granted. The sitting is, therefore, suspended, and I will leave the chair until eight o'clock.

(The sitting of the Senate was suspended.)

(The sitting of the Senate was resumed.)

• (2000)

Hon. Elizabeth Marshall: Honourable senators, I would like to thank Senator LaBoucane-Benson for her comments. I will be doing something similar. She gave a little historical perspective on certain parts of the Main Estimates; I will go back in time a little bit when I talk about debt because we have a lot of new senators here, and I can't say they would enjoy it, but it might help to inform them. I know that when I do stand up to speak about the estimates, many people's eyes just glaze over.

Honourable senators, I rise to speak to Bill C-6, which is the appropriation act no. 1, 2025–26. This bill, which is supported by the 2025-26 Main Estimates, or the Blue Book, as they call it, is requesting parliamentary approval of \$149 billion for the federal public administration. The 2025-26 Main Estimates document presents total spending of \$488 billion for this fiscal year. Of the \$488 billion, \$265 billion has already received parliamentary approval through other legislation, such as the Financial Administration Act. In addition, just over \$73 billion was

approved by special warrants due to the 2025 general election. That leaves \$149 billion left, and that's what this bill will do — request approval for the remaining \$149 billion.

I'd just like to say that in my office we do quite a thorough analysis of the bill. The bill is quite long. The appendix lists the numbers for all the government departments. We go through and cross-check the numbers, and we ensure that the Treasury Board has used their calculator in determining what goes into the bill.

The 2025-26 Main Estimates were tabled in the Senate on May 28 and referred for study to the Standing Senate Committee on National Finance on May 29.

The Main Estimates for 2025-26 outline spending of \$486 billion. This is an increase of 8% when it is compared to the \$449 billion outlined in last year's Main Estimates. However, it is premature to reach a conclusion on the comparison between the Main Estimates for those two fiscal years because government will be requesting parliamentary approval for additional spending in future appropriation bills, the budget and possibly even a fiscal update. In addition, government often requests additional funding in other bills.

As an example, the Main Estimates for 2023-24 outlined \$433 billion in spending, but actual expenditures for that year were \$513 billion, a significant increase of \$80 billion.

It is only June, and with nine months left in this fiscal year, there is still a lot of time and opportunity for the government to seek approval to spend more money.

The Main Estimates provide information only on estimated government expenditures and spending. Since there is no budget, we do not know the estimated government revenues for this year, nor is there any indication of the projected deficit. However, we do know that the revenue projections for this year of the previous government in its *2024 Fall Economic Statement* are no longer valid. The new government has already indicated initiatives which will decrease revenues.

In addition, the previous government had estimated revenues of \$3.3 billion to be collected this fiscal year as a result of changes to the capital gains tax. Since the capital gains tax will no longer be increased, this revenue of \$3.3 billion will no longer be collected.

We can see from the 2025-26 Main Estimates that expenditures are increasing, and we know revenues are decreasing. As a result, we can expect a larger deficit for this year.

Since government plans to run a deficit this year, we can expect government to increase its borrowings. However, the debt management strategy for 2025-26 has yet to be tabled, so we do not know how much money the government plans to borrow.

Government has a legislated debt ceiling of just over \$2 trillion for the federal debt and the market debt of agent Crown corporations. This limit is established under the Borrowing Authority Act. This legislation was enacted in 2017 to provide the Minister of Finance with the authority to borrow and to

provide for a maximum amount of borrowing. The government cannot borrow in excess of the debt ceiling without obtaining the approval of Parliament.

The initial ceiling, established in 2017, was just over \$1 trillion, so over the past eight years, the debt ceiling has doubled to just over \$2 trillion. Our actual debt was \$918 billion in 2015. It increased to just over \$1 trillion when the Borrowing Authority Act was enacted in 2017, and it was \$1.7 trillion 15 months ago. Not only has the debt ceiling doubled, but actual debt has also doubled since 2015.

The public accounts for March 31, 2024, indicate that total debt against this ceiling is \$1.7 trillion. However, these are the borrowings as of 15 months ago, and we do not have any current numbers. This is one of the limitations imposed by this government — a reluctance to provide current financial information.

The debt management reports — and I want to make a distinction here; a few minutes ago, I was talking about the debt management strategy, which is forward-looking, and now I'm talking about the debt management reports, which look to the past — for March 31, 2024, and March 31, 2025, have yet to be tabled. There has been no debt management strategy tabled for 2025-26. Once again, this demonstrates the government's reluctance to provide Canadians and parliamentarians with current financial information.

Last month, Fitch Ratings warned the federal government about getting carried away with deficit spending. It said that "Canada has experienced rapid and steep fiscal deterioration, driven by a sharply weaker economic outlook and increased government spending . . ."

It further said:

Canada's credit strengths offer significant headroom to weather a fiscal or economic shock, but increased structural deficits would pressure its credit profile.

The Organisation for Economic Co-operation and Development, or OECD, has already indicated that the global economy is headed for a downturn, and North America will be hardest hit. In a report released in early June, the OECD said that Canada will be one of the developed world's hardest-hit economies this year and next. It further indicates that fiscal risks are increasing. Public debt levels are already elevated in many advanced and emerging economies, and spending pressures are rising in areas such as defence, the green transition and the aging of our population. Debt servicing costs are also increasing, putting additional pressures on public finances. Canada can certainly relate to these increased risks.

Current information on interest costs is also lacking. The Main Estimates indicate interest costs of \$49 billion. However, the *2024 Fall Economic Statement* projects public debt charges of \$54 billion for this fiscal year, increasing to almost \$70 billion by 2029-30. However, given the spending outlined in the Liberal

election platform and the government's recent Speech from the Throne, these projected interest costs are not current. As a result, I expect there will be increased debt servicing costs to finance existing and new debt, and we can expect to see these in future estimates, the budget and possibly a fall economic statement.

The Parliamentary Budget Officer, in his report on the Main Estimates, said that public debt charges have increased significantly over the last three years due to a substantial increase in the stock of public debt, combined with subsequent higher effective interest rates.

Debt servicing costs increased from \$24 billion in 2014-15 to \$35 billion in 2022-23, and then to \$47 billion in 2023-24. Now, debt servicing costs are projected to reach \$70 billion in 2029-30.

• (2010)

During his testimony on the Main Estimates, the Parliamentary Budget Officer told us that, in the absence of a budget, it is difficult to know the government's forecasts with respect to revenues. He said that parliamentarians are being asked to approve funding without a plan — a long- or even medium-term plan — as to what the government plans to do beyond the Main Estimates and Supplementary Estimates (A).

I was surprised when Finance Minister Champagne said there would be no budget this year. While some may feel a budget promised this fall is a step up, I don't agree. The budget is the government's fiscal plan. As the Prime Minister said during the election campaign, "A plan beats no plan," and as of now, we have no plan. To present a plan in the fall after the fiscal year is substantially over is neither helpful nor informative.

We need a budget to tell Canadians the government's fiscal program and policy agenda for the year. It will tell us how much money the government will take from us in taxes and any other sources of revenue. Most of the government's revenue comes from taxes on us and on businesses. A budget would also tell us how the government plans to spend our money, and how much they plan to borrow.

The government will definitely borrow billions of dollars this year, on which it will have to pay interest with our tax dollars. Those billions of dollars that the government will borrow will be repaid by our children, grandchildren and great-grandchildren. Since we as taxpayers are financing this borrowing, the government should present a budget now and tell us how much they plan to borrow and what the interest on that borrowing will be. We need a fiscal road map now.

In responding to questions regarding the decision to delay the tabling of the budget, Canada's Auditor General told us that it is unusual to start a fiscal year without a budget, as a budget encourages global transparency. She also spoke about the need for transparency and accountability of the estimates as well as the benefits of hearings. However, she concluded her remarks by saying that the budget provides ultimate clarity for everyone.

The most reliable financial document produced by the federal government is the Public Accounts of Canada. I say that this document is the most reliable because the financial statements of the government, which are contained within the Public Accounts, are audited by the Auditor General of Canada and are therefore reliable. The Public Accounts of Canada is comprised of three volumes, and while the financial statements are audited by the Auditor General, much of the information is not. However, I still consider the information included in volumes 1, 2 and 3 to be the most reliable we have.

The problem with the Public Accounts of Canada is the government's delay in tabling the public accounts. Although the Financial Administration Act provides for tabling by December 31 if Parliament is sitting, and even later if Parliament is not sitting, tabling the public accounts nine months after the end of the fiscal year is not helpful or useful to parliamentarians or Canadians.

Last year, for the year ending on March 31, 2024, we waited until December 17 before the government tabled the public accounts, which was Parliament's last sitting day. There was no opportunity for discussion by the House of Commons or the Senate.

The Debt Management Report for the same fiscal year, 2023-24, has yet to be tabled. The Financial Administration Act provides for the tabling of the Debt Management Report within 30 sitting days of the tabling of the Public Accounts. Since the 2023-24 public accounts were not tabled until December 17, 30 sitting days after December 17, 2024, will be September 26, 2025 — three months from now. In other words, we can expect to receive the Debt Management Report for 2023-24 a full 18 months after the fiscal year end.

As I indicated in my opening remarks, the 2025-26 Main Estimates were referred to the Standing Senate Committee on National Finance on May 29 for study. Departmental Plans are expenditure plans for each department and agency. They describe each organization's priorities, strategic outcomes, program, expected results and associated resource requirements. They cover a three-year period, beginning with the year indicated in the title of the report. These plans are instrumental in our review of the estimates. The government website states that the Departmental Plan, or DP, "... signifies the Government's desire to enhance its accountability to Canadians through improved reporting ..."

The departmental plans this year were not tabled until June 18, one day before we completed our study of the Main Estimates. We need the departmental plans to help us in our study of the Main Estimates. To table these plans on June 18, one day before we completed our study, indicates — once again — the government's reluctance to provide us with the information we need to oversee government spending.

