SENATE SÉNAT

CANADA

DEBATES OF THE SENATE

1st SESSION • 44th PARLIAMENT • VOLUME 153 • NUMBER 91

OFFICIAL REPORT
(HANSARD)

Tuesday, December 13, 2022

The Honourable GEORGE J. FUREY,
Speaker

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

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

THE SENATE

Tuesday, December 13, 2022

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

Prayers.

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, there have been consultations and there is an agreement to allow a photographer in the Senate Chamber to photograph the introduction of new senators.

Is it agreed, honourable senators?

Hon. Senators: Agreed.

[*Translation*]

NEW SENATORS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the Clerk of the Senate has received certificates from the Registrar General of Canada showing that the following persons, respectively, have been summoned to the Senate:

Sharon Burey

Rebecca Louise Patterson

INTRODUCTION

The Hon. the Speaker having informed the Senate that there were senators without waiting to be introduced:

The following honourable senators were introduced; presented His Majesty's writ of summons; took the oath prescribed by law, which was administered by the Clerk of the Senate; and were seated:

Hon. Sharon Burey, of Windsor, Ontario, introduced between Hon. Marc Gold, P.C., and Hon. Rosemary Moodie.

• (1410)

Hon. Rebecca L. Patterson, of Ottawa, Ontario, introduced between Hon. Marc Gold, P.C., and Hon. Bev Busson.

The Hon. the Speaker informed the Senate that each of the honourable senators named above had made and subscribed the Declaration of Qualification required by the Constitution Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

[*English*]

CONGRATULATIONS ON APPOINTMENTS

Hon. Marc Gold (Government Representative in the Senate): Honourable senators, on behalf of my colleagues in the Government Representative Office, I would like to welcome our newest colleague to the Red Chamber, Senator Sharon Burey.

Senator Burey has been a practising pediatrician in the Windsor region for more than 20 years. She has also provided care for the smallest patients in northern Ontario. Her list of accomplishments is a long one. She attended the University of Western Ontario, received a Bachelor of Science in Biology, got her medical degree from Dalhousie University and completed a residency in pediatrics at the IWK hospital in Halifax. She served as the president of the Pediatricians Alliance of Ontario. She is a member of the Health Policy Committee of the Ontario Medical Association, or OMA, a former pediatrics delegate to the OMA Council and a former committee member of the OMA Outreach to Women Physicians Committee. She is also an adjunct professor of pediatrics at Western University.

[*Translation*]

When Senator Burey was appointed, the *Windsor Star* published an article proudly announcing that a Windsorite had been appointed to the Senate of Canada for the first time in 40 years. What is even more remarkable is that she is the first woman and the first person of colour from Windsor to hold such a position.

Senator Burey, your hometown is very proud of you.

[*English*]

Senator Burey's impressive professional and personal experience, her work in the health care field and her perspectives and passion on issues relating to diversity and inclusion are welcome additions to this chamber.

Senator Burey, I hope you're looking forward to your time here, because we are certainly looking forward to your input and your wisdom as we deliberate, review and study the issues most affecting Canadians.

Hon. Senators: Hear, hear!

Hon. Yonah Martin (Deputy Leader of the Opposition): Honourable senators, on behalf of the opposition and the Senate Conservative caucus, I am pleased to rise in this chamber to welcome our new colleagues, the Honourable Sharon Burey and the Honourable Rebecca Louise Patterson.

Let me begin by welcoming you and thanking you both for your previous service to the public through your respective professions.

Senator Burey, as a pediatrician in Ontario for more than 30 years, you have dedicated much of your professional life to helping and serving others. You also have dedicated your career "to equality, and to justice for those living in poverty, visible minorities, and other marginalized communities."

According to the *Windsor Star*, your appointment was widely celebrated by Windsorites, as you are the first senator from Windsor in 40 years. As a senator, you will undoubtedly give voice to Windsorites as well as to your constituents beyond your region and continue your advocacy work in various ways.

Senator Patterson, I wish to thank you for your service in the Canadian Armed Forces. You have served in uniform in various leadership roles, particularly as a:

> . . . Defence Champion for Women, and the first person with a military nursing background to ever lead at the rank of Flag (General) Officer.

Senator Patterson, I am uplifted and, undoubtedly, so are members of the Canadian Armed Forces to see that you will be representing them in this esteemed chamber. I trust that your past experiences and expertise uniquely position you to fight for our courageous military heroes with passion, as they deserve the highest recognition and representation.

Senators Burey and Patterson, I am truly pleased to extend to you both a very warm welcome to the Senate of Canada.

• (1420)

As I've stated before, Canadians have increasingly been looking at the Senate not just for sober second thought and due diligence, they have been looking at the Senate for hope — hope that their voices are heard, that their concerns become ours and that together this chamber ensures the best path forward for everyone across our beautiful country. As parliamentarians, it is our duty to work and fight to represent the voices of all Canadians here in Ottawa. With your backgrounds and experience, Senator Patterson and Senator Burey, I believe you are well predisposed to do just that.

My colleagues and I look forward to working in collaboration with you both. On behalf of the opposition, and the Conservative caucus, I want to warmly welcome you to the Senate of Canada.

Senator Gold: Honourable senators, I rise again today on behalf of the Government Representative Office, this time to welcome Senator Rebecca Patterson to our midst.

Senator Patterson comes to us after a stellar career in the Canadian Armed Forces. As someone who holds a diploma in nursing from Niagara College Canada and a Bachelor of Science in Nursing — summa cum laude — from the University of Ottawa, she is the first person with a military nursing background to ever lead at the rank of Flag (General) Officer as Rear-Admiral. She is a Canadian Armed Forces leader and Defence Champion for Women and, just prior to joining us, she served as Director General, Culture Change, Chief Professional Conduct and Culture, where she coordinated the whole-of-defence policy approach to support Canada's National Action Plan on Women, Peace and Security.

[*Translation*]

She has also had international experience on military deployments to the Persian Gulf, Somalia, and Afghanistan.

[*English*]

Senator Patterson was named a Global News Edmonton Woman of Vision, was granted the Ontario Premier's Award for excellence in health sciences for Ontario college graduates, received recognition for "Breaking Down the Barricades" in the highlights of the *Esprit de Corps* magazine and was presented with a Niagara College distinguished alumni award.

[*Translation*]

The accomplishment that she is most proud of is being the founder and director of Soldiers Helping Soldiers, a volunteer-based organization that connects veterans who are homeless or at risk of homelessness with service providers who can help them.

[*English*]

We are lucky to be welcoming to our Senate ranks someone whose life experiences will help inform us on the timely issues that are so relevant to our studies and deliberations.

Welcome, Senator Patterson.

Hon. Senators: Hear, hear!

[*Translation*]

Hon. Raymonde Saint-Germain: Honourable senators, I am also pleased to rise today to welcome two new colleagues, the Honourable Senator Sharon Burey and the Honourable Senator Rebecca Patterson.

[*English*]

Honourable Senator Sharon Burey, today in the Senate you are officially opening a new chapter of your life, and as this chapter is beginning, I wish to express how eager all members of the Independent Senators Group are to work with you.

Colleagues, Senator Burey has demonstrated tremendous leadership and earned so much respect in the field of children's health. Her work as a health advocate has been recognized with numerous honours. She has been bestowed with the Ontario Chapter Excellence Award and a Special Achievement Award from the American Academy of Pediatrics, as well as an Excellence in Health Care Award from the North American Black Historical Museum & Cultural Centre. She was notably recognized for her outstanding service to the Council For The Prevention Of Child Abuse in Windsor-Essex County, where she was the co-chairperson of the medical issues committee. Despite all those experiences and awards, Senator Burey has proven her continuous pursuit of professional development, and she has recently completed a Physician Business Leadership Program at York University.

Honourable Senator Burey, even though you were appointed 23 days ago, you have been dedicated to improving the well-being of Canadians from a very young age when you decided to pursue your medical studies and became a renowned, engaged and seasoned pediatrician.

At one of the conferences of the Ontario Medical Association related to the impact of COVID-19 on mental health, which took place in August 2021 and at which you presided, you stated, "Children and adolescents make up roughly 20% of our population, but they are really 100% of our future." As we all face the challenge of leaving future generations with a world worth living in, your credentials give me high hopes that we will do a much better job with the contributions and leadership of colleagues like you.

Colleagues, we are privileged to have with us here the first woman of colour to ever hold the position of President of the Pediatricians Alliance of Ontario. Senator Burey, it is now no secret that you know how to break a glass ceiling, and today we are pleased to have among us another senator to inspire future generations to dream big.

We wish you every success.

Hon. Senators: Hear, hear!

[*Translation*]

Senator Saint-Germain Respect: That is what I feel when I think about the career of our new colleague Senator Rebecca Patterson. Her career culminated in her rise to the high office of Rear-Admiral of the Canadian Armed Forces — an office that, you will agree, is grounded in excellence.

[*English*]

Your military career, Senator Patterson, is nothing short of remarkable. I won't enumerate the long list of your important leadership positions with the military, but I will note that you devoted your life to the service and protection of others, and for that, we are very grateful.

A nursing practitioner by training, you have risen through the ranks in the Armed Forces by your talent, hard work and natural leadership. You were deployed in key areas at crucial moments for Canada. In 1991, you served at a Canadian field hospital in Saudi Arabia during the Persian Gulf conflict. You also supported the efforts of the Canadian Airborne Regiment in 1993 in Somalia. More recently, you assisted the Afghan National Army and Afghan National Police with re-establishing their medical education and training system — an impressive list of achievements, to say the least.

For your outstanding service, you were inducted as an Officer of the Order of Military Merit and received the Governor General's Meritorious Service medal, just two of the many awards you have earned. Your strong military experience guarantees an added value as well as a unique perspective for our work here at the Senate. It will be highly useful when tackling contemporary issues and forming public policy.

Immediately before your appointment, you served as Director General, Culture Change, Chief Professional Conduct and Culture. In this role, you led and supported efforts to change the culture in the Canadian Armed Forces and bring it closer to a future where it is free of sexual harassment and other harmful behaviours that largely target women and vulnerable people. The Canadian Armed Forces trusted you — and rightly so — with this vital role for their credibility. I am glad that, from now on, such a trusted figure as yours will be associated with the Senate of Canada in the minds of Canadians.

As you may know, in the Senate of Canada, we have also taken steps toward instilling a culture of excellence. We know that you will contribute to keeping us on the right path. Senator Patterson, in my name as well as in the name of every single senator in the Independent Senators Group, I congratulate you on your merit and wish you every success during your tenure in the Senate of Canada.

Hon. Senators: Hear, hear!

Hon. Jane Cordy: Honourable senators, on behalf of the Progressive Senate Group, I'm pleased to once again join other leaders in what feels like a now regular and indeed very positive occurrence. Today, we have another two senators taking their places in this chamber, and I would like to extend the same warm greetings to them as I have to those who came before.

• (1430)

With your arrival, Senator Burey, we are gaining a champion for equality and justice, particularly for those in marginalized communities. I dare say that will make for a seamless transition to working in the Senate, although you'll be surrounded by fewer children in this place.

As has been noted, you were the first woman of colour to become president of the Pediatricians Alliance of Ontario. In this place, it's been over 40 years since we have had a senator representing your city of Windsor, and you are the first woman — and the first person of colour — to fill that role. We all know that being able to see oneself reflected in particular positions can have a tremendous impact, and I know that so many people — and especially children — will benefit from seeing you take your place in this chamber.

Being from Nova Scotia, I was very pleased that you were a graduate of Dalhousie University and that you worked at the IWK Health Centre.

Senator Patterson, with your arrival, we are gaining a champion for women — a Defence Champion for Women, to be more precise. As we've heard, you were the first person with a military nursing background to lead at the rank of Flag (General) Officer. Your work has taken on many different directions, but always in the service of others. One of your most recent efforts — helping seniors in long-term care facilities during the pandemic — is particularly commendable.

In a committee in the other place, you said that "Establishing a culture of belonging, dignity and justice will help unite us." You were, of course, speaking about the Canadian Armed Forces and the work you've done there, but I think it's a fitting statement for

many places, including our own chamber. We work best when we are working under the right conditions, and I'm pleased to have more new faces to help us with that task here.

By the way, my brother-in-law, Dennis Hearn, who worked with you in the military, said that I would love working with you because we both have similar personalities. So if you see me staring at you or listening intently, I'll be checking out your personality.

Senators, through your respective careers to date, you have both faced tremendous challenges, and you have both tackled them admirably. With this new chapter in your lives, I am certain that you will equally rise to the occasion.

On behalf of the Progressive Senate Group, it is my pleasure to officially welcome you both to the Senate of Canada. We look forward to working with you both, Senator Burey and Senator Patterson.

Hon. Scott Tannas: Today, we welcome two new senators to this chamber, Senator Burey and Senator Patterson.

As a strong leader in the field of health and well-being of children and as a pediatrician, professor and advocate for those living in poverty and marginalized communities, Senator Burey has been an inspiration. Her participation in our debates, both in this place and in committee, will no doubt provide us with unique insight.

Senator, one of your predecessors from the city of Windsor in this chamber was Paul Martin Sr., who is widely famous for being one of the principal architects of the Canadian health care system. As a health care practitioner, your views on improving our system will be very timely. No pressure.

I heard a particularly touching story about how you inspired a Dalhousie Medical School graduate. When she was 6 years old, her mother brought her to your office and she saw a doctor that looked like her: a female and a person of African heritage. She said that she knew then that she too wanted to become a doctor because "seeing you that day opened my eyes to opportunities for myself that I had not yet imagined."

Now as a senator you will have the opportunities to continue to inspire young people to imagine something they might not have thought possible.

We also welcome Senator Patterson from Ontario. This is Senator Patterson from Nunavut. You'll forever be bracketed.

Rear-Admiral Patterson is a highly decorated and highly accomplished Flag Officer in the Canadian Armed Forces, and the 222nd senator appointed with previous military experience, and now we welcome you to our ranks.

A registered nurse by training, she has served in numerous leadership positions, promoting mental health and supporting servicewomen and servicemen with mental injuries. She is the founding director of Soldiers Helping Soldiers, an organization which assists homeless veterans.

Senator Patterson, looking at your parliamentary record, you have appeared before parliamentary committees, and I assume that this place will become second nature to you very quickly. I hope you will more enjoy asking the questions instead of answering them.

Senators Burey and Patterson, on behalf of the Canadian Senators Group, I welcome you to the Senate, and my colleagues look forward to working with you.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Senator Burey's children, John Burey, Tecla Burey Vernon and Marie-Louise Burey, as well as her brother, Omar C.C. Burey. They are accompanied by other family and friends.

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

Hon. Senators: Hear, hear!

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Senator R. Patterson's spouse, Lieutenant-Colonel Shane Patterson; her children, Olivia Patterson and Corporal William Patterson; her sister, Rosemary MacDonald; and the Chief of the Defence Staff, General Wayne Eyre. They are accompanied by family and friends.

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

Hon. Senators: Hear, hear!

SENATORS' STATEMENTS

STEPHANIE MACINNIS-LANGLEY

CONGRATULATIONS ON RETIREMENT

Hon. Jane Cordy: Honourable senators, I rise today on behalf of our colleague Senator Wanda Thomas Bernard.

> I rise to pay tribute to the former executive director of the Nova Scotia Advisory Council on the Status of Women, Stephanie MacInnis-Langley. Stephanie is known most for her fierce advocacy for women in the gender-based violence and non-profit sector. Her unwavering commitment to social justice, women's rights and women in politics has contributed to systemic change in Nova Scotia.
>
> I first met Stephanie back in the 1990s while I was facilitating a workshop on unpacking White privilege. At that time, she was ahead of the curve when it came to applying an intersectional lens. Stephanie's advocacy work is complex and multi-faceted.

In addition to promoting justice for women experiencing violence, she has been creating change within politics. She could see the unique challenges faced by women running for public office and how the community could benefit from seeing more women in office. Her vision for change led to the development of the Campaign School for Women. That work also led to an emphasis on diversity within the campaign school. This campaign school has supported many women to run for politics on every level, and some of those women have been successfully elected.