The Department of National Defence is requesting almost \$34 billion compared to \$29 billion requested last year in the Main Estimates. Most of the increase is for capital expenditure — \$10.9 billion this year compared to \$7.2 billion last year.

Last year, during Finance Committee meetings, the Department of National Defence provided a list of the projects that were included in the \$7.2 billion. This year, we do not know how the government plans to spend the \$10.9 billion requested in the Main Estimates for capital projects. While department officials have committed to provide this information, we have yet to receive it.

One of the challenges faced by the Department of National Defence in the past has been in the area of procurement and the utilization of funding approved for capital acquisition, including aircraft, ships, vehicles, ammunition and other capital projects. Last year, the previous government increased its planned capital expenditures from \$164 billion over 20 years to \$257 billion. However, there were few details on the projects included in the \$257 billion. At that time, the department indicated that projected defence spending would reach 1.76% of the GDP in 2029-30 compared to the NATO policy of 2%.

However, the Parliamentary Budget Officer, or PBO, issued a report indicating that the Department of National Defence has been challenged to spend the capital funding approved by Parliament. At that time, the PBO indicated that between 2017 and 2023, there was a cumulative shortfall of almost \$12 billion between what the government actually spent on capital projects and what they had planned to spend. Supplementary Estimates (A) outlines a new spending of \$9 billion, which should bring Canada's defence spending to 2% of the GDP. I will have further comments on the Department of National Defence when I speak to Bill C-7.

The Department of Crown-Indigenous Relations and Northern Affairs is requesting \$13 billion compared to last year's Main Estimates of \$10.8 billion. Almost half of the requested funding will be used to settle specific claims negotiated by Canada and/or awarded by the Specific Claims Tribunal to Indigenous groups to settle special claims. In reviewing funding requests for specific claims and settlement agreements, there are a number of challenges involved in following the money for these types of expenditures. It is not transparent.

Funding for specific claims or settlement agreements may be requested in several appropriation bills over a number of years, but the expenditure may be recorded in a different fiscal year. Unless the claims are specifically identified in the estimates documents and the public accounts along with the dollar amount, it is impossible to follow the money.

Since funding requests for claims and settlements are significant, they are frequently discussed at the Finance Committee. In a previous committee meeting about claims and settlements, the PBO told us it is concerning that the claims and settlements have increased so much. He said it raises the question as to how firmly in control the government is with respect to these claims and settlements. He went on to say that the specific claims process is very complex.

Claims and settlements represent significant amounts requested in many appropriation bills. They are recorded in the public accounts as expenditures and in many instances are included in the provision for contingent liabilities on the government's financial statements. The problems associated with tracking the claims and settlements recently came to light when the government released the 2023-24 public accounts last December and disclosed that the deficit that year was not \$40 billion, as previously thought, but was actually \$61.9 billion.

Part of the explanation provided by the government for the significant increase in the deficit was \$16.4 billion in Indigenous contingent liabilities, which the government said was attributable to "one-time" or "exceptional" expenses. This explanation is puzzling to me because the government has recorded increases in Indigenous contingent liabilities in previous years and certainly for amounts greater than the \$16.4 billion.

- (2020)

For example, in the previous fiscal year — 2022-23 — the government recorded an increase of \$26 billion to its contingent liabilities, which is clearly explained on pages 8 and 12 of Volume I of the 2022-23 public accounts. Other increases in Indigenous contingent liabilities have also occurred before 2022-23, so these transactions are neither one-time nor exceptional.

As I have indicated previously, the problem encountered when reviewing the Indigenous contingent liabilities is the lack of transparency in disclosing the transactions within this account.

The \$16.4 billion increased the deficit last year and also increased the Indigenous contingent liabilities. Despite this increase of \$16.4 billion in Indigenous contingent liabilities, at the end of the fiscal year, the Indigenous contingent liabilities had actually decreased, yet we cannot determine why — or at least I cannot, and I've literally spent hundreds of hours looking.

A review of lapsed funding in 2023-24 — the most recent year for which lapsed funding is available — indicates that \$26.5 billion was approved for the department in 2023-24, yet they lapsed \$10 billion, or 38%, of their approved funding. It raises the question as to how much of their funding was lapsed in 2024-25 and whether this is a recurring issue. I guess we will have to wait quite awhile before we find out.

The Main Estimates for 2025-26 is requesting \$26 billion for consultants, which is a significant increase compared to the \$19-billion request in the 2024-25 Main Estimates.

Budget 2023 had proposed to reduce spending on consulting, other professional services and travel by roughly 15% of planned 2023-24 discretionary spending in these areas, which would result in savings of \$7.1 billion over five years starting in 2023-24 and \$1.7 billion ongoing. The government had committed to targeting these reductions on professional services, particularly management consulting.

While the previous government had committed to reducing the costs associated with consultants, the cost of consultants is actually increasing.

However, the Speech from the Throne stated:

... the government's operating budget — has been growing by nine percent every year. The Government will introduce measures to bring it below two percent.

Based on discussions with officials from the Treasury Board of Canada Secretariat and several government departments when we reviewed the Main Estimates, there is no indication that this initiative has commenced. The 2025-26 Main Estimates are 8% higher than last year's Main Estimates, and professional and special services being requested in the Main Estimates have increased to \$26 billion from \$19 billion last year.

While it's not clear which expenditures are included in the operating budget, which will be restricted to the 2% increase, I have used the direct program expenses in *The Fiscal Monitor* from March 2025 to determine the magnitude of possible savings. Direct program expenses increased 8.5% in 2024-25 compared to 2023-24. If direct program expenses in 2024-25 had increased only 2% rather than the 8.5%, there would have been savings of \$13 billion.

My last comments relate to Employment and Social Development Canada. The Main Estimates indicate that \$8.5 billion will be paid to provinces and territories this year to support the national child care program, which was launched in 2021 at an estimated cost of \$30 billion.

One of the objectives of the program was to create 250,000 new child care spaces by 2026. In its 2025 Departmental Plan, which was released last week, the department indicates that it is on track to meet the goal of creating 250,000 new spaces by 2026. However, the Fall Economic Statement, which was released in December 2024 — just six months ago — indicates that only 60,000 new spaces have been created or are in progress. Not all of the 60,000 spaces referenced have actually been created.

This is a significant discrepancy between two government documents. One states 250,000 new spaces will be created by next year, while last December, they had only created just under 60,000. This discrepancy should be resolved.

Before I conclude, I must express my disappointment with the government's reluctance to provide us with the information we need on a timely basis in order to provide oversight of government spending.

The Main Estimates and Supplementary Estimates (A) for 2025-26 were referred to the National Finance Committee for study. The Departmental Plans for 2025-26, which explain how departments and agencies will spend this money, were not provided to us in order to assist us in our study. And we are still waiting for all of the data for the 2023-24 Departmental Results Reports.

I've been on the National Finance Committee for 15 years. Over the past several years, I've noticed the government has become more secretive and tardy in providing information which should be generally available on a timely basis. Information provided in response to questions at committee is often no longer freely given. Reports, such as the public accounts, are generally tabled late.

While the Financial Administration Act is very generous in establishing mandatory deadlines, the government held the 2023-24 public accounts until December 17 — almost nine months after the fiscal year-end.

Similarly, we are still waiting for the 2023-24 Debt Management Report — for a fiscal year that ended 15 months ago — because the wording of the Financial Administration Act is so generous that it will allow the government to hold that report for 30 sitting days after the public accounts are tabled.

My hope is that this new government will recognize the problems and remedy it so that parliamentarians can provide oversight of government spending as it was intended.

I thank my colleagues for their interest and attention. This concludes my comments on Bill C-6.

Some Hon. Senators: Hear, hear.

Hon. Peter Harder: Senator Marshall, I always look forward to your comments on supply.

Some Hon. Senators: Hear, hear.

Senator Harder: I have a couple of questions. Given your focus on the deficit, which I share, would you share my view that the GST should be increased?

Senator Marshall: Thank you for the question. This is something that Senator Harder and I have talked about, even recently within the last couple of months, because we were both on an initiative where we looked at the economy and different problems.

I would say that would be one option. Probably the best way to respond is the following: I would not be surprised if the government increases the GST. Of course, I've been working with these documents for several years now. There is intense pressure on spending. Even though the government is saying we're going to have restraint, I don't see it actually happening. I know people say, "Tax the rich." Well, there are not enough rich people to come up with the big gap. That's one of the options that the government will have to explore.

Senator Harder: On broader issues, what's your reaction to the notion of separating out a reporting of our fiscal framework, the operating budget and the investment portion of the budget, which seems to me to be rather smart in terms of providing Canadians with a clear sense of what we are consuming and what we are investing?

Senator Marshall: Thank you for that question. Perhaps the best way I can answer that is to say you can make numbers say anything you want. I'm deeply suspicious. Somebody was saying

earlier — it might have been Senator Moncion, and I'm sorry if I put my finger on you — that the devil is in the details. I would like to see, but I'm very suspicious. I think it's just an effort to move the numbers around to try to make them make sense, but you're going to see the borrowings go up.

• (2030)

Hon. Leo Housakos (Leader of the Opposition): Senator Marshall, thank you for your fulsome remarks. Of course, one option Senator Harder has put on the table is increasing GST. Most good Liberals love increasing taxes, including capital gains and GST, and that's one solution to increase the revenue flow.

Would you agree that another option would be for the government to reduce spending?

Senator Marshall: Thank you very much for that question. Yes, I think that the government needs to put more effort into reducing expenditures.

Every year, for the last several years, under the previous government — and this government also — there's been a big initiative around how they're going to do something to save billions of dollars. This new government even had something to that effect in its Throne Speech.

However, when we had National Finance Committee meetings, I asked the Treasury Board what direction they had given the departments to reduce these operating expenditures by 2%, and I don't think they had even heard of the initiative because they couldn't provide any information.

Then, as a follow-up, I asked several departments what direction they had received and whether they were doing anything to prepare for this reduction in expenditures, but when you talk to people about the appropriation bills, they kind of glaze over.

I think there is a lot of room to cut back, Senator Housakos, but the way this government spends and the way the previous government spent, I don't have much hope that they're going to reduce expenditures. I'm not convinced.

Hon. Lucie Moncion: Since we're talking about hypothetical questions and tax issues, I have another question for you. It's perhaps food for thought.

Senator Housakos said that this government likes to increase taxes, so I have a suggestion. It's a hypothetical, but it could happen. What would you think if this government were to decide that when you buy a share, there's a tax on doing so?

Let's say you put a 2% tax on buying shares, which would mean people who buy them would be paying taxes on the transaction. By doing that — again, this is a hypothetical — you would get revenue from people who have more money than those who cannot buy shares. It's an idea I'd like to hear your thoughts on.

Senator Marshall: Thank you very much for the question, Senator Moncion. Are you talking about shares in publicly traded corporations?

Senator Moncion: Yes.

Senator Marshall: I would like to see an analysis of that. I'm not warm to that idea. We're looking for more investment in Canada, and if you start taxing that, I think it would probably have a very negative impact.

I would be interested in hearing the views of the C.D. Howe Institute and various think tanks, but my initial reaction is that it would dampen what we're trying to do. We want people to invest in Canada. I think that might be somewhat of a discouragement.

Hon. Marty Deacon: Would you take another question?

Senator Marshall: Yes.

Senator M. Deacon: Thank you very much. I look forward to you giving your perspective. It's always pivotal to the work we're going, and I learn so much from you sitting at the National Finance Committee table.

Something we've talked about over the years, and I can't help but ask about again tonight, is that balance. When you break it down, what are we still missing from 2023-24? What are the cycles of what we're reporting, and how do we make good decisions without information X, Y and Z and with all these gaps? I think about how we run businesses and our own families. We couldn't do this.

My question to you is this: How do we balance stripping this back and saying, "Stop." How do we see on an annual calendar what works best for reporting and getting financial information in a meaningful way that we can plan around while delaying the work of the government?

We need to pull off the layers of this onion. You know that; you've asked for it for years. But how do we balance that with stopping the process, to start to fix it throughout a calendar year?

Senator Marshall: Thanks very much for that question. A good place to start is for the government to start providing what they're now required to provide on a timely basis.

One of the biggest issues with regard to the government's financial reporting is that the entire estimates process is so confusing that anyone on the National Finance Committee must be very confused when they start getting the Main Estimates and supplementary estimates. Then they're trying to match those up with the budget and the Public Accounts.

It's a big initiative. I don't think it's going to be done during my tenure. I would say it would probably be a 10-year initiative.

A good start would be providing the information that they're now obligated to provide, and to provide it on a timely basis.

Hon. Percy E. Downe: Thank you, Senator Marshall. As always, this has been most enjoyable.

In the work your office constantly seems to be doing on financial matters, what have you uncovered regarding Old Age Security? It is a point of some contention because unlike the Canada Pension Plan, which is funded, Old Age Security is not.

Notwithstanding the clawbacks, Canadians who many would consider quite well off — couples making up to, I understand, \$300,000 — are still receiving funding. That's a massive cost to the treasury. Do you know if there are any reviews or studies under way on its impact on our budget?

Senator Marshall: Thank you very much for that question. I haven't done any work on those sorts of expenditures.

They're statutory, so they fall under the Main Estimates, and I don't remember anyone even asking a question about them in the National Finance Committee, although the Parliamentary Budget Officer has mentioned them several times in his reports.

In the past, I have suggested to the National Finance Committee that we study some of these statutory expenditures, because they're quite significant and we know very little about them.

One of the areas, though, that I did focus on in the last couple of years is around some of the payment systems for some of those programs. They are being paid out from a very old system, and the system is being replaced. You're familiar with the issue of the Phoenix system.

Regarding the system they're replacing over at Employment and Social Development Canada, I can't seem to get a handle on the progress around doing so. For example, when I ask questions with regard to whether estimated costs have gone up, the finalization date and when it will be implemented, the Treasury Board refers me back to the department, then the department doesn't answer the question, so you're going around in a circle. The Auditor General did an audit of that area a few years ago.

With regard to the cost of the program, no, I haven't done anything. To be honest with you, I don't recall seeing any study on it, but it's a good suggestion.

Senator Harder: I'm going to move to an accounting issue. Over 25 years ago, at the encouragement of the Auditor General, the Government of Canada moved to accrual accounting. I'm having second thoughts about the wisdom of that — although I was somewhat responsible for it — in that accrual accounting in government doesn't appropriately capture the large expenditure commitments governments make at the time they make them. Our obligations internationally — for defence, for example — are static.

• (2040)

Would you support me in the notion of moving away from accrual accounting to more regular accounting that governments used to do?

Senator Marshall: Senator Harder, that was a great question. The regular way the government used to do it.

No, I'm committed to the accrual. I think there are shortcomings in all of it, but I was trained in accrual; and the move to cash, I say I'm glad I'm retiring next year.

Hon. Colin Deacon: Honourable senators, I'll say, Senator Marshall, I think you're the only one in this room who's glad you're retiring next year. At least we have you assessing two budgets in the meantime thanks to the delay of this budget.

I too am going to speak to Bill C-6, the Appropriation Act, for the next federal fiscal year. Senator Marshall went quite broad and covered everything. I want to deal with a slice of that spending. I would like to start by thanking our colleagues on the National Finance Committee who spent so much time last week examining the Main Estimates and supplementary estimates.

The purpose of my speech today is to comment on the priorities of this government going forward, especially as it relates to the \$8.6 billion of spending that Bill C-6 authorizes through what is, once again, known as the Department of Industry.

We estimated in our office on work from Statistics Canada about half that amount goes into what are called business innovation and growth support programs. I'm going to speak about two different types of those business innovation programs, being programs designed to make entrepreneurship more inclusive in Canada and programs specifically designed to support innovation in Canada, creating new opportunities, jobs and wealth from ideas.

Let me start with programs designed to address making entrepreneurship more inclusive. Starting in 2020, my office examined the barriers facing Black entrepreneurs when building and scaling their businesses. Our report was released in cooperation with the African Canadian Senate Group and Black business leaders in 2021. We found that Black entrepreneurs face substantial market barriers in Canada.

More recently, Senator Gerba and I collaborated to produce a report examining the success of these programs and to address the barriers that they face. These efforts reflect our ongoing focus to ensure that the government fulfills real market gaps where possible and uses private sector due diligence to do that well. Each of these reports are available on our website if you're interested.

To this end, I was thrilled the Main Estimates included a continuation of funding for the Black Entrepreneurship Loan Fund and the Black Entrepreneurship Knowledge Hub. These programs are intended to address systemic barriers that limit access to capital and resources, mobilize diversity and talent across the country and build evidence-based policies.

Now I'd like to focus on the programs intended to drive innovation in our economy, particularly by commercializing our world-class research that we're investing in through many different aspects of our federal government.

We examined portions of the Departmental Plans and focused primarily on expenditures and efforts intended to catalyze innovation in Canada. Successive governments, though, have developed numerous programs intended to spur innovation across Canada. We think it's hundreds of programs that the federal government has created, in fact. Last summer, my office endeavoured to review the extent and success of these federal innovation programs, and we identified over 140 programs just in the summertime with a student. We have more work to do still I'm sure. These programs report to 28 departments and Crown corporations. We produced a discussion paper entitled *Federal Programs for Business Innovation*, and it's on my website.

In short, we found a lot of reporting about funds spent, a lot of reporting about activities conducted and businesses supported, but we really struggled to find evidence that captured the actual benefits in terms of business outcomes, and that's really concerning. We're not alone with our concerns. The Conference Board of Canada gave Canada a C grade in their *2024 Innovation Report Card* and ranked us 15 out of 20 countries despite billions in funding dedicated to promote business innovation.

Therefore, with a new Prime Minister, a new Clerk of the Privy Council and a new government, we have an opportunity to rethink how we do things. If we're going to build the strongest economy in the G7, we have to rethink how federal government helps to catalyze innovation across our economy.

As the government prepares for the summer expenditure review and the fall budget, now is the time to identify ways to break free from outdated processes that have too often ingrained a culture of risk aversion and inertia. The motto in my office is an innovative economy needs an innovative government. Canada has not had an innovative government.

You know I talk about innovation a lot. That's because, quite frankly, it hasn't been a consistent priority across government. The point isn't to be innovative for its own sake or to spend money on things that are thought to be cutting-edge. The point is to create opportunities, global competitiveness, operating efficiencies, better services, improved health and greater security for Canadians. So if we're serious about delivering these outcomes, we need to start to measure which policies and programs have the greatest impact. This means key performance indicators, or KPIs, must be created and tracked. Yet, too often, we've found KPIs that are unclear, inconsistent or report on activity, like money spent or businesses involved, rather than results achieved.

In our report on the 140-plus innovation programs, we concluded that we can and must get a much bigger bang for our innovation program buck. Simply, we found key performance indicator data too often had no comparator or benchmark that could prove the investment caused a differentiated outcome. If this evidence doesn't exist, then the funding should be redirected to programs where it does.

Let me offer a metaphor to drive this point home. We've all seen ads from private schools celebrating the scholarship and other post-secondary successes of their graduates, especially at this time of year. They deserve congratulations. Well done. But too many of these same schools have very challenging admission standards. So when they admit an A student and graduate an A student, it leaves me wondering how big a deal that really is.

Personally, I'd far rather support and carefully examine and replicate the schools that accept C and D students — just because I was one of them — and help someone graduate as an A student. That is transformational.