• (1440)

The success of the Campaign School for Women inspired the office of African Nova Scotian Affairs to use their blueprint to run a Campaign School for African Nova Scotians. I attribute the success of the program to the work centred around a key tenet to name the barriers and to break the barriers.

Stephanie has done so much to protect and promote women. What many people do not recognize about advocating for women's rights is that the positive impact resonates throughout the entire community. What is good for women is good for everyone.

Stephanie, I have always admired your willingness to swim upstream and lead the change you want to see in Nova Scotia. Enjoy your well-earned retirement, although I suspect this retirement is just the close of one chapter, and the opening to the next.

Colleagues, please join me in celebrating and thanking Stephanie MacInnis-Langley. Thank you.

Hon. Senators: Hear, hear.

NEWFOUNDLAND DOGS AND LABRADOR RETRIEVERS

Hon. Fabian Manning: Honourable senators, as I was saying, I was once told by a very intelligent lady that you are a product of your environment. When I think of the Newfoundland dog and the Labrador retriever, I truly believe that statement pertains to both of them as well. Having their start in Newfoundland, they learned very early on to jump in, swim and not be afraid to face whatever challenges the day would bring. They are well known throughout the world for their loyalty, kindness and willingness to help others whenever the need arises. They are great ambassadors for our province.

Thank you.

TIBB'S EVE

Hon. Fabian Manning: Now, on to Chapter 70 of "Telling Our Story."

There are many Christmas traditions that are unique to Newfoundland and Labrador, such as "mummering" and leaving Purity syrup for Santa instead of milk. Another tradition is known as "Tibb's Eve."

Although the term itself is quite old, according to Dr. Phil Hiscock of the Memorial University's Department of Folklore, the idea of Tibb's Eve as a particular day on the calendar — one day before Christmas Eve — is specific to Newfoundland and Labrador. He explained that some time around the Second World War, people along the south coast of Newfoundland began to associate December 23 with the phrase "Tibb's Eve" and deemed it to be the first occasion that it would be acceptable to have a few Christmas drinks. In many of our outport communities, it became a day where the men would visit each other's homes for a taste.

Because Christmas Eve was still part of the Advent, and that observance was almost as sober as the Lenten season, Dr. Hiscock indicated that most traditional Christians would never consider taking a nip before Christmas Day prior to World War II. Tibb's Eve became a lighthearted means to extend the season, much like workers in the 19th century would lengthen their weekends by taking Saint Monday off from work.

Tibb's Eve is sometimes known by several different names, depending on what community one comes from. In some places it is called "Tipp's Eve" or "Tipsy's Eve." As Dr. Hiscock said, "For someone who thinks of it as a day to get tipsy, then Tipsy Eve is perfect."

He said:

> . . . it's all based in the kind of humour that people have had for hundred of years. So, there's no reason why people should not make humorous adjustments to it in the present.

Several hundred years ago in England, "tib" was slang for a woman who — shall we say — was loose on her morals. Historians believe that may be the reason there is not a "St. Tibb's Day," similar to a St. Patrick's Day or St. Brigid's Day. There were many English plays throughout the 1600s that would feature roles with the name "Tibb."

A very popular drink on Tibb's Eve in Newfoundland is known as "slush." It is a mixture of vodka, Purity syrup, club soda or sparkling wine, with a splash of freshly squeezed lime juice served over a full glass of crushed ice. Once again, the ingredients vary in different communities of the province, but wherever it is poured, it is a great way to kick off the Christmas season.

That explains how Tibb's Eve became associated with December 23 along the south coast of Newfoundland, but the phrase itself holds the key to its Christmastime connection. Dr. Hiscock also said that Tibb's Eve became an old-fashioned way to say "never," as in "the day that does not exist." Because it did not exist, Tibb's Eve was a non-time, similar to several other silly phrases in the English language, such as "the twelfth of never" or "when two Sundays fall together," just to name a couple.

So, friends, during the holiday season, when someone asks me, "Would there ever be a time when you would leave Newfoundland to live somewhere else?" my reply will always be, "On Tibb's Eve."

Merry Christmas.

VISITORS IN THE GALLERY

The Hon. the Speaker:

Honourable senators, I wish to draw your attention to the presence in the gallery of Senator Cotter's partner, Professor Elaine Gibson, as well as Klara Doelle, Diane Pinet and Sudhir Nagpal.

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

Hon. Senators: Hear, hear!

THE LATE MEINHARD DOELLE

Hon. Brent Cotter: Honourable senators, I served as the chair of the admissions committee at Dalhousie University's law school throughout the 1980s. It was highly competitive to get in. There were 10 applicants for every place. Kim Pate, as she then was, was accepted into the school. George Furey, as he then was, was accepted as well.

Yes, we made mistakes. I take full responsibility.

One, though, that was assuredly not a mistake was the admission of a young first-generation Canadian, Meinhard Doelle, originally from Dortmund, Germany, who came to the law school in 1986. Meinhard went on to earn a law degree, a master's degree and a doctorate in law and he became an outstanding member of the Faculty of Law at Dalhousie.

Tragically, Professor Doelle died in a car-bicycle accident in September of this year in rural Nova Scotia. He was 58.

Professor Doelle's specialist area was environmental law. He was a beloved professor, an outstanding scholar and an adviser who was much in demand to local, provincial and national governments, including on the Muskrat Falls Project. He was an adviser to international organizations and a mentor to colleagues around the world. He provided thoughtful, calm, balanced and insightful advice to all who sought him out, and there were many. Tributes have poured in from his local community, from current and former politicians of all stripes and from friends and colleagues around the world.

Perhaps the greatest thing about Meinhard was that he was a wonderful human being, a loving husband to his spouse, Wendy Jardine, and a great father to his three daughters, Klara, Alida and Nikola.

The Doelles also have a special connection with the Senate of Canada. Meinhard's daughter Alida worked in the Senate for former Senator Day and for present Senator Dalphond. She is close friends with Chasse Helbin and Luis Medina.

Alida shared this message with me about her father:

> A side of him that his colleagues may not know is that he was an incredible father. He was always there for us. He made my sisters and me feel special . . . . He really was my best friend.

Meinhard was a marvellous individual as well in the way he lived his values. Committed to a better world, he rode his bike almost everywhere, took mostly cold showers, did his thinking in the dark — some of you probably think that's what I do, too — and he loved peaceful, rural Nova Scotia.

Whenever I visited the law school over the past 20 years, his door was always open. And no matter what I was interrupting, I had the sense that he had all the time in the world for me.

Meinhard's family, the environmental law community, Dalhousie and the world are suffering a tragic loss with his untimely death, and I will miss those little chats with a lovely, lovely human being.

Thank you.

CONFERENCE OF THE PARTIES

Hon. Mary Coyle: Honourable senators, ". . . there still is a place for daring in the Canadian soul." These are the words of Canada's eighteenth prime minister, Brian Mulroney, from his speech accepting Pollution Probe's 2019 Environmental Leadership Award.

This prominent graduate of Antigonish's St. Francis Xavier University also cited the words carved into the Peace Tower, from the Book of Proverbs, "Where there is no vision, the people perish . . . ."

In 1992, at the "Earth Summit" in Rio de Janeiro, under the leadership of Prime Minister Mulroney, our country, Canada, demonstrated our daring and vision by being the first industrialized country to step up and sign the United Nations Convention on Biological Diversity and by helping to bring the U.S. on board in support of the United Nations Framework Convention on Climate Change.

Colleagues, as Canada hosts close to 200 countries at COP 15 on biodiversity in Montreal, in what has been described as one of the most important events for life on Earth, it is time again — 30 years later — for Canada to exhibit that daring and vision in both declaring our own commitments and working with our international partners to encourage ambition in developing a plan to halt the decline of ecosystems, wildlife and the life-supporting services they provide, reinforcing significant nature-based solutions to climate change.

Colleagues, Canada is home to an estimated 80,000 species, and evidence indicates that 20% of those are at some level of risk. Globally, more than a million species are threatened with extinction. Furthermore, most of the world's GDP depends on nature.

• (1450)

Colleagues, you will hear important calls for 30x30 — agreeing to conserve at least 30% of the earth's land and water by 2030 for Indigenous conservation leadership and respect for Indigenous rights and knowledge, for recovery of species at risk and restoration of degraded ecosystems, for sustainable management of resource-based industries, for stronger

consideration of biodiversity in decision-making, for greater accountability mechanisms and, of course, for allocation of sufficient financial resources.

Honourable colleagues, I encourage every one of us to pay close attention to the important events happening in Montreal, and to heed the earlier quoted speech by Mr. Mulroney where he concluded:

> As difficult as the process may be . . . the work cannot be left to the next fellow. The stakes are too high, the risks to our planet and the human species too grave. We are all on the same side, determined to leave a better world and a more pristine environment to all succeeding generations.

Wela'lioq. Thank you.

[*Translation*]

ACADIAN REMEMBRANCE DAY

Hon. René Cormier: Honourable senators, the presence of my niece, Diane Pinet, and her spouse, Sudhir Nagpal, in this place today, thanks to Senator Cotter — thank you, Senator Cotter — has great symbolic meaning for me, my family and my fellow Acadians.

Diane's grandfather, Médard Léger, and my father, Livin Cormier, were staunch Acadians who seized every opportunity to remind us of the tragedy of the Deportation and its continuing impact on our lives.

The Great Upheaval took place in the 18th century and is an extremely tragic episode in our collective history that remains embedded in our hearts and souls. More than 10,000 Acadians were deported during the Great Upheaval between 1755 and 1763.

Today, on this Acadian Remembrance Day, we commemorate the countless victims of the Great Upheaval, especially those who perished on the *Violet*, *Ruby* and *Duke William* in December 1758. Torn from their land against their will and packed onto British vessels, more than 750 men, women and children drowned or succumbed to illness in the icy waters of the Atlantic Ocean.

These sombre events still live in our collective memory, but also give us the opportunity to move forward with determination into the future, because the Acadian people do not live in the past. They live in the modern world. The Acadian people live through their culture, their French language, their strong institutions and their engaged citizens.

Honourable colleagues, what about the political recognition of the Acadian people at the federal level? This people that landed on the shores of the Atlantic more than four centuries ago has no clear anchor in our constitutional and legislative texts outside a recognition of August 15 as the Acadian national holiday, July 28 as A Day of Commemoration of the Great Upheaval and this tragic day of December 13. Shockingly, the Acadian people have fewer levers of power than municipalities like my home town of Caraquet.

Honourable colleagues, given that the Acadian population of New Brunswick is currently experiencing major challenges with respect to the modernization of the provincial Official Languages Act because of political decisions, while here in Ottawa the modernization of the Official Languages Act has been long awaited, is it not time for this francophone Canadian people to finally be fully recognized in our democratic institutions and be equipped with legislative and policy instruments that would allow it to thrive?

The question remains and deserves our attention. That is what I pledge to do in this place with your support, senators, on this, the 13th day of December, 2022.

I would like to take this opportunity to wish you all a joyful and restful holiday season. I encourage us to continue our work to improve the lot of our nation's most disadvantaged, and I invite us to be increasingly unified in order to ensure a healthy and safe future for the next generations on a healthy and still habitable planet.

Thank you.

THE LATE HONOURABLE JIM CARR, P.C., O.M.

Hon. Raymonde Gagné (Legislative Deputy to the Government Representative in the Senate): Honourable senators, it saddens me rise today to pay tribute to the Honourable Jim Carr, the member for Winnipeg South Centre, who passed away at his home yesterday. According to a statement released by his office, he was surrounded by family and friends.

Jim Carr began his career as a musician. He was an oboist and a trustee with the Winnipeg Symphony Orchestra. He then worked in journalism as editorialist and columnist for the *Winnipeg Free Press* and CBC Radio.

[*English*]

He was part of a proud lineage of Jewish community leaders in Winnipeg, going back to his grandparents who immigrated from Ukraine in the early 1900s. He was a founding member of Winnipeg's Arab-Jewish Dialogue.

He entered public life in 1988 when he was elected to represent Fort Rouge in the Legislative Assembly of Manitoba. Jim Carr was first elected federally in 2015, and again in 2019 and 2021. He held the posts of Minister of Natural Resources, Minister of International Trade Diversification and the government's Special Representative for the Prairies.

He was last in Ottawa — in the other place — when his private member's bill, Bill C-235, or the "Building a Green Prairie Economy Act," passed third reading on December 7. He was given a standing ovation by all colleagues, even those who spoke against the bill.

In an interview Mr. Carr gave on that same day in relation to his bill, he stated:

> I'm a Prairie guy. I love the Prairies. As I explained to some of my Bloc friends, it's the same sense of identity and belonging to a geography and demography.

In his final speech before the third reading vote for Bill C-235, he said he was:

> . . . grateful for the chance to continue to contribute to my country. I said it in my speech yesterday, 'I love every square metre of this country in English, en francais, in Indigenous languages — I wish I spoke more of them . . . .

Jim Carr served his country well with his passion and love — every square metre of it.

[*Translation*]

I knew Jim Carr for many years, and I will remember his warmth, his intelligence, his insightfulness and his deep desire to make a difference in his community, his city, his province and his country. He always greeted me with a smile, which put a smile on my face too.

[*English*]

I send condolences to his wife Colleen, his family, his friends and his colleagues at this sad time.

[*Translation*]

Rest in peace, dear Jim.

[*English*]

The Hon. the Speaker: Honourable senators, we were all indeed saddened to learn about the death of the Honourable James Carr, Member of Parliament for Winnipeg South Centre, who passed away yesterday.

I know senators join me in expressing condolences to his family, friends and colleagues. I would now ask you to rise and join me in a minute of silence for our deceased fellow parliamentarian.

(*Honourable senators then stood in silent tribute.*)

ROUTINE PROCEEDINGS

TAXPAYERS' OMBUDSMAN

2021-22 ANNUAL REPORT TABLED

Hon. Marc Gold (Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the 2021-22 Annual Report of the Taxpayers' Ombudsman, entitled *Service Matters: Numbers Speak Volumes*.

NATIONAL DEFENCE

REPORT TO PARLIAMENT ON CULTURE CHANGE REFORMS IN RESPONSE TO FORMER SUPREME COURT JUSTICE ARBOUR'S RECOMMENDATIONS TABLED

Hon. Marc Gold (Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the Minister of National Defence's Report to Parliament on Culture Change Reforms in response to former Supreme Court Justice Arbour's recommendations.

• (1500)

JUDGES ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-9, An Act to amend the Judges Act.

(Bill read first time.)

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

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

INDIGENOUS PEOPLES

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO STUDY THE EFFECTS OF IDENTITY FRAUD ON FURTHER MARGINALIZING INDIGENOUS PEOPLE

Hon. Mary Jane McCallum: Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

> That the Standing Senate Committee on Indigenous Peoples be authorized to examine and report on the misrepresentation of Indigenous ancestry, inadequate self-identification standards and the profound effects that such identity fraud has on further marginalizing Indigenous people, in particular Indigenous women; and
>
> That the committee submit its final report no later than December 31, 2023.

QUESTION PERIOD

IMMIGRATION, REFUGEES AND CITIZENSHIP

APPLICATION DELAYS

Hon. Donald Neil Plett (Leader of the Opposition): Senator Gold, over the past months, my Conservative colleagues and I have repeatedly asked you and your government questions on the serious ongoing issues at Immigration, Refugees and Citizenship Canada, or IRCC.

Now, just when you think the situation couldn't get any worse, think again, colleagues, because the Liberals have again reached a new low.

Every day that goes by is another day when human lives are destabilized due to the uncertainty brought forward by the never-ending issues at IRCC.

Yesterday, Senator Gold, we learned via CBC that the immigration department has been assigning applications to immigration officers or placeholder codes that are inactive and no longer working within their systems — not just a couple dozen files, but 59,456 files sitting dormant to 779 former employees or inactive computers. That is unheard of, Senator Gold.

Canadians need more than words of reassurance by your government. They need leadership, and they need it now, more than ever. This has become an issue of trust, Senator Gold.

Does your government realize the seriousness of the job that they have to do?

Hon. Marc Gold (Government Representative in the Senate): Well, the answer to your question is "yes," but allow me to elaborate. The government is committed to providing efficient and effective processing of applications to support the successful integration of newcomers to Canada.

I'm advised that applicants can be assured that the 60,000 applications currently in the queue for review are, in fact, being processed. I understand that the codes, which were the subject of your question, are used to differentiate the various stages in the application flow and review. These are means of inventory management, and clients can still expect to be contacted once a decision has been made.

Senator Plett: Well, as I said, that is being done on computers that aren't active, with employees that haven't worked for IRCC for years.

Basic government services aren't being provided by your government. Files are falling through the cracks, and 60,000 individuals and their families are on standby in limbo because of this ordeal. Backlogs have increased rather than improved — so much so that people are having to seek judicial orders to ensure that immigration processes their applications.

Yesterday, Minister Sean Fraser said that what transpired is — listen to this — "an ordinary process" and "part of our triage strategy." Wow.

So according to those comments, this is normal and acceptable. Is that your position, Senator Gold? Is this normal, and is it acceptable?

Senator Gold: Thank you for the question. It is very regrettable that delays are plaguing the system, and that applicants who want to come to Canada to participate in and enrich our life together are being delayed. Any delay is not acceptable, and it is regrettable.

But as the minister said, and as I stated in my answer to you, Senator Plett, these applications are being managed in terms of the stages of their processing, and applicants will be notified when decisions are made.

[*Translation*]

JUSTICE

HUMAN TRAFFICKING—CONSECUTIVE SENTENCES

Hon. Pierre-Hugues Boisvenu: Senator Gold, a pimp previously convicted of sexually exploiting an 18-year-old woman from 2007 to 2014 was re-arrested in Montreal last weekend for the same crimes committed against two victims from October to December.

His record shows that he was guilty of considerable violence towards his victims, causing them significant bodily harm. The purpose of Bill C-452, which received Royal Assent on June 18, 2015, was to combat human trafficking and set out significant consecutive sentences for offenders convicted of both human trafficking and sexual exploitation. This measure in Bill C-452 was repealed by your government, and this regularly leads to cases like the one I just mentioned, where pimps put their victims through hell and often get off with minor sentences.

Senator Gold, why is this measure, which should have been taken by order-in-council after Bill C-75 was adopted, still not in force in Canada?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question. I will have to ask the government some questions to answer your specific question. I will come back with an answer.

Senator Boisvenu: I would remind you that if consecutive sentencing had been in place in 2015, when Bill C-452 passed third reading in Parliament, it would have prevented court cases like this one. The Liberal government deliberately refused to bring this legislation into force because it considered consecutive sentencing to be "cruel and unusual."

However, what is truly disproportionate, cruel and unusual: the hell that these pimps put their victims through or the requirement to impose consecutive sentences on these criminals?

Senator Gold: Thank you for your question. I don't want to minimize the harm done to victims. The stark contrast of those two choices is not necessarily the only answer to your important question. The issue of proportionality, constitutionality even, of consecutive sentences is an important issue in our society, but also in our legal system.

• (1510)

The government believes it is important for all sentences to be proportional and constitutional when judges hand them down. The government will keep working to make sure our justice system is fair and upholds the Constitution.

[*English*]

AFGHANISTAN CRISIS

Hon. Ratna Omidvar: My question is for the Leader of the Government in the Senate, Senator Gold.

Senator Gold, let me first start with the good news before I get to my question. Yesterday, *The Globe and Mail* reported that Minister Sajjan and the government will table amendments to the Criminal Code so that international aid organizations operating in Afghanistan will be exempt from criminal charges under the code. However, as much as I am relieved that the government is listening to all the voices that have been raised on this issue, it concerns me that such an amendment will likely take a few months, at least, before it is passed into Royal Assent. We know that in this chamber. We could be looking at April or May.

Senator Gold, it is winter in Afghanistan now. The people in Afghanistan are freezing now, they are hungry now, they are sick now, and they need our help now. They cannot wait for Canadian due process to receive urgent aid to save their lives. Will the Attorney General then undertake an interim measure to guarantee the non-prosecution of Canadian international aid organizations providing humanitarian aid in good faith until the amendment is given Royal Assent?

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question, and to you and other colleagues for highlighting and underlining this important issue and the challenge that we're facing as a country to do the right thing by way of the aid workers in Afghanistan.

I'm not in a position to answer your question about the specific measures that the Attorney General may or may not be able or willing to take. That the government is seized with this issue and working hard, as you properly underlined, is a matter now of public record. Yes, legislation takes time. The Criminal Code is a blunt instrument. I will certainly make inquiries with the government and try to get an answer. Even if we've risen, I will try to get an answer back to you personally as soon as I can.

Senator Omidvar: Thank you, Senator Gold. I feel that the next time I hear the words, "The government is seized with this issue," I will likely have a seizure.

I understand that it is within the authority of the Attorney General to introduce an interim protective measure. Could you kindly convey this proposal to him on an urgent basis and ask him to consider it? Thank you.

Senator Gold: Well, the answer is, of course, yes. That's what I undertook to do in response to your question.

[*Translation*]

ONLINE HARM

Hon. René Cormier: My question is for the Government Representative in the Senate.

Senator Gold, according to a recent report by MediaSmarts, almost half of Canadian youth see racist or sexist content online at least once a week, and 2SLGBTQI+ youth are more likely to encounter harmful content online.

Given that, in its 2SLGBTQI+ action plan, the Government of Canada committed to introducing legislation to combat serious forms of harmful online content, I'd like to know how youth members of 2SLGBTQI+ communities are being consulted as this bill is being drafted. Also, when will the bill be introduced?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question. The government knows that the stigma and discrimination that continue to fuel homophobia, biphobia and transphobia must be eliminated. The government knows that online hate is real hate and that online violence is real violence. The government has committed to introducing a bill to fight harmful online content. I have been informed that the government has appointed a group of experts to assist it in its work.

The government intends to introduce this bill in a timely manner, as indicated in Minister Rodriguez's mandate letter. In recent months, Minister Rodriguez and caucus members have held 13 round tables across the country, where they listened to the experiences and concerns of members of the 2SLGBTQI+ community. The minister also held a virtual round table on gender-based violence and discrimination. What the government heard was that the status quo is no longer acceptable and that platforms and social media must be held responsible for the content that they host. The government is continuing its work and remains steadfast in its commitment to introduce an online safety bill that will protect communities, equity groups, children and Canadians.

HOUSE OF COMMONS

CANADIAN PRIDE CAUCUS

Hon. René Cormier: Senator Gold, thank you for that answer. Parliamentarians from both chambers joined forces last week to form the first ever non-partisan 2SLGBTQI+ caucus in Canada, the Canadian Pride Caucus. The main goals of the caucus include engaging in a dialogue with civil society organizations, working

in a non-partisan manner to raise awareness of 2SLGBTQI+ issues among Canadian parliamentarians, and acting as an interlocutor in parliamentary diplomacy on 2SLGBTQI+ rights.

As co-chair of the Canadian Pride Caucus, I would like to know the following. How does the Canadian government welcome the creation of this caucus, and how does it plan to work with us?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question. The government appreciates the work done by LGBTQ2+ organizations, and is committed to continuing to work alongside the community and those who support it to create a Canada where everyone in the LGBTQ2+ community can live authentic lives. I am assured that the government welcomes any collaboration to advance equality for the LGBTQ2+ community.

EMPLOYMENT AND SOCIAL DEVELOPMENT

EMPLOYMENT INSURANCE REFORM

Hon. Diane Bellemare: My question is for the Government Representative and concerns employment insurance. I asked you this question a while ago, but we know that the government announced that there would be a reform proposal in the summer of 2022. It is now December 12 and there is still no reform proposal.

Do you have an idea of when we will see a substantive reform proposal for employment insurance? What process will the government use to collect its ideas and once again consult Canadians about specific proposals?

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question on this reform, which is important. That is something the government is committed to doing. Unfortunately, I don't have the information you're looking for. I'm unaware of the schedule or the steps, but I will look into it and try to get an answer.

Senator Bellemare: I have a supplementary question. As you know, Senator Gold, I introduced Bill S-244, which received support from major employer and union associations for its proposal to add an advisory council to the Canada Employment Insurance Commission.

I introduced the bill and I made representations. Do you think the government will introduce this bill in the context of its reform?

Senator Gold: Thank you for your question. I will add that to my research to try to get an answer.

[*English*]

AGRICULTURE AND AGRI-FOOD

CANADIAN FOOD INSPECTION AGENCY—FOOD IMPORTS

Hon. Robert Black: My question is for the Government Representative in the Senate. As you may know, an immediate export certificate was approved by the Canadian Food Inspection Agency, or CFIA, on December 1 that will allow chicken products from certain Ukrainian producers to be brought into Canada without tariffs and quotas under the Ukrainian Goods Remission Order.

I would like to take this opportunity to highlight the speed with which the CFIA approved this certificate, despite the fact that the Agriculture and Agri-Food Committee in the other place was still examining the issue. While I appreciate that moving nimbly in volatile situations is sometimes necessary, it is difficult to imagine that the CFIA had enough time to consider witness testimony, especially remarks from representatives from the Ukrainian Canadian Congress that highlighted the destruction of civil infrastructure targeted by Russian missiles.

• (1520)

Honourable colleagues, the United States, which conducted its audit of the Ukrainian poultry and meat system in 2018-19 alongside Canada and our CFIA inspectors, has decided to delay its decision regarding Ukraine's export permit until the war is over and it is possible to reassess the state of Ukraine's food safety infrastructure.

Senator Gold, with the knowledge that one of our greatest allies is delaying their own decision based on their ability to reassess Ukrainian infrastructure, can you confirm that your government is confident that the inspection, and critical infrastructure, that was in place in 2019 is still valid today?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question. I am advised that in the past few years there were several technical exchanges between the CFIA and Ukrainian officials. To alleviate concerns expressed through industry engagement, the CFIA sought additional assurances regarding the food safety and animal health controls in Ukraine — and Ukrainian officials assured that their standards and controls are still at the same level as they were at the time of the audit, and that they can inspect and certify exports as per the certificate conditions. The CFIA finalized the export certificate only with effective assurances from Ukraine; the certificate contains rigorous food safety and animal health conditions.

The CFIA maintains a robust import inspection system to verify that imported products meet Canada's federal regulations. New imports of any meat products from a newly approved

establishment undergo full inspection for the first 10 shipments. Imports from Ukraine would also follow this process, and only compliant shipments will be released to the importer.

I am assured that the CFIA intends to hold poultry products imported from Ukraine to the same strict scrutiny as poultry products produced in Canada, or originating from other countries. I am advised that, to date, the CFIA has not received any information or evidence contrary to the assurances that have been provided by Ukraine, and Ukraine has continued to export poultry products to other countries, such as the members of the European Union.

Colleagues, all food sold in Canada, whether it's domestic or imported, must comply with Canada's federal regulations. Where non-compliance is identified, the CFIA takes immediate action — regardless of country of origin. Actions can range from mandating minor label corrections to product detentions, import entry refusals, suspension of foreign establishments, product recalls or cancellation of import licences.

Senator Black: In a report on the impact of the war, dated July 20, 2022, the Food and Agriculture Organization of the United Nations noted that Ukrainian:

> Livestock producers lack physical and economic access to animal health supplies, including commercial veterinary drugs, animal feed and feed additives.

This is concerning, as it may impact the state of chicken products that are brought into Canada.

Senator Gold, can you advise what level of information the CFIA has received from Ukraine since July 2022 to demonstrate that the protocols, policies and critical infrastructure are still in place?

Senator Gold: As I have responded to your question, Senator Black, I have been advised and assured that all measures are in place, and continue to be in place, to protect the health and safety of Canadians when it comes to imported products from anywhere, including Ukraine. I think Canadians can be proud of the standards that we have in place to protect the integrity of our food supply — as they can also be proud of the efforts Canada has taken to assist Ukraine during this unjustified war waged on them by Russia.

[*Translation*]

CANADIAN HERITAGE

RECOMMENDATIONS OF COMMISSIONER OF OFFICIAL LANGUAGES

Hon. Claude Carignan: My question is for the Leader of the Government in the Senate.

Leader, we've learned in the last few hours, following the release of a report by the Commissioner of Official Languages, that nearly half of the commissioner's recommendations made in response to the shortcomings identified in his reports and investigations have been ignored by federal institutions.

The commissioner listed the organizations, institutions, departments and agencies in order of least to most effective. Air Canada is ranked seventh.

Which department is the worst performer in terms of complying with the commissioner's recommendations?

Leader, the Privy Council Office, the Prime Minister's Office, has the worst record. It is the department that hasn't followed any of the recommendations of the Commissioner of Official Languages.

Leader, I imagine that you're familiar with the expression "all talk, no action." Do you think it applies to the Prime Minister of Canada?

Hon. Marc Gold (Government Representative in the Senate): The answer to your question is no.

This doesn't mean that the commissioner's recommendations are not important or that the government and the departments identified in the report can't do better, but the answer is no.

Senator Carignan: Leader, after the President and CEO of Air Canada's English-language speech, the Minister of Official Languages, Ginette Petitpas Taylor, said the following, and I quote:

> I acknowledge his apology, but it must be followed up with concrete action to demonstrate that he takes his obligations seriously . . . . It is a question of respect.

The Prime Minister and the Privy Council haven't taken any concrete action after the Commissioner of Official Languages made his recommendations. Does this mean that they don't take their obligations seriously and that they don't respect the Official Languages Act and Canada's francophones?

Senator Gold: No, I'm not of that opinion. However, I will commit to finding out about the next steps of the process. I hope to find out more about the progress being made within the government and I will inform the Senate as soon as I have information.

[*English*]

FOREIGN AFFAIRS

EMBASSY IN ARMENIA

Hon. Leo Housakos: Government leader, I have frequently risen through the years to ask you, and your predecessor, regarding Minister Mélanie Joly's electoral commitments in a number of elections and, actually, even in writing. She has committed in writing and promised the Canadian-Armenian community — on many occasions — to open up an embassy in Armenia. Despite the fact that your predecessor Senator Harder once said to me that electoral promises are not the basis upon which a government determines where they open up an embassy, in September, with great fanfare, we saw Prime Minister Trudeau, with great enthusiasm, announce to the community that he would be opening up an embassy in Armenia. Yet, just a

couple of weeks ago, in the middle of the night, with a lot less fanfare and a lot less enthusiasm, the department announced that it won't be an ambassador, and it won't be an embassy; it will be a consul. There is a big difference.

Government leader, can you explain to us why is it that Prime Minister Trudeau continues to backtrack on promises made to the Canadian-Armenian community?

Hon. Marc Gold (Government Representative in the Senate): Senator, thank you for your question. I will certainly have to look into the change in status of our Canadian presence in Armenia. I'll be happy to report back when I get a proper answer.

Senator Housakos: I appreciate that, government leader. I want to remind this chamber that in September when the Prime Minister made the announcement, it was on the day commemorating Armenia's independence, and celebrating the thirtieth anniversary of diplomatic relations between Canada and Armenia. The Prime Minister, again with great fanfare, talked about how we need to strengthen people-to-people relationships, diplomatic relationships, economic relationships and so on and so forth between our two countries. But, again, we see that, when it counts, the Prime Minister says one thing and does another.

We see a pattern with this Trudeau government where their priority seems to be in making grand announcements and running victory laps — rather than taking action and getting things done. My question is very simple: Can we get a commitment from the government that they will honour their ongoing electoral promise and open up an embassy — and stop putting on a show and take action?