Program KPIs must show a differentiated outcome. When it comes to supporting innovation, our public funds need to be used as a catapult, not as crutches. All innovation programs must be focused on ensuring Canada's globally competitive intellectual property is commercialized in ways that create opportunities, jobs and wealth in Canada. Today, too often, that is not the case.

Recent data from a 2024 Centre for International Governance Innovation report shows that more than half of the industry patents generated from Canadian intellectual property are foreign owned. Data from our university technology transfer offices show that revenue from the cumulative licensing of Canadian intellectual property from Canadian universities delivers only a 1.5% return on the annual research funding we give to those universities. It's not sustainable. If we don't get a return on investment that will ensure the sustainability and global competitiveness of our universities, we will see a cut in the funding to those universities. I think we're seeing that now. So we need to do everything in our power to ensure that our research is owned and commercialized at home. I think that's what a lot of these Innovation, Science and Economic Development Canada programs are intended to do, but it's not happening.

So this requires a recalibration of how we support innovation in Canada. The good news is there are already proven programs that can turn our ideas into strategic assets.

Let me provide you with an example. We have incubator and accelerator programs that have actually been contributing to the commercialization of Canadian science, technology and innovation in Canada and are helping to create and grow businesses that are excelling in highly competitive global markets in terms of sales and investment. They're achieving success in ways we have not seen from any existing government innovation programs offered by Innovation, Science and Economic Development Canada.

My challenge to those 28 departments offering programs intended to drive innovation is please provide the Prime Minister and the Clerk of the Privy Council with data that shows that each of your programs delivers differentiated results that are similar to the best incubators and accelerators.

Let me give you one example of what can be accomplished. The Creative Destruction Lab, or CDL, based at the Rotman School of Management at the University of Toronto is one of the best in the world. I'm far from alone, but since I spent the day there yesterday and some of our colleagues spent an afternoon there just prior to Parliament restarting, I thought we should focus on it for a second.

• (2050)

CDL is a unique program on a global scale. Their shared mission — born and built in, and succeeding from, Toronto — is to enhance the commercialization of science for the betterment of humankind. It has five sites in Canada and another eight across the globe.

Yesterday their global “super session” brought together hundreds of mentors and founders to Toronto from more than twenty countries, at their own expense. They were there to celebrate CDL in its excellence and some of its incredibly successful companies.

The mentors included academic experts in every field that you can imagine, from understanding the culture at the bottom of our oceans to the far reaches of space. The mentors also included entrepreneurs who had taken an idea and turned it into opportunities, high-value jobs and wealth.

When CDL started in 2012, the dream was to create \$50 million in equity value. Today, CDL companies have generated over \$50 billion in equity value. That is, by definition, a globally competitive key performance indicator, or KPI. It shows you are capturing market opportunity and bringing it to Canada.

CDL is not the only incubator achieving this global success. So why are we using anything less than that as a measure of success for our federal innovation support programs, especially during this time of economic and geopolitical crisis? This is where Canada has the greatest opportunity to accelerate our growth and success and obtain real value for money for the \$4 billion plus being spent in these programs, as seen in our recent estimates.

We have to stop sprinkling money around. Canada can't continue to ignore the advice of global experts and domain experts who really understand the area of science, and entrepreneurs who have already demonstrated the ability to identify and scale ideas.

We need to deeply examine every innovation support program and question why it exists. We need to lean on those programs that have the evidence demonstrating that they consistently build globally competitive businesses and are capturing the massive and growing global market opportunities that we have already proven we can capture.

Canada has been the global leading philanthropist in ideas. We invest in research and give it away. We can no longer afford this. When we invest in discovery it's great, but others are unfortunately commercializing and creating wealth from our ideas.

We were world leaders in AI and quantum computing. We lost that lead because we failed to support the commercialization. Our innovation programs failed to support the commercialization of globally leading Canadian science in globally competitive ways.

The government is planning an expenditure review this summer. I'm hoping the Prime Minister, the new clerk and their teams are hyper-focused on rethinking how our current innovation programs create sustainable and globally competitive value for Canadians.

I'd submit the claim that programs without KPIs are not programs; they're aspirations. And aspirations, while important, are not enough to build the strongest economy in the G7. We have an opportunity now to create generational change. Let's not waste it. Thank you, colleagues.

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

Some Hon. Senators: Agreed.

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

Some Hon. Senators: Yea.

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

Some Hon. Senators: Nay.

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

And two honourable senators having risen:

The Hon. the Speaker: Is there an agreement on the bell?

Senator Seidman: Fifteen minutes.

The Hon. the Speaker: Is leave granted?

Hon. Senators: Agreed.

The Hon. the Speaker: Call in the senators for a vote at 9:10 p.m.

• (2110)

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

YEAS THE HONOURABLE SENATORS

Adler	LaBoucane-Benson
Al Zaibak	Lewis
Arnold	Loffreda
Arnot	MacAdam
Aucoin	McBean
Black	McNair
Boehm	Mégie
Boudreau	Miville-Dechéne
Burey	Moncion
Busson	Moodie

Cardozo	Moreau
Clement	Muggli
Cormier	Oudar
Coyle	Pate
Cuzner	Patterson
Deacon (<i>Nova Scotia</i>)	Petitclerc
Deacon (<i>Ontario</i>)	Petten
Dhillon	Pupatello
Downe	Quinn
Forest	Ravalia
Francis	Robinson
Fridhandler	Saint-Germain
Gerba	Senior
Gignac	Simons
Gold	Sorensen
Harder	Surette
Hay	Tannas
Hébert	Varone
Henkel	Verner
Ince	White
Karetak-Lindell	Wilson
Kingston	Youance
Klyne	Yussuff—66

NAYS THE HONOURABLE SENATORS

Ataullahjan	McCallum
Batters	McPhedran
Housakos	Richards
MacDonald	Seidman
Manning	Smith
Marshall	Wells (<i>Newfoundland and Labrador</i>)—13
Martin	

ABSTENTIONS THE HONOURABLE SENATORS

Nil

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

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

APPROPRIATION BILL NO. 2, 2025-26

SECOND READING

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) moved second reading of Bill C-7, An Act for granting to His Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2026.

She said: Honourable senators, as promised, I'm back to discuss Bill C-7, which seeks approval of the spending plans outlined in the Supplementary Estimates (A) for the 2025-26 year. As usual, these were tabled shortly after the Main Estimates, a few weeks ago, and referred to the National Finance Committee for study. What's unusual about these supplementary estimates is that they focus almost exclusively on defence-related priorities.

Earlier, you heard me outline the \$33.9 billion for Defence included in the Main Estimates. These supplementary estimates tack on an additional \$9 billion for the same reasons I mentioned in my remarks on Bill C-6.

We're at a unique geopolitical moment, and these estimates reflect the government's intent to meet that moment by allocating the resources needed to protect the people of Canada, assert Canadian sovereignty and work in partnership with international allies to counter foreign threats.

• (2120)

In these uncertain times, our world is increasingly defined by a rise of both state and non-state actors who have no qualms about violating international laws and norms, modern weapons and technologies that can reach Canada and do us harm, and a changing global order that has forced us to view our partnerships and place in the world in a new light. In this context, the government is redoubling its efforts to make Canada more self-sufficient and better prepared to address military and non-military threats.

As the King read in the Speech from the Throne, "The government will protect Canada's sovereignty by rebuilding, rearming, and reinvesting in the Canadian Armed Forces." Accordingly, through the Supplementary Estimates (A) 2025-26, the government is proposing historic investment in Canada's defence and security capabilities.

Of the \$9 billion in planned spending, Parliament's approval is required for \$8.6 billion, with the remainder already authorized under other legislation. This funding will go to two organizations. The bulk of it — \$8.2 billion — is for the Department of National Defence itself, with \$370 million for Communications Security Establishment Canada, or CSE. I'll briefly cover these investments in a bit more detail.

A sum of \$2.1 billion is proposed for the Department of National Defence to accelerate the recruitment of new members for both the regular and reserve forces, augment capacity to provide basic and occupational training, improve retention of existing members and enhance health services to members.

A further \$2.1 billion is also requested to enhance Canadian industry's ability to support our Armed Forces, focusing on immediate needs and initiatives that can be advanced quickly. This will boost made-in-Canada production and drive innovation in vital sectors, laying the groundwork for a defence industry strategy that will not only strengthen our Armed Forces but create opportunities for workers across Canada.

These estimates also propose \$2 billion to expand cooperation with international partners, especially Ukraine. Aid will support the acquisition of drones, Armoured Combat Support Vehicles, pilot training, ammunition, small arms and other equipment. The funding will also be used to expand cooperation with other partners related to military training, defence policy and intelligence.

The estimates also propose \$1 billion to enhance military capabilities, with particular focus on the Arctic. As many of us might remember from the last Parliament, the Standing Senate Committee on National Security, Defence and Veterans Affairs produced a report entitled, *Arctic Security Under Threat: Urgent needs in a changing geopolitical and environmental landscape*. Among other things, the report called for urgent investment in security and defence capabilities in the Arctic in light of the evolving geopolitical situation and increased global interest in the Arctic related to climate change.

The geopolitical environment has only become more challenging since that report. The need to defend and assert sovereignty in the North has only become more pressing.

The funding in these estimates will support initiatives, including Joint Support Ships, an undersea monitoring and surveillance system, Arctic over-the-horizon radar, long-range artillery, domestic ammunition production and additional logistics and light utility vehicles.

The Department of National Defence is also requesting \$834 million for a range of procurement, including defence equipment, personal gear, technology, infrastructure maintenance and essential services. In addition, this funding will support the modernization of training infrastructure, the expansion of ammunition infrastructure and various preventative and corrective maintenance, repairs, upgrades to, and minor construction on, the department's real property portfolio.

Finally, the last request is for \$550 million to bolster Canada's cyber capabilities, support greater interoperability with allies and partners, better equip Canada to counter the full spectrum of cyber threats and enhance network infrastructure, information management, connectivity and data storage.

That's an overview of the spending plans we'll be approving by passing this bill.

Before I wrap up, I would like to note that we're discussing this legislation while world leaders have been meeting in The Hague for the NATO summit. NATO is as important now as it has been since the Cold War. Ukraine is in its fourth year of fending off Russia's full-scale illegal invasion. The dangers facing us and our allies show no sign of abating.

Canada's recent commitment was to bring our planned defence spending to at least 2% of the GDP; these estimates are a part of that commitment. By supporting Bill C-7, we can send an important message to our allies that they can count on Canada to be a reliable and effective partner. We can send a message to Canadians that we take our national defence and national sovereignty seriously.

Hon. Denise Batters: Would Senator LaBoucane-Benson take a few questions?

First, I would like to obtain more detail on some of the investment that would be made into the Armed Forces with this \$9 billion. When you did a breakdown in your speech, you listed \$2.1 billion to accelerate recruitment and to retain service men and women. Then you listed what you said was \$2.1 billion to "support our Armed Forces." I didn't hear any detail on that particular element.

Could you please tell us what it means for that portion of it: "support our Armed Forces?"

Senator LaBoucane-Benson: The amount of \$2.1 billion is requested to enhance Canadian industry's ability to support Armed Forces, focusing on immediate needs and initiatives that can be advanced quickly. It's about boosting made-in-Canada production and driving innovation in vital sectors, laying the groundwork for a defence industry strategy that will not only strengthen the Armed Forces but create opportunities for workers across Canada.

That \$2.1 billion is focusing on the needs of the Canadian Armed Forces and finding Canadian industries that can provide for those needs, building jobs into our economy while providing the Armed Forces what they need.

Senator Batters: I don't understand what that means. Is that giving companies money to provide those types of services and supports for our Armed Forces? I don't understand what that explanation meant.

Senator LaBoucane-Benson: I'd be happy to. The Armed Forces are going to be procuring many things it requires. The idea here is to find Canadian industries that can provide in a Request for Proposal, or RFP, procurement process that is rigorous, while ensuring that Canadian industry is going to have an opportunity to provide things for the Armed Forces. This \$2.1 billion is all about supporting Canadian industry's ability to do that. It's not that they're getting money for doing nothing; we want them to be a part of that RFP process. That's my understanding of what this is.

Hon. Rebecca Patterson: You talked about \$834 million that went to what I will call the "bucket of odds and sods," showing you that defence spending has lagged so far behind in terms of gear, technology and essentials.

You mentioned training infrastructure and minor real property investments. One of the biggest challenges is that most of our bases are located in fairly remote areas of Canada where housing is a crisis for military families. In fact, there are certain bases in Canada where Canadian Armed Forces members go when the economy drops, and they're having to declare bankruptcy.

Have you seen anything in that amount of money that also deals with housing that is outside of defence proper and will be looking at bases, families, et cetera?

Senator LaBoucane-Benson: The information I have doesn't achieve that level of granularity, and I'm not sure we obtained that type of granular information at the Finance Committee either.

You and I both know infrastructure includes housing in the Armed Forces. That's all the information I have.

Hon. David Richards: Senator, is this money in any way going to support the purchase of the F-35 or is that totally separate?

Senator LaBoucane-Benson: It is separate. At Finance, we heard about the procurement of those planes. Ms. Tremblay told the committee that in the case of the F-35s — the plane you're talking about — we're going to take delivery of the first planes in 2026, which will be delivered in the U.S. for the training of our pilots. In 2028, we're going to be taking delivery of the first ones that will be delivered to Canada. She said it's a complex program, but it's demonstrating good progress so far.

• (2130)

My understanding is that this is in the main estimates, not in the supplementary estimates.

Senator Richards: The \$2 billion we're giving to Ukraine — is it \$2 billion we're loaning Ukraine for drones, equipment, ammunition and hardware? I just wanted to know if we have that here that we're giving them, or if we are giving them the money and they're purchasing. I don't think we have that hardware and those drones here, do we?

Senator LaBoucane-Benson: Just to be clear, the \$2 billion includes Ukraine but isn't inclusively for Ukraine; it also includes international partners. I don't have the details of whether we're creating them here or purchasing them from other places. I don't have that level of detail, senator.

Senator Batters: Again, on that, because that would be interesting and important to know, so perhaps during a third reading time frame, we can find out more information about that type of amount, which is \$2 billion.

In your speech, when you were speaking about the \$834 million, I have written down that you said "for a range of equipment." What type of equipment is included in that? As far as I heard, I didn't hear any other amounts within this \$9 billion specifically for equipment. If there is other equipment in that \$9 billion, I'd like to know about that, too.

Senator LaBoucane-Benson: With regard to \$834 million for a range of procurement, including defence equipment, personal gear, technology, infrastructure maintenance and essential services, that was all bundled into the \$834 million.

Senator, there are other funding buckets that are for equipment throughout this spending. Of course, the \$2.1 billion that we spoke about earlier is all about procurement, and that is about equipment, as well. We are hoping Canadian industries can supply that.

Senator Batters: Only two weeks ago, on Monday, June 9 — I just looked it up — Prime Minister Carney announced that the federal government would meet the NATO benchmark target of 2% of GDP by the end of the current fiscal year, in March. Now, just in the last few days and since the last House of Commons Question Period has concluded, two weeks later, all of a sudden, there's talk of 5% of GDP. I believe it was yesterday when a foreign reporter, Christiane Amanpour, was asking Prime Minister Carney how much 5% of GDP would be for Canada. Prime Minister Carney answered that it was \$150 billion.

Given the amounts we are speaking about — and it has taken a long time for this government to get to sizable amounts of defence spending — how on earth are we going to get to \$150 billion, which 5% of GDP would amount to?

Senator LaBoucane-Benson: The pledge that was made recently for 5% of the annual GDP is by 2035. As part of this pledge, Canada will invest 3.5% of GDP in core military capabilities, expanding on recent investments. That means further investments in the Canadian Armed Forces, modernizing military equipment and technology, building up Canada's defence industries and diversifying defence partnerships.

We've also been informed that an additional 1.5% of GDP will be dedicated to investments in critical defence- and security-related expenditures, such as new airports, ports, telecommunication, emergency preparedness systems and other dual-use investments that serve defence as well as civilian readiness. That will be a part of that 5%.

Importantly, the progress on this pledge will be reviewed in 2029 to ensure that all ally expenditures align with the global security landscape.

Hon. Marilou McPhedran: Senator, concerning the whole idea of ramping up the numbers of people in the Canadian Forces, can you provide some assurance that during that process — that rush to invest and spend money — the existing diversity, equity and inclusion guidelines will govern during that rapid process?

Senator LaBoucane-Benson: Thank you for the question, senator.

Actually, in my main speech, that was a part of it: making sure our Armed Forces reflect Canadian society in that. The term "DEI" was not in there, but that's what I was talking about — that there's gender balance and that our Armed Forces reflect our society.

Hon. Elizabeth Marshall: Thank you, Senator LaBoucane-Benson, for your remarks.

Honourable senators, I also rise to speak to Bill C-7, appropriation act no. 2, 2025–26. Supplementary Estimates (A) support the second appropriation bill for this year. Bill C-7 is requesting parliamentary approval for \$8.6 billion. This is in addition to the \$467 million in statutory spending.

This appropriation bill and its supporting document, Supplementary Estimates (A), are different from the usual appropriation bill and Supplementary Estimates (A), as they are requesting additional funding for two organizations only: The Department of National Defence, or DND, is requesting \$8.2 billion, and the Communications Security Establishment is requesting \$370 million to strengthen and modernize their equipment and technology.

According to the government's backgrounder, this additional funding will increase NATO-related spending to 2% of GDP. Canada has historically not reached NATO's 2% of GDP criterion, and the increase disclosed in Supplementary Estimates (A) will enable Canada to reach this goal.

The \$8.2 billion requested by the DND will be used for a variety of programs. I obtained this from the government's background information. I will get into why I don't have anything further. As Senator LaBoucane-Benson was saying, the \$2.1 billion is for the recruitment, retention and support programs for the Canadian Armed Forces. There is also \$2.1 billion for defence research and development and support for the Canadian defence industry, \$2 billion in military aid to Ukraine and to expand defence partnerships, \$1 billion for strategic military capabilities, \$833 million for new and existing Canadian Armed Forces equipment and infrastructure, and \$180 million for funding for digital tools and capabilities. That all adds up to the \$8.2 billion requested by the Department of National Defence.

So the \$8.2 billion being requested by the department will raise the total approved funding to \$44 billion. It is anticipated that additional funding will be requested by the DND in Supplementary Estimates (B) and Supplementary Estimates (C) to meet further goals.

While the funding request will increase total departmental funding to \$44 billion, the challenge for National Defence is to spend the \$44 billion. Historically, the department has lapsed significant amounts of funding. While the \$44 billion represents a significant increase, government has not provided any plan outlining how the department will actually reach its spending goals of \$44 billion.

Officials from the Department of National Defence testified at our Finance Committee on Tuesday, June 17. They focused their testimony on the \$34 billion in the Main Estimates as well as the request for \$8 billion in Supplementary Estimates (A) to support meeting the NATO target of 2% of GDP.

Historically, though, the department has been challenged to spend the funding allocated to it. During our meeting, the officials acknowledged that it will be a challenge to deliver on its commitments this year. They know they have to turn over a lot of expenditures in a short period of time.

These two appropriation bills — Bill C-6, on which we just voted, and Bill C-7 — represent a substantial increase in funding, and we are already three months into the fiscal year. Officials assured us they have a plan, although we have not seen it, and they provided to us some information as to which programs will benefit from the additional funding. However, the details are lacking.

• (2140)

Officials also provided a brief overview of the expenditures which could be included as defence expenditures and will assist the department in reaching that 2% goal.