Senator Gold: Senator, I will simply repeat my answer because I do not agree with, nor accept, your characterization of the government's actions, or its motivations. As I said, I will make inquiries regarding the status of the Canadian diplomatic presence in Armenia. As soon as I have an answer, I will report back to the chamber.

• (1530)

NATIONAL DEFENCE

ARCTIC PATROL SHIPS

Hon. Yonah Martin (Deputy Leader of the Opposition): Senator Gold, last week we learned that Canada's new Arctic patrol ship HMCS *Harry DeWolf* will be out of service until April 2023 because of ongoing mechanical problems. Additionally, a second Arctic and offshore parole ship, HMSC *Max Bernays*, was accepted in September from Irving Shipbuilding despite a known problem with one of the vessel's manoeuvring systems. The repairs for *Max Bernays* will be covered under warranty by Irving. However, those of *Harry DeWolf* will be made at taxpayers' expense.

Leader, how much is the bill that taxpayers will be footing for these repairs?

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question. I don't know the answer. I'll certainly have to make inquiries. I'm sure that all Canadians want to be satisfied that our assets — that is, ships and other equipment that are used to protect our sovereignty and the lives of both the people and the communities that live in the North — function properly. I'll make an inquiry about the cost of the repairs and report back.

Senator Martin: Thank you for that.

Aside from the burden this will impose on taxpayers, it poses a much deeper issue, namely, Canada's lack of military readiness, specifically in the Arctic. The Trudeau government's total incompetence on military procurement leaves both us and our allies, who are looking to us to defend the North against rogue states like Russia and China, in a vulnerable position.

Senator Gold, Conservatives have asked this many times, but I will ask it again: When will the Trudeau government finally start taking our defence of the Arctic seriously?

Senator Gold: Thank you for asking that question, but I've answered it many times. I've listed the historic levels of investment that this government has made in augmenting our capacity in the North, whether it's with regard to fighter jets, helicopters or fixed-wing search and rescue aircraft. As I recall — and it seems some months ago — I also provided this chamber with a historical overview of the increases in defence spending that this government has put into place as compared to previous governments.

[*Translation*]

ORDERS OF THE DAY

NATIONAL RIBBON SKIRT DAY BILL

MESSAGE FROM COMMONS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-219, An Act respecting a National Ribbon Skirt Day, and acquainting the Senate that they had passed this bill without amendment.

BUSINESS OF THE SENATE

MINISTERIAL QUESTION PERIOD

Hon. Raymonde Gagné (Legislative Deputy to the Government Representative in the Senate): Honourable senators, pursuant to the order adopted December 7, 2021, I would like to inform the Senate that Question Period with the Honourable Jonathan Wilkinson, P.C., M.P., Minister of Natural Resources, will take place on Wednesday, December 14, 2022, at 2:20 p.m.

[*English*]

RESTRUCTURING OF GOVERNMENT ORDERS

Hon. Raymonde Gagné (Legislative Deputy to the Government Representative in the Senate): Honourable senators, pursuant to rule 4-13(3), I would like to inform the Senate that as we proceed with Government Business, the Senate will address the items in the following order: consideration of Motion No. 74, followed by all remaining items in the order that they appear on the Order Paper.

THE SENATE

MOTION TO AFFECT SITTINGS ON DECEMBER 13, 14 AND 15, 2022, AND AUTHORIZE COMMITTEES TO MEET DURING SITTING OF THE SENATE—DEBATE

Hon. Raymonde Gagné (Legislative Deputy to the Government Representative in the Senate), pursuant to notice of December 8, 2022, moved:

> That, on Tuesday, December 13, 2022, Wednesday, December 14, 2022, and Thursday, December 15, 2022, once the Orders of the Day have been called, the Senate only deal with Government Business and Commons Public Bills;
>
> That, notwithstanding the order of September 21, 2022, the sitting of Wednesday, December 14, 2022, continue beyond 4 p.m., if necessary, and adjourn at midnight, unless earlier adjourned by motion; and
>
> That, on Wednesday, December 14, 2022, Senate committees be authorized to meet for the purposes of considering government business, as well as the committee to which Bill C-235, An Act respecting the building of a green economy in the Prairies, may have been referred, if that has happened, even though the Senate may then be sitting, with rule 12-18(1) being suspended in relation thereto.

She said: I defer to Honourable Senator Gold.

MOTION IN AMENDMENT ADOPTED

Hon. Marc Gold (Government Representative in the Senate): Honourable senators, I move that the motion be amended by adding the following new paragraph before the final paragraph.

Therefore, honourable senators, in amendment, I move:

> That the motion be not now adopted, but that it be amended by adding the following new paragraph before the final paragraph:
>
> > "That the committee to which Bill C-235, An Act respecting the building of a green economy in the Prairies, may have been referred, if that has happened, be authorized to meet today, even though the Senate may then be sitting, with rule 12-18(1) being suspended in relation thereto;".

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

Hon. Senators: Agreed.

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

MOTION, AS AMENDED, TO AFFECT SITTINGS ON DECEMBER 13, 14 AND 15, 2022, AND AUTHORIZE COMMITTEES TO MEET DURING SITTING OF THE SENATE ADOPTED

On the Order:

> Resuming debate on the motion, as amended, of the Honourable Senator Gagné, seconded by the Honourable Senator Gold, P.C.:
>
> That, on Tuesday, December 13, 2022, Wednesday, December 14, 2022, and Thursday, December 15, 2022, once the Orders of the Day have been called, the Senate only deal with Government Business and Commons Public Bills;
>
> That, notwithstanding the order of September 21, 2022, the sitting of Wednesday, December 14, 2022, continue beyond 4 p.m., if necessary, and adjourn at midnight, unless earlier adjourned by motion; and
>
> That the committee to which Bill C-235, An Act respecting the building of a green economy in the Prairies, may have been referred, if that has happened, be authorized to meet today, even though the Senate may then be sitting, with rule 12-18(1) being suspended in relation thereto;
>
> That, on Wednesday, December 14, 2022, Senate committees be authorized to meet for the purposes of considering government business, as well as the committee to which Bill C-235, An Act respecting the building of a green economy in the Prairies, may have been referred, if that has happened, even though the Senate may then be sitting, with rule 12-18(1) being suspended in relation thereto.

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

Hon. Senators: Agreed.

(Motion agreed to, as amended.)

BUILDING A GREEN PRAIRIE ECONOMY BILL

SECOND READING

Leave having been given to proceed to Other Business, Commons Public Bills, Second Reading, Order No. 3:

Hon. Brent Cotter moved second reading of Bill C-235, An Act respecting the building of a green economy in the Prairies.

He said: I rise to speak to Bill C-235 this afternoon. I do so with mixed emotions. As we heard in the remarks of Senator Gagné earlier today, we are moving forward with the bill and I am sponsoring a bill which, in the House of Commons, was led by Honourable Jim Carr who passed away yesterday after a heroic battle with cancer.

I did not know Mr. Carr well, but I greatly admired him — a view that was widely held in both this place and the other place. Indeed, Mr. Carr continued his work as a parliamentarian right up to the last day of his life. I hope this bill will be both his legacy and a meaningful contribution to strengthening a sustainable economy in the Prairie provinces of Canada.

In remarks that appeared in *The Globe and Mail* obituary with respect to Mr. Carr, the last sentence is a quote from him which reads, "How could we not be humbled by the greatness of this magnificent country?"

I have largely thrown away my previously prepared remarks, not feeling that they were particularly appropriate in light of Mr. Carr's death. They were very bureaucratic, I thought. Indeed, I lay awake much of last night trying to reconstruct a set of remarks for today. It is remarkable that, at 3 a.m., you would think that you've produced a magnificent speech in your head. However, thinking about it at 7:30 in the morning, in the harsh light of day, you think you might have lost your mind.

In any event, I'm going to go forward with that speech, and will do my best to deliver something that I hope is meaningful, somewhat personal and, hopefully, uplifting. Wish me luck.

I will speak only briefly about Bill C-235 itself. The bill is straightforward. It is a framework bill which tries to do two things. First, it requires ministers of the federal government, a group of six or so, to work together under the leadership of the minister responsible for economic development in the Prairie region to develop a framework for cooperating with provincial, municipal and Indigenous leaders and the private sector, as well as organizations that represent employers and employees, to better coordinate the implementation of federal programs in the Prairie provinces that will help to build a green and sustainable economy in the Prairies.

The second part of the bill requires organizing a wide range of consultations with these groups in order that the plan will be better coordinated and responsive to the needs of Prairie people. The proof will be in the pudding, of course, in relation to these consultations and negotiations, but I'm hopeful that through this process — assuming the bill is adopted — the federal programs will become more responsive to the needs of Prairie communities.

I do want to speak a bit about the Prairie economy, and about the identity and commitment of Prairie people. In these remarks I will ramble a bit, but I will bookend the remarks with two stories that seem appropriate both to the Prairies and, I hope, to celebrate Jim Carr's love of the Prairies and his own commitment.

• (1540)

Years ago, when I was a young lawyer, I was driving my car to court somewhere and I was listening to a segment of "Morningside" with Peter Gzowski. Interestingly enough, the theme that morning was the subtle beauty of the Prairies. The beauty on the Prairies, I think it's fair to say, is subtle.

A premier of Saskatchewan used to say regularly to people from British Columbia, "You have not even started your mountain removal project. In Saskatchewan, we've finished ours." It was kind of a defence mechanism, if I could call it that.

Mr. Gzowski had three commentators on the show, one artist from Winnipeg, a poet from Edmonton and a writer from Saskatchewan; I think it was Sharon Butala. They offered their perspectives on what was certainly subtle in the beauty of the Prairies, and I got all of that. Unlike his normal engagement, Mr. Gzowski intervened in the radio program to say that he wanted to describe his first experience and encounter with the Prairies. He then began telling a story of travelling by train across eastern Saskatchewan one blustery January day.

He did not share this on the radio but in fact he was travelling from Toronto to Moose Jaw, Saskatchewan, to take up the position of the editor of the *Moose Jaw Times Herald* newspaper. He described riding in the train that day. In the coach section, there was another fellow with him, and he said the two of them stared out the window of the train, looking at the bleak, overcast, windswept, snowy environment, a bitterly cold one. After about an hour of riding in silence, he said to the other fellow, "So, what do you think?"

I have to be careful in my response here, honourable senators.

The person replied, "Biggest expanse of blank-all I've ever seen."

I listened to that story with a chuckle but decided to write to Mr. Gzowski about a different experience that I'd had. It's the only letter I've ever written in this context in my life. This was something that happened to me when I was 17 years old and riding the train from Windsor, Ontario, back to Saskatoon to start university. I had worked on a car-assembly line for the summer to make money for university. I was on my own, not very worldly, insecure and lonely.

On the second day of the journey, I awoke and looked out of the window. It was early morning and we were in southeast Manitoba. If I had looked hard, I might have been able to see young Senator Harder or maybe young Senator Plett. I didn't actually see them, but what I did see was miles and miles of amber waves of grain, swaying in the summer breeze, golden in the light of an early morning sun. Even today, it is moving to me. And I thought, "I'm home." I actually started to cry. I don't usually tell people that part. Apparently, Mr. Gzowski read the

letter on "Morningside," although I never heard it, but I did feel a bit of redemption for my love of the Prairies and my hope for the future of the Prairies.

Beneath the superficiality of Mr. Gzowski's story and beneath the ice and snow, there is a marvellous region of Canada, a region of opportunity and potential. Much has been achieved through the hard work of those who settled the land and who have come there since, but there is still much opportunity and much potential.

Now, it's important to note that much of that opportunity and potential came from removing opportunity and potential from Indigenous peoples. Whether it was denial of culture, religion or removal from lands to postage stamp reserves, often at the margins of Saskatchewan's most productive land, or just outright discrimination, we have a lot to do to recreate that world of opportunity that was denied to Indigenous people for so long.

One part of this bill focuses exactly on this. We have road maps for this work, as you know. Hopefully, they will be successful. If there is time, I will return to this point.

I want to talk next about Saskatchewan's economy for a few minutes. I know this is a Prairie initiative, but I want to respect the fact that there are some things about which I know essentially nothing. I will limit my remarks to Saskatchewan.

Saskatchewan's economy and its links to sustainability offer almost limitless potential. In the north, we have an abundance of materials, including critical materials that will be needed for zero-emission vehicles and so many other energy systems. We have the largest supply of uranium reserves in the world. We have the largest-known reserves of potash in the world. A senior executive at one of the potash companies told me 40 years ago that Saskatchewan had enough known reserves of potash to meet world demand for the next 2,000 years. Maybe we're down to 1,960, but there's still a lot of potash.

My main focus, though, with respect to these remarks and the Saskatchewan economy will be about agriculture. I think there is a certain criticalness to this aspect of the talk. There are various reasons, but this one is as follows: A couple of weeks ago, Senator Black, the chair of the Agriculture Committee, took us to the Canadian Agriculture Museum here in Ottawa. We learned a lot. One of the things we learned — and I think I knew this intuitively — is that the vast majority of arable land in Canada — that is, land capable of being used for farming — resides on the Prairies. In fact, if I remember correctly, 47% of the arable land in this country is in Saskatchewan. That's pretty remarkable.

Let me say this at once, something not widely known is that farmers are great stewards of the land. It is obviously in their interests to do so since their future livelihoods, and the livelihoods of their sons and daughters who might decide to carry on farming, depend on sustainability and productivity into the future. I want to immediately debunk the idea that farmers, or Saskatchewan people in general, are not committed to environmental stewardship. In fact, although I don't know the most recent polling, when polls were done on the level of Canadians' commitment to the environment, the people of Saskatchewan came out first year after year.

Let me tell you a small story — a tiny story, really — that reinforces for me a commitment to environmental stewardship.

My former father-in-law farmed in western Saskatchewan. He was a successful farmer and business person. He was attentive to the world around him. In his younger years, he'd been a hunter and did not have a particular opposition to those who hunted during hunting season. But at the end of goose-hunting season, every fall, usually November, year after year, he would go out with his truck and a small motorboat and seek out small lakes and ponds and dugouts to rescue Canada geese who had been shot by hunters but had only been injured. If these geese were left on their own, unable to fly and perhaps unable to recover, they would freeze to death — a slow, horrible death — as the ice in these ponds closed in on them.

Let me tell you, it's not easy to rescue a Canada goose. No matter how smart they are, they cannot tell the difference between somebody who is trying to save them and somebody who wants to cook them for dinner, and they are mighty strong. But, every autumn, he persevered. Indeed, at one point, he had rescued 24 Canada geese and nursed them back to health so that they could be released again into the wild. I thought that was a pretty great unpublished commitment to the natural environment.

Now, I have a bit more about agriculture and the evolution of agriculture in Saskatchewan. There has, in fact, been a revolution in farming practices on the Prairies. Land use is now governed by science and technology. Guided by university researchers, farmers now use their land in much more extensive ways than in generations past, achieving two or three remarkable things at the same time. First, the land is more productive and generates more income for farmers. In fact, I'm told that due to research findings at the University of Saskatchewan, which created opportunities for more intensive use of farmland and making it healthier, it increased the revenue to Saskatchewan farmers by $1 billion per year. That was done through healthy and more sustainable practices, creating a sustainable environment.

Farmers now do little or no tilling. They use cover crops and crop rotation, and they bring the soil back to good health through these practices. And it sequesters carbon. At the Agriculture Committee, we heard evidence that of all the farmland in this country, Prairie farmland has made a spectacular contribution over the last 20 years to carbon sequestration and more is possible.

Any of these changes would have been challenging for farmers and for the rural economy of my province, but there is also no shortage of opportunities. As it became clear that, guided by science, farmers could and should and did expand the repertoire of crops, wise and committed entrepreneurs appeared.

• (1550)

I will give one example. A young trade policy adviser with the government of Saskatchewan, who used to work for me, saw the potential for a dramatic expansion of the production and export marketing of pulse crops into the Middle East. Murad Al-Katib, a young man of Turkish ancestry but living in the small town of Davidson, Saskatchewan, established a company to do just that. Working with scientists, farmers and the supply chain, he has built a world-class business in seeing the processing and marketing of pulse crops to parts of the world that rely heavily on them for nutrition.