Officials informed us that their Departmental Plan for 2025-26 is now available, but the Departmental Plan that was released the day after we met with departmental officials does not include the additional funding of \$8.2 billion that's referenced in Bill C-7.

While the government officials provided a high-level summary of the \$8.6 billion and how it will be spent, analysis by main object indicates that \$1.7 billion will be spent on personnel, \$1.1 billion on professional and special services and \$3.4 billion on transfer payments.

According to the government's website — this is not based on testimony — the \$3.4 billion in transfer payments would provide for defence equipment, defence purposes and supplies and facilities, but it's not specifically mentioned.

I mentioned in my speech on Bill C-6 that there is an amount allocated for capital expenditures, but last year, we received the list of what was included. We knew how many aircraft there were, what kind of aircraft and so on. This year, we don't have that information, at least not yet.

As indicated previously, department officials told us that the \$8.2 billion requested in this bill is not in their 2025-26 Departmental Plan, and in any event, the 2025-26 Departmental Plan wasn't released until June 18, the day after our committee meeting with officials on June 17.

When this bill is enacted, the Department of National Defence will have the highest allocation for personnel spending, at \$4.5 billion. They will also have the highest allocation for professional and special services at \$8.4 billion.

Given that the government has committed in the Throne Speech to reducing annual increases in operating costs to 2% each year, there is no indication, as I said earlier, that this restraint initiative has commenced. And given that this bill indicates significant increases in personnel expenditures and professional and special services expenditures for the Department of National Defence, I think the government will really be challenged to reduce operating costs to annual increases of 2%.

That's about all I can say about Bill C-7 because there's very little information available. I want to run down the constraints we were given.

First, there was a short time frame to review the Main Estimates and Supplementary Estimates (A). For the Department of National Defence, we actually spent 1.5 hours reviewing those estimates. The department's 2025-26 Departmental Plan wasn't released until June 18, as I said earlier, after our June 17 meeting with departmental officials. So we're meeting with departmental officials to go over their expenditure plan, but we don't have their Departmental Plan, so we're missing what I consider a very important document.

In any event, when we talked about this bill, the supplementary estimates and the \$8.2 billion, the department told us, "The 2025-26 Departmental Plan for our department doesn't include any information on the \$8.2 billion being requested anyway," so we didn't have that. Even during our discussions, they really couldn't provide any plan to support the \$8.2 billion.

We were trying to review the supplementary estimates document, but we didn't have much to go on. Any information that's requested will come in after the fact.

I can't offer any other comments on Bill C-7. Hopefully, when we get to Supplementary Estimates (B) — we usually tie the Main Estimates and Supplementary Estimates (A) and (B) all together — we might have more information.

That concludes my comments on Bill C-7.

Hon. David Richards: Will Senator Marshall take a quick question?

Senator Marshall: Yes.

Senator Richards: Without it being specified, do we know where this money is actually going? We know the broad calendar of what it is going to be spent on, but without the actual day-by-day occurrence, do we know where this money is going, how it will be spent, who's going to get it and if it's going to be used wisely?

Senator Marshall: Thank you very much for the question. You can tell at a high level because the government's background information provides that, for example, there's \$2 million for this and \$2 million for that. Also, there's some data on the government website. For example, it will break down the plan by main object: how much is going into salaries, how much is going into consulting, how much is going into this or that. There are about 10 categories. You can get a breakdown like that and compare it with last year to see if it's going up or down.

But, for example, if you look at capital expenditures, they were \$10.9 billion. I can't tell you what that's being used for. Last year, when they were \$7 billion, I said to the department, "Can you send us the list?" They sent me a list, and it added up to \$7 billion, but it was a list that said that it was for this aircraft, that ship and so on. It listed them. They were still big numbers, but at least they were more refined than what we have now.

I find that for Supplementary Estimates (A), for the \$8.2 billion, there's a lack of information, as there is for the Main Estimates. I would have liked to have seen more detail.

I think one of the problems the department will have is getting the money out the door. The departmental officials told us at the time that with this increased funding to \$44 billion, they will reach 2.01%, so just over the NATO target. If they don't spend that \$44 billion, they're not going to meet the 2%. They know it's a challenge.

I'd like to see more. I usually get more details.

Senator Richards: No one has been more worried about defence, since I came into the Senate, than myself and a few of my colleagues.

Are you optimistic that this money will be well spent? That's my main concern about this money, because I don't know, with all the ramifications, whether it will be. If it is not, we're back to square one at a time when we should be focused on helping our soldiers.

Senator Marshall: Thank you very much for that question. I can't say whether it will be well spent. At this point, I'm just hoping they can spend it to get to their 2% target. The Auditor General will decide whether it's well spent.

I was very encouraged by the testimony from the departmental officials, although they didn't give us much information. However, they recognize that they're under the gun and that this will be a real challenge. Step one is to give them the money, but they have to get it out the door now.

Senator Richards: Thank you very much.

Hon. Denise Batters: Senator Marshall, as you said in your speech, we're already three months into the new fiscal year. There is no plan. The departmental officials may have done a good job when they were in front of you, but then the day after that, more detail regarding the figures came out. You didn't have that when you were able to question them.

What confidence can Canadians have that the government will actually get to what they've said is the target of 2% of GDP by the end of this fiscal year — we're already three months in — if they don't have a plan to spend that \$8.2 billion?

Senator Marshall: Thank you very much for the question. I don't know if I conveyed the right meaning, but I didn't see the plan, and they didn't share the plan with me. They told us they had a plan; they just didn't share it with us. We don't have it, and we don't have a departmental plan for the \$8.2 billion. I guess it will go on good faith.

Hon. Andrew Cardozo: Honourable colleagues, I will focus on the supplementary estimates, in particular on the defence spending that responds to the NATO requirement that it be increased.

• (2150)

First, let me thank Senator LaBoucane-Benson for her provision of the information that we have, and Senator Marshall for her usual insightful analysis.

As a member of the NATO Parliamentary Association, I was attending the recent spring conference in Dayton, Ohio, where it was clear we needed to do more in terms of defence spending. But I was also aware of the elephant in the room, the American government, which appears to be intent on undermining the economies of all the other NATO allies. Our opportunity now — our obligation — is to increase defence spending while we build our own economy.

As Senator LaBoucane-Benson noted, budgetary spending will increase by \$8.6 billion in comparison to the 2025-26 Main Estimates. She outlined five requests from the Department of National Defence; the first includes a pay raise for those Canadian Armed Forces, or CAF, personnel below the rank of colonel, and that is a badly needed and overdue development. The other four points provide opportunities for manufacturing. They are defence R&D, aid to Ukraine, strategic military capabilities and CAF equipment and infrastructure.

The central point I want to raise today is to encourage the government to make sure that as much spending as possible is made within Canada for R&D, innovation and manufacturing. I'm building on the comments that we heard earlier from Senator Colin Deacon with regards to innovation and manufacturing.

Here are a few facts about the Canadian defence industry in Canada as noted by the Canadian Association of Defence and Security Industries. The industry contributes \$9.6 billion to the GDP of Canada, 49% of their sales come from exports, they invest \$440 million in innovation annually and they cover 81,000 jobs. The industry is located in all regions of Canada, and is composed of some 580 large, medium and small enterprises, certainly ripe for growing.

Canada's defence industry produces a range of equipment including light armoured vehicles, rifles and ammunition. Let me highlight just a few specific examples of Canadian-made defence equipment. Roshel Canada produces light armoured vehicles, and is based in Brampton, Ontario. As a side comment, when we look at our challenges facing the automotive sector, perhaps we can look at light armoured vehicle manufacturing to help that sector. Magellan Aerospace produces rockets and flares. IMT Defence produces forged projectiles and specialized machining. HFI Pyrotechnics Inc. produces pyrotechnic products.

My call to the government is that they focus on defence spending as much as possible within Canada to build Canadian industry. Given the tariff threats from the U.S. and talks of the 51st state, I think we need to do three things: buy Canadian wherever possible, build Canadian and invest in Canadian R&D.

Colleagues, you may know that I've been recording a series of conversations with Canadians about Canada-U.S. relations. Today, I posted a conversation with Daniel Tisch, President and Chief Executive Officer of the Ontario Chamber of Commerce, my province. Let me quote him:

On defence, our members in the sector welcome the positive signs in the news about defence investment that would benefit Canadian industry, reinforced this week in the PM's visit to the NATO Summit.

This is quite urgent because there's a risk of losing that industrial base to other countries that are also increasing their defence spending.

Let me quote from Benjamin Bergen, President of the Council of Canadian Innovators:

The government's investment in Canada's defence will be a generationally-missed opportunity if we don't also ensure that the money is used to build Canadian companies as vendors for our security needs. If innovators know that there are significant government contracts available for made-in-Canada defence solutions, that helps de-risk R&D for companies bringing cutting-edge technologies to market. If we are spending upwards of 2% of GDP on defence, we should not be satisfied with just buying products off the shelf. The government must be collaborating with the private sector players to co-develop the defence systems and technologies for the 21st century. Indeed, that's what every other leading country is also doing.

Both of these folks indicate that other countries are using defence spending for building their own industrial policy and industry in their countries. We must certainly do the same.

When it comes to buying abroad, we need a quid pro quo approach. For example, take the March 18 announcement of the purchase of a \$6 billion over-the-horizon radar system for the Arctic, which we purchased from Australia. We should build a purchase like that of a trade deal. We buy \$6 billion from them, and they buy \$6 billion of something we produce. That's a win-win expenditure for both.

While large sums are set aside for major maintenance and repair in the monies put forward, we must focus on manufacturing in Canada. This is key. I want to state clearly that we cannot be just the Maytag repairman of the defence industry; we must strive to be the innovators, the intellectual property rights holders and the manufacturers of defence equipment.

I accept that we do face a conundrum. On the one hand, the new spending to meet the NATO target has to happen soon. We have a tight and important target. On the other hand, we have a once-in-a-generation opportunity to build our innovation and manufacturing sectors and create many well-paying, long-term Canadian jobs. As Prime Minister Carney has said, "We need to build the strongest economy in the G7."

In closing, colleagues, I encourage departmental officials and ministers, especially those responsible for National Defence, Public Services and Procurement Canada and defence procurement, to go all-out to ensure that we spend these billions wisely, to build the Canadian economy and support good jobs for Canadians.

In this turbulent world, we can make sure that our NATO commitments build the Canadian economy and create good jobs for Canadians. Thank you.

Senator Richards: Senator, I have so many questions. We've given all this away before, Senator Cardozo. We threw the Avro Arrow into Lake Ontario. We've given away artificial intelligence. Gerald Bull and his system for Canada putting satellites into space — we denied him access, so he went to work for Saddam Hussein and was shot in Belgium. All this happened under the watch of the last three or four governments, or before that in the case of the Avro Arrow in the late 1950s.

I'm just wondering: How are we going to change our whole idea of how to do things now when we didn't do it in the last 65 years?

Senator Cardozo: I hope you don't take this wrong, I don't mean it flippantly, but I hope that the brilliance of people like you who push these ideas — that we all keep pushing these ideas.

My hope is that we have reached the point where Canadian governments and industry have realized that we really need to take our intellectual property rights more seriously and take our manufacturing more seriously. I hope that we see all these things related to this massive new spending that we're going to do — possibly more than the 2% that we're talking about here in terms of these supplementary estimates. All I can say is God help us if we don't. It's really an opportunity.

The two people I quoted both said that if we don't do these things, we'll not only lose out because we will lose out but because everybody else is already doing it. If we don't follow everybody else's example to use these funds to build our economy, then we're in trouble. But my hope is that we will see this competitive opportunity. My sense is that when the Prime Minister talks about building the strongest economy in the G7, this is really a great starting point. It has ripples that go well beyond just the defence industry to deal with a large range of innovation and technology.

• (2200)

Hon. Rebecca Patterson: Will Senator Cardozo take a question?

Senator Cardozo: Sure.

Senator Patterson: Certainly conceptually, building capacity is about more than research and development. It's about long-term, sustainable investment in the defence industry, which will require a complete change in thinking in Canada because any for-profit enterprise must have sustainable contracts.

We've certainly heard about the Defence Industrial Strategy that is being put forward. Germany has tried that and has put €100 billion against it to start. What would you like to see in any defence industrial strategy so we can move beyond R&D and have a truly sustainable defence in future? This is a dividend that will pay off well beyond this session of Parliament.

Senator Cardozo: I certainly don't have all the answers to your question, but your question is really an important one. You're challenging us to think big and to think long-term, realizing that we have a once-in-a-generation opportunity to build long-term.

I hope that those of us who are interested in this issue, whether it's at the National Security Committee — the committee on which you and I sit — or in other opportunities, will keep raising this issue and keep making the point.

As a slight aside, we live in a hyperinformation society where so many different things are going on. It's hard to keep a strong and growing narrative. Part of our challenge as senators is to use our opportunities, such as with the National Security Committee, to continue to make the point you're raising.

Hon. Marilou McPhedran: Senator Cardozo, would you take a question?

Senator Cardozo: Sure.

Senator McPhedran: Thank you. In your many meetings and many conversations that you've been a part of, have you ever experienced a conversation that not only looks at the wonderful benefits of increasing defence spending in many ways but also considered a question about what will happen as a result of the shifting of those resources onto the defence side? Who will miss out? Who will not be supported anymore in society when there's such a massive shift of resources to defence?

Senator Cardozo: You raise a very important point because we live in silos. Sometimes the silos that talk about this don't talk about the social costs. But it's certainly our responsibility as parliamentarians charged with responding to a wide range of issues.

I don't want to give the trite answer that if you help the economy it helps social policy — which is true — but I do want to point out that when we help industries, many people are employed through those industries.

I was at a steel plant in the Toronto area a couple of months ago. Someone had kind of attacked me about something that I said on social media, so I called him up and we got to know each other. I went to see his steel plant, and we've become friends.

As we were talking about various aspects, it was interesting that his entire plant workforce was made up of newcomers and people of colour. This wasn't defence: this was making steel parts for cars, parts that can certainly be used for light armoured vehicles.

When we look at various industries, we'll see that they're multilayered. My hope is that when we do see that kind of thing, we'll see an industry that employs people who have come from all over the world. We'll see a plant that is — I don't want to use the phrase "racism-free" — very diverse in its nature. A lot of the people had worked there for a very long time and were satisfied and happy.

Creating jobs in itself is useful in dealing with some of those issues. Many issues don't just respond to the economy but do take public resources. It's for us to ensure that we don't move away from the values that we have as Canadians.

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

Hon. Senators: Question.

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

Some Hon. Senators: Agreed.

Some Hon. Senators: No.

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

Some Hon. Senators: Yea.

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

Some Hon. Senators: Nay.

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

And two honourable senators having risen:

The Hon. the Speaker: I see two senators rising. Is there agreement on a bell?

Senator Seidman: Yes, there is: now.

The Hon. the Speaker: I will still ask. Is leave granted?

Hon. Senators: Agreed.

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

YEAS
THE HONOURABLE SENATORS

Adler	LaBoucane-Benson
Al Zaibak	Lewis
Arnold	Loffreda
Arnot	MacAdam
Aucoin	McBean
Black	McCallum
Boehm	McNair
Boudreau	Mégie
Burey	Moncion
Busson	Moreau
Cardozo	Muggli
Clement	Oudar
Cormier	Pate
Coyle	Patterson
Cuzner	Petitclerc
Deacon (<i>Nova Scotia</i>)	Petten
Dhillon	Pupatello
Downe	Quinn
Forest	Ravalia
Francis	Robinson
Fridhandler	Saint-Germain
Gerba	Senior
Gignac	Simons
Gold	Sorensen
Harder	Surette
Hay	Tannas
Hébert	Varone
Henkel	White
Ince	Wilson
Karetak-Lindell	Youance
Kingston	Yussuff—62

NAYS
THE HONOURABLE SENATORS

Ataullahjan	Martin
Batters	McPhedran
Housakos	Seidman
MacDonald	Smith
Manning	Wells (<i>Newfoundland and Labrador</i>)—11
Marshall	

ABSTENTION
THE HONOURABLE SENATOR

Richards—1

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

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

• (2210)

INDIAN ACT

BILL TO AMEND—SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Audette, seconded by the Honourable Senator Francis, for the second reading of Bill S-2, An Act to amend the Indian Act (new registration entitlements).

Hon. Yonah Martin (Deputy Leader of the Opposition): Honourable senators, I rise today to speak at second reading as the critic of Bill S-2, An Act to amend the Indian Act (new registration entitlements).

The measures proposed in Bill S-2 address long-standing inequities in the Indian Act — inequities that have harmed Indigenous peoples for generations.

Bill S-2 focuses on four main areas. First, it addresses the issue of enfranchisement — a policy that allowed, or more often coerced, First Nations to give up their status in exchange for the rights of Canadian citizenship. Until 1985, this policy stripped not just individuals but also their spouses and descendants of the legal recognition as Indians under the Indian Act. The result was not just exclusion from the Indian Register but also from one's community, culture and homeland.

Bill S-2 aims to ensure that individuals with a family history of enfranchisement will be entitled to registration in the same way as those whose families were never enfranchised. This alone is a significant and necessary correction.

Second, the bill creates a new process that allows individuals to voluntarily remove themselves from the Indian Register — something that has never been formally possible under the current law. Bill S-2 fills this gap by respecting individual choice and self-determination. Those who choose to deregister will still have the option to reapply in the future if they wish to regain their status. The bill intends that such a decision will not have negative consequences for their children or future descendants, whose eligibility for registration remains fully protected.

Third, the bill provides a path for women's reaffiliation with their natal band. This is particularly meaningful for First Nations women and their descendants who, prior to 1985, lost their band

affiliation upon marrying someone from another band. The law transferred them to their husband's band, regardless of their wishes. Even in cases of divorce, death or separation, these women and their children were often left with no way to return to their original communities. Bill S-2 allows for a re-establishment of community ties that were severed by paternalistic and outdated policies. Fourth and finally, the bill removes derogatory language from the Indian Act, specifically the references to "mentally incompetent Indians." This is an important step in modernizing the language of the act to reflect dignity, accuracy and respect.

Bill S-2 builds upon a series of prior legislative efforts aimed at addressing inequities in the Indian Act.

Bill C-3, which passed in 2010, responded to the *McIvor* decision and addressed specific gender-based discrimination. Bill C-3 extended status to the grandchildren of women who had lost status through pre-1985 marrying out rules.

Then came Bill S-3 which aimed to eliminate all known sex-based inequities in registration. That bill was the product of many years of advocacy and was championed in this chamber by senators who worked tirelessly to ensure its passage.

Bill S-2 builds on the legacy of these previous bills. It moves us further down the path of correcting past wrongs.

It is important to recognize the voices of those who brought us to this point. The *Nicholas v. Canada (Attorney General)* case of the Supreme Court of British Columbia, which was filed June 2021, challenged the constitutionality of the lingering effects of enfranchisement. The plaintiffs in that case made a compelling argument: The law, even after Bill S-3, continued to treat some descendants of enfranchised individuals differently, violating section 15 of the Charter.

On March 3, 2022, First Nations families and the federal government agreed to pause the litigation and allow Parliament the opportunity to address the issue through legislation rather than through the courts. In response, the government introduced Bill C-38. Unfortunately, that bill never progressed beyond second reading in the House of Commons. It died on the Order Paper, and now, more than three years later, we are once again at the starting line, working to get this legislation moving forward.