It's one of many amazing stories of opportunity. It is also done in ways that, at the farming end, make sustainable use of farmland for future generations.

When I hear that people are dismissive of the commitment of farmers to climate change or are uncaring about the environment, I have two thoughts: First, it's wrong; and second, it's not really just a generalized communication or critique that is fired off to an unknown recipient. In Saskatchewan, we are so close to the farming community that it feels like an insult to each of us individually.

I concede that more needs to be done — and will be — but constructive engagement between Ottawa, the provinces, organizations and others will make possible and significant positive change. Mr. Carr's bill will help in that regard, even if perhaps only modestly.

Let me also talk about one other dimension of Saskatchewan that I think is relevant to agriculture. Over time, we are going to see a moderation of oil and gas production. It's fair to say it will not be eliminated; even the Minister of Natural Resources has said that, however much progress we made with respect to other forms of energy and transportation, we will need to buy products from oil and gas side of the equation that can produce what we need, societally.

Agricultural production, then, provides a remarkable opportunity for us. First, there is trade revenue internationally. It is good for our economy now and will be even better in the future, both in terms of sustainable production and the opportunity to add value to what we grow now and export. It's good for the Canadian dollar, helping us keep costs down. Hopefully, when we have to import things, we don't have to pay $15 for a pineapple.

Second, one of the great challenges of the future worldwide will be food security. Our agricultural potential has the remarkable ability to address food security. We will do a very good thing in this world by sustainably producing what the world needs to feed itself. My friend Mr. Al-Katib is a perfect example of that.

I want to turn next, and finally, to a few thoughts about federal-provincial relations and the Constitution. I know that this is top-of-mind for some, and fair enough, but I would like to at least put the Saskatchewan engagement on these questions in a bit of a larger context. First, as you all know, Saskatchewan only became a province in 1905. As well, in the conventional ways of thinking about it, it did not come to be the owner of subsurface minerals until the 1930s, pursuant to the Natural Resources Transfer Agreements. In fact, at that point, Saskatchewan and Alberta were finally made whole as provinces for the first time.

Moving forward in time, you will recall having heard about the conflict in Alberta in the early 1980s regarding the National Energy Program. In Saskatchewan, perhaps, you may have heard about the challenges with respect to natural resource extraction and management in the 1970s. I want to speak particularly about that and how it was handled in Saskatchewan, as well as federal-provincial relations writ large over the last 40 to 50 years.

In the 1970s, Saskatchewan sought to regulate the rate at which potash, oil and gas were being extracted and sold in the international markets. Particularly, it was intended to slow production and have oil and gas, and potash, sold at higher prices, generating higher royalties for the province. It was — it needs to be acknowledged — an interference in the business model and the business plan of the companies that were operating.

However, it's also worth thinking about this point: The oil and gas, and potash, being extracted belonged to the citizens of Saskatchewan. You can see a public purpose argument in trying to make sure that there was — what is the language of economists, Senator Marshall — a "fair rent" for those.

During that period of crisis, as I would call it, the companies argued that the conservation regime was an unconstitutional provincial task. This position was supported by Ottawa. The Province of Saskatchewan was taken to court, and they were successful. This required Saskatchewan to pay back losses to the companies in the amount of approximately $1.5 billion. For a province like Saskatchewan, particularly in those days, it was an enormous amount of money that the provincial budget would have to absorb. I don't know what the provincial budget was at the time, but I'm guessing it was $3 billion or $4 billion. It was a lot of money.

What did the Premier of Saskatchewan do? He complained publicly, of course, and bought a few potash companies. But on the constitutional front, Mr. Blakeney and Mr. Lougheed, who had issues of his own with Ottawa, went to Ottawa and worked out a new regime that was responsive to provincial interests. What they didn't do was pass a law declaring provincial interests. They got to work to solve the problem.

For decades, that has been the Saskatchewan way.

Let me offer two other aspects of the same approach, although not quite directly related to federal-provincial relations in terms of resources but pretty darn important nonetheless. The point I'm trying to make is that Saskatchewan always has been and continues to be a good partner in this federation.

In 1980, there was a logjam in first ministers' negotiations regarding how the Constitution would be patriated to Canada and how it would be amended. Ottawa and some provinces took one

position, which was unilateral authority for Ottawa, and a number of other provinces took different positions. The matter went to the Supreme Court on a constitutional reference.

Saskatchewan crafted a new position, essentially that there may be a law that authorizes unilateral patriation, but constitutional conventions, which aren't laws but are almost laws, call for a more engaged process. The Supreme Court of Canada took exactly this position, and its decision unblocked the logjam and produced a modern Constitution for Canada in Canada. Anybody who is deeply connected with the history of constitutional law in Canada credits Saskatchewan with identifying the solution to that problem.

A second example occurred in 1995. You will recall that the referendum on Quebec secession narrowly failed that year. I think it's fair to say that Ottawa did not have a clear plan forward for a significant period of time. The premiers at the time — led by premiers Romanow and McKenna — stitched together a provincial plan to extend an olive branch to Quebec to encourage Quebecers to stay within the federation.

At a meeting of premiers, convened in Calgary, a unanimous so-called "Calgary declaration" was issued — unanimous with the exception of then-Premier Bouchard, who had a different idea — to extend that olive branch. That included premiers Klein and Harris. Further, and not much known at the same time, then-Premier Romanow convened a group of advisers to help him think his way and the province's way through to try to be helpful on the national unity dialogue. He brought together Michel Bélanger; John McCallum, then the chief economist at the Royal Bank of Canada; former Premier Blakeney; and in particular, former Premier Lougheed. I attended those meetings, and I thought Mr. Lougheed gave Mr. Romanow the very best advice.

Subsequently, the Government of Canada passed the Clarity Act that set out rules going, forward should there be a future referendum on secession. The bill contemplated a requirement of a clear question and a clear majority answering "yes" to that question. What the bill didn't say is what the consequences of the outcome would be. That matter was also sent to the Supreme Court of Canada.

Only a few provinces intervened; Saskatchewan was one.

• (1600)

I was instructed by the premier at the time to put together the greatest constitutional minds available in Saskatchewan to help craft the best, most constructive intervention that we could make. Let me tell you, there were some great constitutional minds in Saskatchewan at the time. I have a list, but I won't read them off. They would be embarrassed.

The real question, when you think about it, is: Does a vote on secession count for nothing, as probably it would in the United States, or does it trigger the departure from Canada by one region or province? It is a harsh set of options. Some viewpoints were that it leads to secession. Others were that it means nothing.

This was an important case. Chief Justice McLachlin of the Supreme Court of Canada has told me that this was by far the most important case she decided in her legal career.

Saskatchewan crafted a position to the effect that if there is a "yes" vote on a clear question by a substantial majority, the consequences are that it triggers good faith negotiations on whether to secede, and if that is to proceed, what the terms of that will be. That's the position adopted by the Supreme Court of Canada in a long but powerful judgment.

The point here is that Saskatchewan has punched above its weight in federal-provincial relations constructively in this country for decades, and there is no reason why we will stop.

Notwithstanding that there is a significant amount of tension within the federation on issues of federal and provincial jurisdiction these days, and some might say this bill contributes to it, I would say the opposite. It calls for the provinces, the federal government and the whole collection of entities that have interest in the Prairie economy to work together. This bill would be, in a small way, an opportunity to achieve constructive federal-provincial relations.

The good news is that I'm now coming to the end of my remarks. I want to tell you a story. I probably do this too much. There is a guy who flew into New York City from some international location. He arrived at the airport, and he was in the baggage area. He saw a golden telephone. He asked people, "What is with this golden telephone?" Someone said, "It's a direct line to God." He said, "How much does it cost?" The person said, "It's $500 a minute."

He carried on in his journey and flew to Toronto. Apologies to the people from Toronto. He gets to the baggage area, and there is another golden telephone. He says, "What is this all about?" They said, "It's a direct line to God." He said, "Well, how much for a call?" They said, "It's $100 a minute." He said, "Oh, that's interesting."

He carried on in his travels to Saskatoon. He arrived in the baggage area, and there is a golden telephone. He said, "What's the story?" They said, "It's a direct line to God." He said, "How much is it?" They said, "It's 25 cents." He said, "I don't get that. It's $500, $100." "Well," they said, "it's because it's a local call."

I feel that way about Saskatchewan. I hope you feel that way about your place. You might be asking for golden telephones in the baggage area of your town or city. For me — a bit of an exaggeration — Saskatchewan is heaven. I hope this is the case for you as well where you are.

My point here is that through working together using mainly ploughshares, occasionally swords when it's necessary to fight, we can build a great and sustainable economy and country. Mr. Carr's bill does a bit of this. I like to think of it as a love letter from him to the Prairies.

I hope you will support Bill C-235 and help to have these golden telephones be local calls everywhere. Thank you.

Hon. Mary Jane McCallum: Will the senator take a question?

Senator Cotter: Yes.

Senator McCallum: Senator Cotter, there are a lot of unresolved issues here for rights holders in this bill. How will the lived experiences of rights holders in the Prairie provinces be meaningfully addressed when you see Alberta and Saskatchewan, with Manitoba not far behind, ignoring the rights holders in the acts that they are bringing forward? How do you see that being addressed in this bill?

Senator Cotter: As you will see in the bill, Senator McCallum, there is a requirement of consultation and dialogue with Indigenous leadership in the Prairies. That's a mandate imposed upon the minister who coordinates this work, and, I presume, the other ministers who will have a role here.

Maybe I could answer this with an example of what I think is an opportunity lost in the past, but may be there in the future.

When you think about economic opportunity — let me focus on that first — the opportunities for Indigenous people, but particularly First Nations, have been badly circumscribed by treaties, treaty lands and reserves. I think you and I are on the same wavelength there. In fact, a lot of those, if you look at the maps — Saskatchewan is, perhaps, the worst case — are not just being put on small, postage stamp-sized reserves, but also at the margins of a productive economy in the province, at least in the days when agriculture seemed like the story. So Indigenous people and communities never had a chance to get off the ground.

The place where those conversations have been the richest have been in relation to traditional territories. Not the postage stamp-sized reserves, but the areas where First Nations tended to live traditionally, which often covered vast areas.

One of the ways of trying to build an economy is to create opportunities for Indigenous people and communities to tap into those resources. It's tricky if you're a provincial government because usually tapping into those resources — which conventionally provincial governments have understood to be theirs or belonging to all the people — are a source of revenue to run the programs of the province. What you need is a partnership with the province and the Government of Canada because in the Constitution Indians and land reserved for Indians are the constitutional responsibility of Ottawa. It's possible for the Government of Canada to support those developments, sometimes with support for equity, but also support for sharing the constraints or the opportunity costs for the provinces.

Ottawa has not always been open to that. I don't know where this will go. I am hoping that imaginative ideas to unlock that potential that was taken away will occur. There are people a lot smarter than me coming up with these ideas, but I think there is a remarkable amount of potential to do that if the goodwill is there.

Provinces are vulnerable in some respects. Sometimes when oil revenues and others are really good, it looks pretty good, but provinces are vulnerable to having to give up large amounts of their tax base. But partnerships with the Government of Canada, which has a fiduciary obligation here and was the mechanism for taking away that opportunity, I think there is a duty that rests with Canada.

I hope that is at least partly helpful.

Senator McCallum: I want to go back to your statement about the Natural Resources Transfer Agreement that was done unilaterally without First Nations input. That is now a huge conversation and area of concern for First Nations, and they are going to be bringing it forward. Underneath that lies the Doctrine of Discovery and how it plays into the Constitution.

Is there any way that this portion of the bill could be sent to the Indigenous Peoples Committee to study? That is huge, and I think we need to settle that before you go any further.

Senator Cotter: Ever so briefly, I think the point you make is a matter of legitimate concern, but the Natural Resources Transfer Agreement is a recent Prairie-Alberta-Saskatchewan event that actually creates the same question across the country: Who are the owners of subsurface resources, not just in Alberta and Saskatchewan but more broadly across the country? I think that question, if it were to be studied, would need to be studied on a national basis, and this bill isn't the right fit for it, with the greatest of respect.

• (1610)

Hon. Dennis Glen Patterson: May I ask a question of Senator Cotter?

Senator Cotter: Yes, of course.

Senator D. Patterson: Senator Cotter, I note your expressed hope in your remarks, in speaking to this bill today, that it be a legacy for the bill's sponsor, the late Jim Carr — someone whom we all respect and who died, unfortunately, before the bill could be dealt with in the Senate, although he lived to see it receive third reading in the House of Commons.

In that connection, creating what I think you called a legacy for the late Prairie MP, I would like to ask you this: Is it your hope and intention, as I've heard widely discussed, in sponsoring this bill soon after it being received in the Senate that the bill be rushed through committee, including hearing witnesses and clause by clause, then third reading this week in the chamber, three days before we recess for our scheduled Christmas break?

Senator Cotter: Thank you, Senator Patterson. As you know, I'm not the architect in coordinating how things take place in this chamber.

With respect to the bill, I think there will be some good dialogue if we can get it to committee on an expeditious basis. The story of the bill is really not today or tomorrow or Thursday. The story will be, if we pass the bill, what the Government of Canada will do in the coming 12 months to create a pathway to a

sustainable economy in the Prairies. That will be the time when the dialogue will be the richest, in my respectful view, and getting that under way soon is fairly important.

Senator D. Patterson: Thank you for that answer. Senator Cotter, you've spoken eloquently as a senator from Saskatchewan in favour of the bill. Can you explain why the Provinces of Saskatchewan and Manitoba expressed opposition to the bill in committee in the other place?

Senator Cotter: Thank you for the question. I'm not a mind reader, but let me say that one of the reasons I tried to talk a bit about the constructive constitutional role the provinces have played — and Saskatchewan has played a big role, though not the only, by far — is because there are some tensions around whether this can be a trap for provinces, perhaps. I don't think it is. I think what we have faced in the country of late is reluctance to have meaningful dialogue to build the country together. That is certainly the feeling I have vis-à-vis some of the Prairie provinces, and I would include my own province in that.

There is no mechanism by which this bill can take away rights of provinces. In fact, that's a principle of Canadian law. I'm hopeful that the provinces are reluctant because of the level of tension and rhetoric but not because there isn't something to be gained here. I think the first few conversations will show that to be the case.

I understand the tension. My own province has reluctance in terms of its relationship with the Government of Canada. That is borne out in some of the evidence. However, in working together, the opportunities are so meaningful for us. Some of these areas — agriculture is a good example — are joint areas of jurisdiction. It seems to make sense that we would engage in dialogue to move that forward.

Hon. Pamela Wallin: Thank you, Senator Cotter, for your comments. You've talked about the fact that you want to pursue a sustainable economy on the Prairies. I believe that we have a sustainable economy on the Prairies if it's allowed to grow and reflect the local needs.

When we're talking about some of the concerns and resistance to this bill, just this summer we heard the federal government talking about reducing fertilizer use by 30%. Farmers are, in fact, the best stewards of the land. It is in their own interests and best interests to make sure the land is preserved and used wisely.

You spoke about the fertilizer sector, the potash industry. When we hear comments like that from the federal government, it creates concern about whether the best interests of the Prairie provinces are being put forward by this government.

The Hon. the Speaker pro tempore: Senator Wallin, did you have a question in there?

Senator Wallin: I did just ask it.

Senator Cotter: I think I got a question out of that, Senator Wallin. Thank you.

You chose an extremely good example. My sense of the fertilizer reduction issue is that Ottawa didn't know enough when it came forward with that proposal. Dialogue would improve that. Federal programs are being developed and will get rolled out. We have to do everything we can to ensure those programs are responsive to what farmers, small business people and the resource industry really need and can move forward with.

I worry about the situation where nobody will talk to them, Ottawa does something, and then the people who wouldn't talk to them say, "You did the wrong thing." With the greatest of respect, that's not the best way to build a country; rather, it's Ottawa consulting and the recipient consultees genuinely sharing their views so that the programs can be constructed and adapted to the best possible set of goals.

Senator D. Patterson: Senator Cotter, I think you've discerned that I'm concerned about the process and ensuring this important bill gets the scrutiny it deserves.

As you know, the Province of Alberta was in the middle of a leadership vote when the bill was considered at committee in the other place, so the committee did not hear from one of the three Prairie provinces. I'm sure you will be following the process of the bill and perhaps participating in committee as sponsor. If an important issue is raised in committee, as sponsor, are you open to considering amendments to this bill?

Senator Cotter: I don't have a definitive answer to that. I have received advice that, because of Mr. Carr's passing, if the bill does get amended, it would create real problems on its return to the other place. As you know, I'm a 30 handicap in terms of the rules of this place and the other place. But if you were to say to me, "Senator Cotter, are you open to an amendment that would jeopardize the bill?" I would be very reluctant to that.

I think the point would be that if this bill has defects and someone has a brilliant idea about how to make it better, I'm open to that. I'm not willing to make a commitment as sponsor. And it's not solely my decision, as you can understand; the committee will decide.

Hon. Donald Neil Plett (Leader of the Opposition): Just a note: With Jim Carr's passing, the bill would die if it were amended, so we would either pass it or defeat it.

Honourable senators, I rise today to speak briefly to Bill C-235. This is probably one of the more difficult speeches I've made in my time here in the Senate — not because of the subject matter but because I am tasked with taking, at least in part, the opposite position to that the sponsor of the bill has taken. I do this, quite frankly, with a bit of a heavy heart.

Jim Carr was a friend and a colleague. He is from Manitoba. I have known Jim for many years.

• (1620)

This bill was introduced by the late Honourable Jim Carr in February of this year, and it just recently completed its journey through the other place. I have some difficulties with it, and I need to address those difficulties today.

Before I go any further, colleagues, I do want to take this opportunity to offer my very sincerest condolences to Jim's wife, Colleen, his family and loved ones. This is a difficult time for them. I know I speak on behalf of all senators when I say our hearts and prayers are with them during this time. I pray that they know the comfort of God's arms around them during their time of bereavement.

Jim and I travelled back and forth from Winnipeg to Ottawa — not every week, especially in the last year or two, when Jim's health was failing; he wasn't on every flight, but we travelled back and forth many times. There were many opportunities for us to visit on these flights. I always cherished those times and will miss them. I was on a flight only two weeks ago with Jim coming from Winnipeg to Ottawa, and we had a good conversation.

Four weeks ago, Jim and I had lunch together in West Block. Jim invited me to lunch. In our discussions, one of the things Jim wanted to discuss was Bill C-235. Jim did not ask me to support this legislation. He asked me to see if I could help move the bill forward to committee and to third reading. He did not ask me to vote for the bill. He did not ask me not to point out flaws in the bill as I see them. I committed to doing that. I plan on doing that today.

I will always remember and treasure that meeting. We discussed many private and personal issues, including Jim's failing health. We also discussed the vacation that he and his family were planning over the holidays, so yesterday was a shock. I was told not to talk about myself going to Mexico, because that was the topic of some conversation a few years ago. Jim was going to go to Mexico. We shared our mutual love for the country.

I did not, as I said, commit to supporting this bill; I committed to not standing in the way of it, and I intend to keep that promise to our colleague. I did say to Jim that, "In the Senate, many times the sponsor that you choose has a lot of influence." I asked Jim, "Who is your sponsor of the bill in the Senate?" He told me it was Senator Cotter. I told Jim he had chosen wisely, and I believe that.

Last week, colleagues, just as a point of interest — it addresses some of the questions that have been asked already, at least in part — before we received the news of Jim's passing, the Senate leadership agreed to prioritize the consideration of this bill. It was appropriate to do so then and remains appropriate to do so today.

I've known Jim Carr since well before his election to federal politics, when he was involved in provincial politics. Even though we were political adversaries, I considered him a friend. I would not be doing my job if I did not point out what I think are the flaws in this, or any other, legislation; Jim did that all of his life, and he would have expected the same of each and every one of us. He would have expected us to give the bill a proper examination and to ensure that it receives the sober second thought characteristic of this chamber.

As Senator Cotter outlined, the purpose of Bill C-235 is for the federal government to develop a framework for local cooperation and engagement in the implementation of federal programs across various sectors to build a green economy in the Prairie provinces. This is a noble endeavour, but I would argue that it is both unnecessary and unwelcome.

Efforts by provincial and municipal governments in the three Prairie provinces to green their economies are already well under way. The federal government, as is so often the case, is late to the party again on this one. This is not just an observation and a concern. It was reflected in the testimony given at the House of Commons Standing Committee on Industry and Technology.

Cliff Cullen, Manitoba Minister of Economic Development, Investment and Trade, testified before the committee and said the following:

> The Province of Manitoba does not support Bill C-235 and views it as an unnecessary piece of legislation that lacked consultation with the provinces.

Again, notice the words "lack consultation."

> The Bill has not been brought forward in a timely manner and does not recognize the progress that has been made within the green economy by the provinces, businesses and entrepreneurs.
>
> The province of Manitoba is concerned that Bill C-235 if passed would create unnecessary bureaucracy and a top-down approach that would delay moving forward the green economy, delay decisions on research and development, and stifle innovation that is already occurring.

The Saskatchewan Minister of Justice and Attorney General, the Honourable Bronwyn Eyre, also testified, putting it this way:

> This bill would require federal ministers "to develop a framework for...the implementation of federal programs", which to us in Saskatchewan sounds pretty top-down, pretty definitive language, and what we call here "assertive federalism".
>
> It really goes to another deeper tendency on display from this government, which we see again and again, which is to veer into sections 92 and 92A and the exclusive jurisdiction that provinces have over property and civil rights and over natural resources.

When asked if she thought the bill was unnecessary, the minister was clear and said:

> I don't think the bill is necessary. I think we are already doing significant things in Canada, in western Canada and in Saskatchewan around emissions, and I've referenced some of them. The emissions from our potash sector are

> 50% lower than those in any other jurisdiction in the world. We have high environmental standards. We have high human rights standards. We have high labour standards. . . .

These concerns were echoed by Ms. Cathy Heron, the President of Alberta Municipalities, when she said:

> The language in this section speaks to the creation of a green economy in Canada's prairie provinces. This seems to suggest that prairie provinces do not currently have a green economy. . . . We are very much already heading down this path . . . .

Other stakeholders were not only concerned that the bill failed to recognize the progress already being made to green the Prairie economy, but noted that the bill may actually impede these efforts. Ms. Justine Ness, President and Chief Operating Officer of Safety First, a company which works closely with the energy sector, said:

> I fear that Bill C-235 in its current form will effectively harm the resource industry in Canada even further and rob the world of the energy securities it so desperately needs.
>
> Bill C-235 seems to be a classic federal overreach, trying to dictate and influence these three western provinces. . . .

• (1630)

Ms. Catherine Brownlee, president of Alberta Enterprise Group said:

> . . . Alberta businesses are on the cutting edge of technological innovation, emissions reduction, and green innovation. Given that Alberta is already a leader in this field, it does cause us to wonder as business leaders what the positive impact would be of another Ottawa-based framework, as proposed in this bill.

Honourable senators, this is a common complaint on the part of provinces. The federal government has a habit of repeatedly inserting itself into provincial affairs without consultation and this bill is going to result in more of the same.

When Saskatchewan MP Michael Kram asked MP Carr if he had consulted with the premier of any province or any provincial cabinet ministers in Saskatchewan, MP Carr admitted that, no, he had not.

MP Brian Masse pursued this line of questioning further, asking:

> Other than Saskatchewan, is there any provincial support for it, any premiers or provincial explicit support from ministers?

The answer was no. What about an endorsement from First Nations? No. He asked if there were petitioners calling for this kind of a framework. No.

At committee, Ray Orb, president of the Saskatchewan Association of Rural Municipalities was asked:

> Did you have any consultations with the federal government before this bill was brought forward to the committee and the House of Commons?

He answered, "No . . . we didn't have any contact with Mr. Carr. . . . he did not consult with us on this bill."

Honourable senators, apparently the plan is to pass the bill requiring a framework to be put in place and then the consultations will happen later in the course of developing that framework, but I would note two things. First of all, the bill allows only 12 months for a framework to be put in place. That is far from sufficient time for proper consultations, especially when you consider that those consultations must include:

> . . . provincial government representatives responsible for transportation, environment and employment, and with municipalities, Indigenous governing bodies, the private sector and representatives of employers and employees in that sector.

In addition, the minister responsible for economic development in the Prairie provinces must collaborate with six other ministers, including the Minister of the Environment, the Minister of Transport, the Minister of Industry, the Minister of Agriculture and Agri-Food, the Minister of Finance and the Minister of Natural Resources. This is no small task. There is no way that 12 months will allow sufficient time for those consultations.

Second, promising to consult on the content of a framework when there is no agreement that the framework should even exist in the first place is putting the cart before the horse. It is not the way to develop sweeping public policy initiatives, which this framework would yield if it is successful. Colleagues, it is the Senate's role to stand up for the rights of regions. I can tell you unequivocally that the regions that will be directly affected by this bill do not want and do not support this bill.

The intent behind this bill is noble, but it is redundant because the provinces are already making great strides toward the greening of their economies, and it is overreaching because it does not have the concurrence of every province that will be impacted by it. However, as I said earlier, although I have pointed out the many difficulties in this bill, I will not oppose it proceeding to committee. As a matter of fact, I will support it proceeding to committee because that is, indeed, where the Senate does it very best work. Do I wish we had more time? Without question.

It is the duty and role of both the committee and this chamber to consider the bill on its merits, so I support it going to second reading and look forward to personally participating at committee on this bill. I hope you support the same. Thank you, honourable senators.

Senator D. Patterson: Senator Plett, I asked this question of Senator Cotter and he suggested my question was beyond his ken, or maybe beyond his pay grade, but you're a part of Senate leadership, and you've told us that Senate leadership has agreed

to prioritize consideration of this bill in the Senate. We will, no doubt, refer it to committee today, and I will vote in support of sending it to committee.

Was that agreement to prioritize sending the bill to committee also to rush through the committee process and all stages in the Senate for third reading in only three days, including all that to happen this week before our scheduled break for Christmas?

Senator Plett: I will have to answer that in a few different ways, Senator Patterson. Yes, there was agreement to prioritizing this bill as well as other Commons bills. As was mentioned in the motion, we would do the Commons public bills — all of them — prioritize them and move three of them to committee.

No, it was not agreed that we would rush, so I hope we don't rush. I hope we have extensive committee meetings. However, we are limited on how many days we have. I trust that the chair and the steering committee of whatever committee this goes to will get on it very quickly and make sure we have two, three, or, if we need it, four meetings over the next two days to study this bill. That may sound a little unrealistic, but, yes, Senator Patterson, from what I understand, we had an agreement that there would be a third reading vote before we rise for Christmas.

Senator D. Patterson: Senator Plett, thank you for clarifying that for this important bill, which you've said raises important issues , there is indeed a plan to rush the bill — if I may characterize it that way — in only three days, including today. You said in your speech that you wished we had more time. Well, we do have more time, Senator Plett, if the committee takes the time to hear witnesses, including the Province of Alberta, which was not able to participate in the hearing in the other place. What is the rush to get this bill through committee and all stages this week before our Christmas break?

Senator Plett: Committees are masters of their own domain and their own area. I will be part of the committee studies and I will state my opinion there, as will others at that committee. If the committee should, for some reason, ask for more time, it would obviously have to be considered. We did exactly that with Bill C-11, Senator Patterson. That did not exactly go as the government had hoped it would go. Without question, I have a little more sympathy for this for personal reasons.

We are in a difficult situation, Senator Patterson. I said it at the start of my speech, and I will not sugar-coat that. I gave my word to a dying colleague that I would not stand in the way of this moving forward. I did not promise him support for the bill, but said that I would not stand in the way.

I believe we had fair and open discussions at our leadership meetings. I have sometimes said these are in camera meetings that we had at leadership. I've never entirely accepted that, so I want to be a little careful. I'm sure you have had discussions with the leader of your caucus. He took part in that, as did I, as well as Senator Cordy, Senator Saint-Germain and Senator Gold. Our chiefs of staff were there. There were a lot of people, so there are many who can call me out on this if it isn't true. It was my opinion that we had unanimous agreement that we would do exactly what we're doing now.

• (1640)

Now, we can call that rushing. It would certainly not be the first time that a committee has not had enough meeting times — as per what the committee would like — but we will see where this goes. I firmly believe, Senator Patterson, that the provinces are also masters of their own domain. I do not anticipate, quite frankly, that if the three Prairie provinces get together and say "no," that this is going to go somewhere.

Colleagues, with all respect, if somebody were pushing something on Ontario or Quebec, I think, maybe, it would be handled a little differently than when they push something on the Western provinces.

However, having said that, MP Carr was a proud Manitoban, and this bill is coming out of Manitoba. It was not initiated by the federal government, even though they may have put their power behind it at the end. It was initiated out of Manitoba.

[*Translation*]

Hon. Lucie Moncion: Would Senator Plett take a question?

Senator Plett Yes.

Senator Moncion: I'll ask my question in French, if that's okay. The bill was introduced in the House of Commons on February 7, 2022. We just got it, and we have two days to study it. This past week, the work of many committees was significantly scaled back. Can you tell us why? In light of the thoughtful comments you made in your critique of the bill, regardless of the leaders' agreement, why shouldn't the Senate take all the time it needs to study this bill properly?

[*English*]

Senator Plett: Let me say this: The decisions that were made were, of course, made while MP Carr was still alive. We knew how ill he was. This was something that Jim Carr wanted desperately to see happen before he passed away; that didn't happen.

The Prime Minister put some of his strength behind that, which is one of the reasons. I don't think it went unnoticed that the government reordered government business, and reordered a motion — the government is certainly behind this. I am not wanting to point fingers, but I think we're all adults, and we can read between the lines as to what happened.

As far as the rush for the bill is concerned, let me tell you, Senator Moncion, I'm planning on voting against the bill — maybe on division. I don't plan on supporting this bill the way I see it. I plan on asking questions at committee. I actually think four hours of committee study is sufficient — we have testimony from the other place that we can look at. It is certainly not unprecedented that the Senate deals with some very important legislation in four or six hours of committee study. It's not an extensive bill. It's not like Bill C-11. It's a fairly simplistic bill, if you will, so I'm not sure that we would be serving any useful purpose by extending two committee meetings, if they are two hours each, to four. I'm not sure. When we get to committee, I guess we will be able to determine that.

[*Translation*]

Hon. Renée Dupuis: Would Senator Plett take another question?

Senator Plett: Yes.

Senator Dupuis: Senator Plett, I'm curious as to your understanding of this bill. If I understand correctly, the bill gives a federal minister the task of developing, with the help of other federal ministers, a framework to, and I quote subclause 3(1):

> coordinate local cooperation and engagement in the implementation of federal programs across various sectors, with the objective of building a green economy in the Prairie provinces.

Is it your understanding that the bill only targets coordination and cooperation in implementing federal programs? We're not talking about getting the approval of the provinces but about a task given to a federal minister in cooperation with other federal ministers to develop a framework to "coordinate local cooperation and engagement in the implementation of federal programs." Is that your understanding of Bill C-235?

[*English*]

Senator Plett: No, Senator Dupuis, I think your understanding is pretty clear. It's definitely the federal government getting involved in helping develop a green plan for the Prairies.

The Prairie provinces are saying, "We are doing that, and we are doing it much better than the federal government could do." As the Province of Quebec very regularly says, "We can run our programs better than the federal government can run our programs."

In my opinion, the issue here is not whether this is a laudable goal; it probably is. The provinces are saying, "We are well on the way to doing that. We don't want interference from the federal body. We can govern ourselves on this, and that's what we want. We don't want you putting your nose in. To us, this would be Big Brother taking over."