This delay is profoundly unfair to the thousands of individuals who have waited patiently in good faith while the government promised legislative action. That promise has yet to be fulfilled. Justice delayed, in this case, has meant continued exclusion from identity, recognition and community. That is unacceptable.

• (2220)

While the bill sets out to achieve important objectives, its impact will only be meaningful if those changes are implemented and felt in the daily lives of those it seeks to support.

[Senator Martin]

There are some concerns about implementation. If Bill S-2 passes, thousands of people may become newly eligible for registration. That is a positive development, but it comes with real demands. Band governments will need support. Indigenous Services Canada must be equipped to process applications in a timely and fair manner. Health, education and other services must be ready to meet the needs of new members.

Yet implementation remains a significant challenge. A 2025 report from the Auditor General revealed that over 80% of registration applications exceeded the department's six-month service standard. As of March 2024, nearly 12,000 applications were backlogged, almost 1,500 of them delayed for more than two years, including hundreds flagged as high priority.

Alarming, a review of registration files found that in 58% of cases, the department could not provide documentation proving that the officials who made the decisions had completed the required training and certification. More broadly, the Auditor General found that the department does not systematically track or monitor whether or not registration decision makers are properly qualified.

The report also found that the funding model for community-based registration administrators has not been updated since 1994. One third of First Nations receive only the minimum funding, equivalent to less than one day of work per week. Trusted source organizations, which support urban applicants, must reapply annually for funding, undermining stability. These gaps jeopardize the integrity of the registration process and the rights of those seeking recognition.

As we move toward the passage of Bill S-2, the government must do more than amend the law. It must ensure that the rights it affirms can be realized in practice consistently, equitably and with dignity.

At its core, this legislation is also about self-determination. True reconciliation is not just about repairing past harms; it is about restoring agency. That means giving First Nations and First Nations individuals greater control over their identity, their governance and their future. The changes in Bill S-2 — whether restoring status, allowing for voluntary deregistration or reconnecting individuals with their natal bands — are ultimately about recognizing that Indigenous peoples must have the authority to define who they are and how they belong.

Honourable senators, I support this bill because it seeks to correct historical wrongs and affirms fundamental principles of equality. However, I also support it with the clear-eyed understanding that it is not a finish line. Bill S-2 is one step — an important and overdue one — on a much longer journey to dismantle the discriminatory and outdated structures embedded in the Indian Act. It addresses one aspect of a legal framework that for too long has failed to reflect the values of inclusion, respect and reconciliation.

That is why I encourage its timely passage, not as an endpoint, but as part of a broader and ongoing legislative process. While this bill does not resolve all outstanding issues, it represents meaningful progress. Further work will be needed, but this is a principled and necessary step for us to take.

Thank you.

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

Hon. Senators: Agreed.

(Motion agreed to and bill read second time.)

REFERRED TO COMMITTEE

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

(On motion of Senator White, bill referred to the Standing Senate Committee on Indigenous Peoples.)

(At 10:25 p.m., pursuant to the order adopted by the Senate on June 19, 2025, the Senate adjourned until 9 a.m., tomorrow.)

CONTENTS

Wednesday, June 25, 2025

	PAGE		PAGE
SENATORS' STATEMENTS			
The Late Serge Fiori, C.Q.		Mohawk Council of Akwesasne—Document Tabled	
Hon. Leo Housakos	479	Hon. Bernadette Clement	483
Israeli-Palestinian Conflict		Pembina Institute—Document Tabled	
Hon. Yuen Pau Woo	479	Hon. Bernadette Clement	483
The Honourable Danièle Henkel		Neskantaga First Nation—Document Tabled	
Congratulations on Appointment as Honorary Captain of the		Hon. Bernadette Clement	483
Canadian Coast Guard		Mushkegowuk Council—Document Tabled	
Hon. Amina Gerba	480	Hon. Bernadette Clement	483
Visitors in the Gallery		Native Women's Association of Canada—Document Tabled	
Hon. the Speaker.	480	Hon. Bernadette Clement	483
The Late John McCallum, P.C.		Union of British Columbia Indian Chiefs—Document Tabled	
Hon. Mohammad Al Zaibak	480	Hon. Bernadette Clement	483
Visitors in the Gallery		Sturgeon Lake Cree Nation—Document Tabled	
Hon. the Speaker.	481	Hon. Bernadette Clement	483
Israeli-Palestinian Conflict		Mikisew Cree First Nation—Document Tabled	
Hon. Salma Ataullahjan.	481	Hon. Bernadette Clement	483
New Brunswick Youth Orchestra		Onion Lake Cree Nation—Document Tabled	
Hon. Victor Boudreau.	481	Hon. Bernadette Clement	483
Visitor in the Gallery		Nishnawbe Aski Nation—Document Tabled	
Hon. the Speaker.	482	Hon. Bernadette Clement	483
		Canadian Partnership for Children's Health and Environment	
		—Document Tabled	
		Hon. Judy A. White	483
<hr/>			
ROUTINE PROCEEDINGS			
Taxpayers' Ombudsperson		Audit and Oversight	
2024-25 Annual Report Tabled		First Report of Committee Adopted	
Hon. Patti LaBoucane-Benson	482	Hon. Marty Klyne	484
One Canadian Economy Bill		One Canadian Economy Bill (Bill C-5)	
President of the King's Privy Council for Canada and		First Reading.	484
Minister Responsible for Canada-U.S. Trade,			
Intergovernmental Affairs and One Canadian Economy—		The Senate	
Document Tabled		Notice of Motion Pertaining to the Situation in Gaza	
Hon. Patti LaBoucane-Benson	482	Hon. Yuen Pau Woo	484
Crown-Indigenous Relations and Northern Affairs—		<hr/>	
Document Tabled		QUESTION PERIOD	
Hon. Patti LaBoucane-Benson	482	Global Affairs	
Premier of Ontario—Document Tabled		North Atlantic Treaty Organization	
Hon. Patti LaBoucane-Benson	482	Hon. Leo Housakos	484
Métis National Council—Document Tabled		Hon. Marc Gold	484
Hon. Patti LaBoucane-Benson	482	Public Safety	
Fort McKay First Nation—Document Tabled		Cybersecurity	
Hon. Patti LaBoucane-Benson	482	Hon. Denise Batters	485
Confederacy of Treaty Six First Nations—Document Tabled		Hon. Marc Gold	485
Hon. Patti LaBoucane-Benson	482	Environment and Climate Change	
Métis Nation—Saskatchewan—Document Tabled		Strategic Environmental and Economic Assessment	
Hon. Patti LaBoucane-Benson	483	Hon. Mary Coyle	485
Greater Vancouver Board of Trade—Document Tabled		Hon. Marc Gold	485
Hon. Hassan Yussuff	483	Public Safety	
		Financial Crimes	
		Hon. Tony Loffreda	486
		Hon. Marc Gold	486

CONTENTS

Wednesday, June 25, 2025

	PAGE		PAGE
Finance		Hon. Denise Batters	493
Banking Fraud		Hon. Marty Deacon	494
Hon. Colin Deacon	486	Hon. Mary Robinson	494
Hon. Marc Gold	486	Hon. Yuen Pau Woo	495
Open Banking		Hon. Rodger Cuzner	495
Hon. Colin Deacon	486	Hon. Leo Housakos	497
Hon. Marc Gold	487	Hon. Patrick Brazeau	501
Health		Hon. Marilou McPhedran	501
Women's Health Research		Point of Order—Speaker's Ruling Reserved	
Hon. Danièle Henkel	487	Hon. Marilou McPhedran	502
Hon. Marc Gold	487	Hon. David M. Wells	502
National Defence		Hon. Leo Housakos	502
Canadian Coast Guard		Hon. Marc Gold	502
Hon. David M. Wells	487	Second Reading—Debate	
Hon. Marc Gold	487	Hon. Paula Simons	503
Hon. Yonah Martin	487	Hon. Lucie Moncion	505
Prime Minister's Office		Hon. Julie Miville-Dechéne	506
Senate Appointments		Hon. Kim Pate	508
Hon. Chantal Petitclerc	488	Hon. Salma Ataullahjan	510
Hon. Marc Gold	488	Hon. Mary Jane McCallum	510
Immigration, Refugees and Citizenship		Hon. Marc Gold	510
Asylum Seekers		Hon. Danièle Henkel	511
Hon. Bernadette Clement	488	Hon. Marilou McPhedran	512
Hon. Marc Gold	488	Hon. Pat Duncan	516
Canadian Heritage		Speaker's Ruling	517
Air India Flight 182		Second Reading	518
Hon. Andrew Cardozo	489	Appropriation Bill No. 1, 2025-26 (Bill C-6)	
Hon. Marc Gold	489	Second Reading	
Public Safety		Hon. Patti LaBoucane-Benson	518
Air India Flight 182		Hon. Denise Batters	519
Hon. Andrew Cardozo	489	Hon. Elizabeth Marshall	521
Hon. Marc Gold	489	Hon. Peter Harder	525
Finance		Hon. Leo Housakos	525
Charitable Organizations		Hon. Lucie Moncion	525
Hon. Leo Housakos	489	Hon. Marty Deacon	526
Hon. Marc Gold	489	Hon. Percy E. Downe	526
ORDERS OF THE DAY		Hon. Colin Deacon	527
Business of the Senate		Appropriation Bill No. 2, 2025-26 (Bill C-7)	
Hon. Patti LaBoucane-Benson	490	Second Reading	
One Canadian Economy Bill (Bill C-5)		Hon. Patti LaBoucane-Benson	530
Second Reading—Debate		Hon. Denise Batters	531
Hon. Hassan Yussuff	490	Hon. Rebecca Patterson	531
		Hon. David Richards	531
		Hon. Marilou McPhedran	532
		Hon. Elizabeth Marshall	532
		Hon. Andrew Cardozo	534
		Indian Act (Bill S-2)	
		Bill to Amend—Second Reading	
		Hon. Yonah Martin	537
		Referred to Committee	539