I really think the only difference here is not a difference of opinion in what should happen in the Prairie provinces. This is a difference of opinion in that I, as a Manitoban, don't particularly want the federal government — whatever federal government that is — coming in and dictating on an issue that, I believe, Manitobans are better capable of handling themselves.

Hon. Patricia Bovey: Senator Plett, as a Manitoban, may I ask my fellow Manitoban a question along the lines of Senator Dupuis's question?

In trying to achieve a green economy, the ultimate goal, I believe, is for the future of the planet. Yes, this bill asks my region, the West, and gives the minister responsible for Prairies Economic Development Canada a mandate and framework to consult — not tell — the provincial First Nations, Métis and municipal governments, as well as businesses and civil society, to prepare for the changes we need in order to meet our net-zero emissions by 2050. If that's the case and our provinces are ahead of others, isn't there a responsibility to share that so we can come up with a national framework?

I do happen to believe it's a laudable goal for the future of the West. I'd like to know if you agree with me on that laudable goal, and that consultation and developing a framework isn't necessarily about the federal government telling the regions what to do; maybe it's about the regions informing the federal government what to do.

Senator Plett: Well, without question, I would like to tell the government what to do — they just aren't listening.

Senator Bovey, you may well be right; I don't think this is a national program when you pick three provinces and title the act "An Act respecting the building of a green economy in the Prairies." A national program would be an act respecting a green economy in Canada. So why don't we do that? Then it should be a federal project.

They are asking to come in and dialogue with Manitobans, Saskatchewanians and Albertans in helping us develop a green economy when natural gas in Alberta, for example — and Saskatchewan has the greenest development of potash in the entire world. This was not done by the federal government. This was done by the Province of Saskatchewan.

• (1650)

Senator Bovey: I don't disagree with you at all that Saskatchewan and Alberta have made fine strides in those aspects of the work. But surely, because we're a nation of regions, each region is going to approach the green economy from a different perspective given what they do and where they are and what their climates are, et cetera.

I fail to see why this bill that the Honourable Jim Carr put forward doesn't open up that discussion, with our region, to me, being a very important part of a national discussion, and if we're doing things better than other parts of the country because of where we are, wonderful. Perhaps there is a way that we can all push it a little bit further. When our kids and grandchildren — don't you agree? — when they make buildings out of LEGO, they need all the pieces of LEGO to create that building. I'm contending that this particular bill is part of that building.

Senator Plett: Thank you, Senator Bovey. I'm not opposed to the federal government coming and asking Saskatchewan and Manitoba and Alberta, "What can we do to help?" That's not what they are doing. They don't need a bill to come and offer their help and their advice. They can just simply offer it.

The premiers have been begging the Prime Minister for a first ministers' meeting on health. They have been begging, and he hasn't accepted. Why doesn't the Prime Minister, if he wants to put his weight behind this bill, go to Manitoba, go to

Saskatchewan, go to Alberta, meet with the three premiers and say, "What can I do to help?" instead of, "Here is what I'm going to do"? That's the difference, Senator Bovey.

In this case, it was MP Carr. I say that respectfully because MP Carr had every right to present a private member's bill. I have a problem when the Prime Minister puts his weight behind it, but it's not the first government where a prime minister has put his weight behind private members' bills, and it probably won't be the last. But it's when you get the feeling that the federal government is trying to tell us when we know far better than they do.

Senator McCallum: Will the senator take another question?

Senator Plett: Certainly.

Senator McCallum: First Nations are also masters of their own domain. How will First Nations' leaders and advocates be informed in order to be prepared to present, and how will the committee ensure that they hear from Indigenous peoples?

Senator Plett: Senator McCallum, thank you for that question. I'm not on the steering committee whatever committee it goes to. If it goes to the Agriculture and Forestry Committee, I'm not on the steering committee. If it goes to the Energy Committee, I'm not on the steering committee. The steering committee would need to determine who the witnesses are.

I think you will appreciate, Senator McCallum, I have here, for the last number of months, especially on Bill C-11 and some other bills, advocated for better consultation by the federal government with the Indigenous community. And so I continue to do that. How the committee will deal with that, I'm sorry, I can't answer that until we get it to committee and see who the witnesses are, what lists they have, because I haven't seen that.

Senator D. Patterson: Senator Plett, thank you for expressing your support that committees of the Senate are masters of their own destiny, which is a principle I fully support. It's a hallmark of the work of the Senate.

You referred to the Prime Minister throwing his weight behind the bill. I would like to ask you, considering the separation of powers between the judiciary, the executive and the legislative branches — the fundamental underpinnings of our Westminster system — if you believe it's appropriate for the timing of third reading of any bill, including this bill, be set by members of the executive branch, cabinet ministers or even the Prime Minister.

Senator Plett: Well, let me answer that in two ways. Number one, in the other place, we very regularly have time allocation, so it's clearly being done. They do it all the time. They have done it for 150 years, Senator Patterson.

We have not had time allocation; we have had negotiations. This was done not by the executive branch but by five elected leaders in their respective caucuses. They decided the timelines here. In my opinion, they were unanimous in that decision.

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

Hon. Senators: Question.

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

(On motion of Senator Cotter, bill referred to the Standing Senate Committee on Agriculture and Forestry.)

FALL ECONOMIC STATEMENT IMPLEMENTATION BILL, 2022

SECOND READING—DEBATE

Hon. Tony Loffreda moved second reading of Bill C-32, An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 3, 2022 and certain provisions of the budget tabled in Parliament on April 7, 2022.

He said: Honourable senators, I rise today at second reading to speak to Bill C-32, fall economic statement implementation act, 2022. I am honoured to serve as sponsor of this important piece of legislation that includes measures announced in the Fall Economic Statement dated November 3 as well as other previously announced measures from Budget 2022.

[*Translation*]

Before I address some of the important measures in the bill, I'd like to begin by saying a few words of thanks.

First, I'd like to thank Senator Gold and Minister Freeland for their confidence in allowing me to serve as the Senate sponsor of this bill. I also thank them for all the support they've given me and my office.

Second, a big thank you to our colleagues on the Standing Senate Committee on National Finance, ably chaired by the Saint-Léonard sensation, Senator Mockler. We began our pre-study of Bill C-32 on November 22, and since then we've held eight meetings, received more than 50 witnesses and a dozen briefs, and sat for close to 15 hours.

Third, I want to thank the Standing Senate Committee on Indigenous Peoples for its assessment of Division 3 of Part 4 of Bill C-32, which I'll touch on briefly today. I intend to give it more coverage in my speech at third reading.

[*English*]

As all honourable senators know, Bill C-32 contains 172 pages, 4 parts and 29 separate measures. I will go through them all today — no, I'm just kidding.

The first 21 measures are found in Part 1 and make changes to the Income Tax Act. There are many good measures in the bill that will help families and individuals cope with the increasing cost of living. Other measures are mostly technical in nature or consequential.

For everyone's sake and sanity, I will not address every single measure in the bill. After all, I only have 45 minutes. It's in these moments I wish I was the Leader of the Opposition with unlimited speaking time.

Rather, I will focus my remarks on what I consider are key measures in Bill C-32 that have the greatest potential in helping Canadians weather the inflationary storm we are going through right now, especially as we learn to live with COVID.

• (1700)

I will end my remarks by offering a few thoughts on the economy and inflation in general.

The dream of home ownership is becoming increasingly unaffordable for too many young families and middle-class Canadians, which is why a suite of measures appear in Bill C-32 that target home affordability. They include the anti-flipping rule, the new Tax-Free First Home Savings Account, the homebuyers' tax credit and the Multigenerational Home Renovation Tax Credit.

The new anti-flipping rule will help ensure profits from flipping homes are taxed as business income if the seller held the property for less than 12 months. Exceptions would apply for individuals who sell their home due to certain life circumstances like death, disability, divorce or a new job, for example. This would ensure that investors flipping houses just for the sake of making a profit pay their fair share, in turn helping reduce housing prices for Canadians who want to buy a property to live in. The government expects this measure will affect about 3,300 taxpayers per year and increase its tax revenue by about $15 million annually.

With the new Tax-Free First Home Savings Account, the government wants to help Canadians who are struggling to make a down payment by encouraging them to save for a home by giving prospective first-time home buyers the ability to contribute up to $8,000 per year on a tax-free basis, with a lifetime limit of $40,000. The government is working with the Canada Revenue Agency and financial institutions to develop the necessary systems to administer this new account. Regardless of when in 2023 the FHSA is set up, Canadians will be able to contribute the full yearly amount of $8,000.

In Budget 2022, the government also proposed to double the First-Time Home Buyers' Tax Credit from $5,000 to $10,000. Measure (j) in Bill C-32 seeks to implement this promise, which is expected to cost the government approximately $775 million over 6 years, and it should benefit approximately 200,000 individuals per year.

In response to a question from Senator Boehm on this tax credit, officials told us that the tax credit is a flat rate, instead of a flexible credit adjusted based on regional differences, because it will be easier for the CRA to administer. In the end, it was a policy decision by the government.

Measure (l), the Multigenerational Home Renovation Tax Credit, also was first announced in Budget 2022. It seeks to implement a refundable tax credit for eligible expenses to create a secondary unit to permit an eligible person, either a senior or an adult with a disability, to live with a qualifying relation. The value of the credit would be 15% of the lesser of eligible expenses and $50,000, for maximum support of $7,500. This tax credit is for a secondary unit or a self-contained dwelling unit with a private entrance.

For home renovations or alterations, individuals have access to the home accessibility tax credit.

While it doesn't directly address housing affordability, I would be remiss if I didn't mention the government's decision to help students by including a measure in Bill C-32 that permanently eliminates interest accruals on Canada Student Loans and Canada Apprentice Loans.

Beginning in 2023-24, approximately 1.2 million borrowers annually will benefit from this measure. Of the Canada Student Loan recipients in 2020-21, about 61% were women, 6% were Indigenous students and 5% had a permanent disability. The average borrower will save approximately $410 per year in interest thanks to this measure. It is a $2.7 billion investment over the next five years and $556.3 million annually thereafter.

[*Translation*]

I want to clarify that the government also took into account the fact that Quebec, just like the Northwest Territories and Nunavut, manages its own loan program. Nevertheless, the government has set aside the necessary funds to make this measure available to new graduates in those three jurisdictions.

I wanted to mention this measure for students in the context of my comments on housing affordability because I think it can also help new graduates and tradespeople entering the job market save a little more money for their future home by taking advantage of the new Tax-Free First Home Savings Account.

The measures in the bill won't solve Canada's housing problem, but they should make it easier for people to become property owners. As the Canadian Real Estate Association told us, we should concentrate on increasing the available housing stock and on housing innovation.

[*English*]

As I mentioned earlier, there are 21 measures in Bill C-32 that make changes to the Income Tax Act. Four of those measures related directly to housing affordability.

Now, I would like to shift our attention to five other measures that will amend the Income Tax Act.

First, through measure (d), the government is introducing a new 30% Critical Mineral Exploration Tax Credit for certain minerals to support the green transition and clean technologies. These minerals are used in the production of batteries and permanent magnets, both of which are used in zero-emission vehicles. The anticipated cost of this measure is about $360 million over the next six years.

Canada can, and must, play a dominant role in the global supply chain of these essential minerals. That point was reaffirmed last week when the government published its Canadian Critical Minerals Strategy and recognized that "predictable and efficient regulatory regimes are a prerequisite for Canada's economic competitiveness" and committed to "making efforts to streamline project assessments and permits." This is additional good news for the mining industry, which I certainly welcome.

We were told in committee that NRCan helped develop the list of 15 minerals on the eligibility list for the tax credit. In committee, Senator Duncan voiced her support for this measure.

In response to her question about unintended consequences of this measure and regional bias, we were reminded that this is not a regional development measure. As a former banker, it will surprise no one that measures (e) and (f) have generated much commentary from my former banking colleagues.

The first measure, known as the Canada Recovery Dividend, or CRD, proposes a one-time 15% tax on banks and life insurer groups. The tax is payable on the average of 2020 and 2021 taxable income, and there is a $1 billion exemption, which would need to be split between the members of a related group. Banks and insurance companies have five years to pay, starting in 2022. The government explained that Canada's major financial institutions made significant profits during the pandemic and recovered faster than other parts of our economy — in part due to the federal pandemic supports for people and businesses that helped de-risk their balance sheets.

The government is also introducing an additional permanent tax of 1.5% on the taxable income of banks and life insurers above $100 million. This measure was first introduced in Budget 2022.

When the Canadian Bankers Association appeared before our committee on December 6, they argued that an "efficient tax system is one that is neutral" and that it:

> . . . encourages growth and innovation by letting investors, savers and employees make choices driven by where they can get the best return for their capital, labour or knowledge rather than by tax considerations.

While I appreciate the CBA's position and agree in principle, I also believe that our banks, the bedrock of our economy, have been profitable during the pandemic and can afford to help support Canada's broader recovery, provided, of course, that this new tax on banks doesn't trickle down to its clients. These two measures combined, according to the government, should add about $6.3 billion over the next six years.

Third, the government is proposing to require that certain trusts provide additional information on an annual basis to the Canada Revenue Agency. This measure was first announced in Budget 2018.

Since then, the government has consulted widely and is now proposing this amendment, which is intended to help the CRA acquire sufficient information in order to determine taxpayers' tax liabilities and to effectively counter aggressive tax avoidance as well as tax evasion, money laundering and other criminal activities.

This measure has raised concerns regarding solicitor-client privilege by the Canadian Bar Association and the Federation of Law Societies of Canada, despite the Charter Statement issued by the Minister of Justice. When she appeared before our committee last week, I asked Minister Freeland to reassure us that the measure is constitutional and that no amendments are needed in response to those concerns. She assured us that she is "very confident" that the measure is constitutional. As she said:

> We think that we have struck the right balance. We are confident that there is no requirement to disclose solicitor-client privileged information under this measure.

I will be happy to take questions on this issue later, but I do want to mention that I will speak more in depth on this matter during my third reading speech on Thursday, assuming the National Finance Committee adopts the bill tomorrow morning.

The fourth income tax-related measure I want to speak to is the change to the preferential tax rate for small businesses, provided via the small business deduction. Budget 2022 proposed to phase out access to the small business deduction more gradually, with access to be fully phased out when the combined taxable capital employed in Canada of a Canadian-controlled private corporation and its associated corporations reaches $50 million rather than the current threshold of $15 million. The cost of this measure to government revenues is expected to be $835 million between 2022-23 and 2027-28. It would allow businesses more capital to innovate, increase productivity, hire more staff or increase wages.

• (1710)

This measure was welcomed by both the Canadian Chamber of Commerce and the Canadian Federation of Independent Business, or CFIB, who appeared before us on November 29. Dan Kelly, President and CEO of the CFIB, told our committee that, "Two thirds of Canadian small firms are still facing additional COVID debt that they didn't have before the pandemic. . . ." That amounts to $110,000 on average. We also learned that 17% of small businesses are at risk of permanent closure due to the damage they have taken on over the course of the past couple of years. Thankfully, and hopefully, some 8,000 businesses should likely benefit from this preferential tax rate, and that number should grow over time. The C.D. Howe Institute also supports this measure and feels it will encourage business growth.

The fifth and final measure I want to address is the increase to the disbursement quota for charities from 3.5% to 5% for investment assets exceeding $1 million. Based on available data, approximately 4,000 charities report holding over $1 million in property not used for charitable activities. I certainly welcome this change. Senators may recall I addressed this issue in the chamber last spring with Senator Gold and called for such an increase. The new rate is expected to increase expenditures on charitable programs and better ensure the timely disbursement of tax-assisted funds towards charitable purposes while allowing for reasonable asset growth.

Mr. Bruce MacDonald, President and CEO of Imagine Canada, told our committee that:

> Raising the DQ may allow for more funds to flow to underserved and under-financed communities that have historically received far less funding from philanthropic foundations.

He also reminded us that total foundation assets had ". . . tripled from 2008 to 2019, going from $39.5 billion to $116 billion Canadian dollars." He went on to say that:

> Even the most conservative estimates show that approximately $200 million of new spending will be released when the disbursement quota is raised to 5% . . . .

In committee, when I asked officials why the disbursement quota is not going even higher, we were told that:

> . . . increasing it to 7% or 10% increases expenditures in the short term but could have a detrimental effect on the ability of foundations to fund charitable programs over the long term.

We were also reminded that foundations were receiving interest and investment income to the tune of about 5% annually, and that number rises to 7% when the total returns or realized gains on investments are included.

Although I would have initially welcomed a steeper increase, I think the 5% is a good outcome based on the explanation we were provided in committee. It is also the rate in the United States. It will be important to monitor the impact of this measure on the sector. I have no doubt Senator Omidvar, who we all know is a champion and strong advocate for the charitable sector, welcomes this change. Also, the timing couldn't be better since Canadians are increasingly relying on charities to meet basic needs such as food, clothing and shelter. A recent Ipsos poll from last month showed that 22% of Canadians plan on making use of charitable services, an 8% surge over a similar poll from January.

This was only an overview of five of the measures contained in Part 1 of the bill that amends the Income Tax Act. I felt these were some of the most important amendments in the bill. Quickly, I will simply mention the other measures in this part, including the phasing out of flow-through shares for oil, gas and coal activities, various tax avoidance measures, interest coupon stripping and support for business investments in air-source heat pumps.

While I support the amendments to the Income Tax Act proposed in Bill C-32, I also want to put on the record that tax policy in Canada has become increasingly more complex and convoluted. The latest edition of the act has 3,356 pages. As our National Finance Committee reported last June, highly technical amendments to the Income Tax Act further complicate the entirety of the act and make it seriously difficult for Canadians, including tax experts, to understand how changes affect them. The changes proposed in Bill C-32 are no different.

As we said at the time, we are concerned about the lack of a comprehensive review of the entire Income Tax Act. Colleagues, consider this: In November 2017, the Income Tax Act had 3,129 pages. Just five years later, the act has increased by over 200 pages. The original Income War Tax Act, adopted in 1917, only had 11 pages and was meant to be temporary. In 1944, the Income Tax Act as we know it today was adopted by Parliament and became a permanent fixture in our lives. That act had 88 pages, and 75 years later, it's well over 3,000 pages — "the good old days," some might say.

[*Translation*]

Many of the measures in Bill C-32 are designed to stimulate and inject capital into the economy as we recover from the pandemic, move toward a lower-carbon economy and compete for much-needed investment.

One of the centrepieces of the bill is the forthcoming Canada growth fund, which can be found in Division 1 of Part 4. Canada's economic prosperity has traditionally depended on natural resources. The industrial base needs to be significantly transformed if the country is to meet its climate goals and in order to ensure long-term prosperity for Canadians.

Announced in Budget 2022, the Canada growth fund will attract substantial private sector investment in Canadian companies and projects in order to help transform Canada's economy and seize opportunities to achieve net zero. This will help reduce Canada's greenhouse gas emissions and create good jobs here at home.

[*English*]

The measure in Bill C-32 authorizes the Minister of Finance to acquire non-voting shares in an amount of up to $2 billion in a new Crown corporation that will be incorporated to administer the Canada growth fund and to requisition the amount for the acquisition of those shares from the Consolidated Revenue Fund. The amount will provide an initial capitalization for the Canada growth fund to make initial investments and to provide funding for start-up costs.

A lot has been said about this measure, and there is some uncertainty or discomfort about the fund, which is why I would like to take a few minutes to provide a bit more context. The fund is intended to be a new arm's-length, government-owned investment fund that has yet to be incorporated. The initial $2 billion that appears in Bill C-32 will go towards the fund and help set it up as a wholly owned subsidiary of the Canada Development Investment Corporation, or CDEV. We expect that to happen as soon as possible and that the fund will begin making and attracting investments soon.

Officials before our committee explained that the Canada growth fund was announced in response to the American Inflation Reduction Act to help Canada compete internationally for capital investment. Minister Freeland also stressed that point when she appeared before us, which explains why the government is seeking these funds to start getting money out the door as soon as possible.

It is the intention of the government to introduce legislation in 2023 to establish the permanent structure for the Canada growth fund. I invite senators and the public to consult the technical backgrounder on the Canada growth fund that the government released last month. It's a very detailed, technical backgrounder and will answer many of your questions. It sets out the governance details of the fund, including its implementation, mandate, operations, financial instruments, investment approaches, performance metrics and transparency and accountability frameworks.

When the fund was first announced last spring, it came with a $15 billion investment, so parliamentarians should also anticipate additional funding requests through future appropriations. In other words, parliamentarians should expect to review and vote on legislation that will create the permanent governance structure of the fund that will seek additional funding.

When Minister Freeland appeared before us last week, I asked her to provide our committee with additional information with respect to the Canada growth fund. As I explained to her at the time, there is a bit of uneasiness among senators in signing off on this initial sum of $2 billion when the governance structure and operational requirements are not yet established. She reminded us of the importance of having a mix of policies in our toolkit to accelerate our green transition and stimulate our economy. She explained that the fund is intended to de-risk private-sector investments in new technologies on a project-by-project basis, to create the jobs of the future and to reduce GHG emissions.

[*Translation*]

Minister Freeland also told us, in response to a question from Senator Gignac, that the government quickly understood three things earlier this year. She stated:

> . . . first, the green transition is essential and urgent for Canada; second, the green transition will cost a lot and we will need additional funds; and third, government funding won't be enough. The government will have to create the conditions to attract private capital. That's what we understood in the spring, and that's why we created this fund.

• (1720)

I agree with the minister. I believe that the Canada growth fund is an important, timely measure and I'm confident it will succeed in attracting the necessary investments to help us achieve our objectives for a green transition.

For example, our committee received as witnesses representatives from chambers of commerce, small business, the hydrogen and fuel cell sector, the labour sector and the energy storage sector, and they all welcomed the creation of the fund. In fact, the representative from the Canadian Hydrogen and Fuel Cell Association urged the government not to delay implementation of the Canada growth fund and to avoid the mistakes of the Canada Infrastructure Bank, which, according to some, took a while to get off the ground.

We need investment now.

[*English*]

I understand the hesitancy of some senators in approving such a measure without a permanent structure in place. However, I agree with both the minister and many stakeholders that Canada cannot afford to lose capital investments to our neighbours to the south. We need to compete and we need to create an environment that encourages growth, productivity and new and innovative technologies. Time is of the essence.

I'm looking at Senator Marshall now. I have no doubt she will have a thing or two — or even three — to say about the Canada growth fund, but at this time I will simply end by saying that I commit to monitoring the implementation and activities of the Canada growth fund as it begins its work. I know many, including Senator Marshall, will put pressure on the government so the corporate structure is established as quickly as possible and that the values and objectives listed in the technical backgrounder are honoured. I certainly heard some of the concerns raised in committee and in the media, and I commit to following the progression of this very important initiative.

The Canada growth fund is all about attracting foreign investments to green our economy. But helping foreign nations is also part of Canada's DNA, which is why the government is proposing to make amendments to the Bretton Woods and Related Agreements Act. For those who may be unfamiliar with

Bretton Woods, this act gives the Minister of Finance the authority to provide financial assistance to a foreign state if the Governor-in-Council is of the opinion that it is in the national interest to do so.

Currently, the maximum amount Canada can give to any one state is US$2.5 billion, and US$5 billion in respect to all foreign states. Since the beginning of Russia's illegal invasion of Ukraine, Canada has already disbursed C$2 billion in direct financial assistance to Ukraine and committed an additional C$500 million through the issuance of a Ukraine Sovereignty Bond.

Two simple changes are being proposed in Bill C-32. First, the maximum amounts have never been increased since the establishment of the act in 1998. The government is proposing to increase the amounts to $7 billion and $14 billion, which more or less accounts for 25 years of inflation. The second amendment changes the currency in the act from U.S. to Canadian dollars. I want to make it clear that no funds are being allocated with this measure. The government is simply asking to lift the ceiling on support that Canada can offer.

The final section of the bill I want to address is Division 3 of Part 4, which deals with the First Nations Land Management Act, which was first adopted in 1999 and ratified the Framework Agreement of 1996 relating to First Nation land governance outside the Indian Act.

The proposed legislation appearing in Bill C-32 will eliminate duplication in the act and create clarity for all partners involved. It's a First Nation-led, co-developed initiative that would replace the First Nations Land Management Act with more concise legislation. It would continue ratification of the nation-to-nation Framework Agreement and better support this agreement as the central authority through which First Nations transition away from the application of the 44 lands-related sections of the Indian Act.

It's worth pointing out that at a special meeting of First Nations signatories to the Framework Agreement, a resolution on the proposed bill — what we have before us today — was presented and received unanimous support from First Nation signatories.

Our Indigenous Peoples Committee reviewed this section of the bill and reported back to the chamber on December 5.

Much has already been said about this section of the bill last week. Senators McCallum, Patterson and Francis, who all serve on the committee, shared with us their concerns with respect to the submission provided by the Manitoba Keewatinowi Okimakanak, or MKO, and their request for some amendments related to law enforcement on their lands.

I will not say too much on the matter today. Rather, I will address the matter more fully later this week at third reading. However, if I might, I will simply put on the record some of the comments shared with us from the Lands Advisory Board and the First Nations Land Management Resource Centre.

In a letter dated December 9, Chief Robert Louie, Chair of the Board, confirms that they are "generally supportive of MKO's position and efforts on First Nation Law enforcement," but they are not able to support any amendment to the act for the following reasons:

> We do not have the approval of the signatories to the Framework Agreements to make any changes to the FAFNLMA wording . . . . Amendments to the Act would create an inconsistency with the guiding Framework Agreement document, which is to say there is nothing in the Agreement now that addresses or refers to the RCMP or Public Prosecutions legislation.

Chief Louie adds that the Lands Advisory Board hopes to continue to support and work with MKO and is:

> . . . proposing to continue its joint work on enforcement with Provinces and the Federal government and to continue to obtain its direction from signatory First Nations regarding any appropriate changes to the Framework Agreement.

As Chief Louie writes — and I agree:

> . . . granting amendments to the FAFNLMA before seeking First Nation approval is counterproductive to the mutual respect and nation to nation relationship we have worked so hard to build and maintain since the signing of the Framework Agreement in 1996.

I will have more to say on this at third reading.

It would be unlike me to speak to an economic bill without offering a few comments of my own on the current state of our economy.

The Fall Economic Statement was an opportunity for the government to provide Canadians with a mid-year update on the country's economic growth and the state of its finances. The statement also included the government's outlook for revenues, program expenses and long-term economic projections.

Like most countries, Canada's reaction to the pandemic was quick, early and swift. The government provided individuals, families and businesses with the necessary financial support to make ends meet. Despite extraordinary spending measures, Canada is coming out of the pandemic in a relatively good position.

I've been working with numbers for most of my life and I can assure you that you can make numbers say what they want. It's all a matter of perspective, of comparison and of the way one may spin things. As an independent senator, I truly believe that Canada's economy is faring better than most countries. I agree that we are not out of the woods yet, and there is still a lot of work to be done, but I'm hopeful we are on the right path.

As we all know, Canada's economy is now 103% the size that it was before the pandemic. Our economic growth so far this year has been the strongest, and our net debt-to-GDP ratio is the lowest among G7 countries. The unemployment rate is 5.1%, and inflation is slowly coming down after peaking in June, thanks, in part, to lower gasoline prices and to the Bank of Canada's monetary policy.

Last week, the bank increased the interest rate by another 50 basis points, to 4.25% — the seventh rate hike of the year — to lower inflation and bring it back down to its target rate. As the bank stated on the day of the announcement:

> . . . Governing Council will be considering whether the policy interest rate needs to rise further to bring supply and demand back into balance and return inflation to target.

The bank is resolute in its "commitment to achieving the 2% inflation target and restoring price stability for Canadians."

Of course, inflation is a major issue in Canada, but it's not the only metric we should use to evaluate our economic position and the health of our economy. For example, among our G7 counterparts, only France and Japan have lower inflation rates than Canada. Canada's jobs recovery has also outperformed most of its G7 peers and surpassed expectations.

In my humble opinion, the Fall Economic Statement was prudent, focused and not overly expensive. Yes, there are some major-ticket items that are necessitating significant sums of money in Bill C-32, but overall, the bill is expected to generate revenues and not increase deficits. This is good news, in my view.

At my request, I asked Minister Freeland's office to provide us with a costing breakdown of all the measures contained in Bill C-32. I was pleased to see that between 2022-23 and 2027-28 the government is expecting net revenues of over $4 billion with Bill C-32. These revenues are attributed in good part to the Canada recovery dividend and the additional tax on banks and life insurers.

Some have argued that measures in this bill, in addition to the measures in the two Cost of Living Relief bills we adopted this fall, will further increase inflation and continue to put financial pressure on our economy and on the pocketbooks of Canadians. I would respectfully disagree. Other prominent Canadians agree with me.

• (1730)

Yves Giroux, the Parliamentary Budget Officer, or PBO, looked at the inflationary impact of Minister Freeland's announcement in September, and he found that it will have a minimal impact on inflation. He believes it might be a 0.01% increase. This is from our PBO.

Mr. Giroux's predecessor and Parliament's very first PBO, Kevin Page, appeared before our Banking Committee on December 1, and we asked him about inflation. It was nice to see him. In response to a great question from Senator Gignac, Mr. Page briefly addressed the Fall Economic Statement, and submitted that there was a modest amount of measures in the statement, but he didn't see it as inflationary. As he said — and I would agree — "Even if we have inflation, we still have to retool the Canadian economy so we reduce our emissions."

The government made it clear in its Fall Economic Statement:

> We are providing targeted inflation relief, because that is the right thing to do.
>
> But we cannot support every single Canadian in the way we did with emergency measures at the height of the pandemic.
>
> To do so would force the Bank of Canada to raise interest rates even higher. It would make life more expensive, for everyone, for longer.
>
> So as the central bank fights inflation, we will not make its job harder.

I agree with this statement, while recognizing that lower-income and moderate-income Canadians — and some of the most marginalized individuals in our communities — need the government's help.

Furthermore, I was pleased to read in the news that Minister Freeland recently told her cabinet colleagues that if they want money for new programs in the next federal budget, they will have to provide at least 25% of new operating costs requested from money within their own departments — for example, by considering trimming expenses, or cutting some programs.

I very much welcome this initiative. If Canadians are expected to live within their means, Canadians also expect their government to try to do the same.

As Minister Freeland told us in this chamber in October, Canadians are cutting back on costs right now, and the government needs to do that, too.

Honourable senators, I am happy to report that I have reached the section in my speech that says in bold letters, "Conclusion."

An Hon. Senator: How many pages?

Senator Loffreda: Two and a half pages. This is an important bill.

Colleagues, no bill is ever perfect, particularly with these massive bills that focus on the economy and address a number of issues. I have tried to address the most important issues, and will do so at third reading. As an independent senator, I am proud to sponsor this bill because I feel many of the measures in Bill C-32 will help address affordability challenges; raise revenues; assist Canadians with home ownership; implement measures to tackle tax avoidance and evasion; grow our small- and medium-sized

enterprise, or SME, community; increase productivity and create jobs; and attract major foreign investments in order to grow our green economy.

In 12 days, many Canadians will be celebrating Christmas. Families and friends will gather in celebration of the most festive time of the year to talk about the past year, and to look to the future with hope and inspiration.

We know many Canadians are struggling, and have had a tough couple of years. Food banks and charities are having a difficult time keeping up with demand. But I'm sure most would agree that Canada has bounced back from the pandemic better than anticipated, and in a better position than its G7 counterparts.

We have countless reasons to be hopeful for what lies ahead. As Minister Freeland said, ". . . we have a well-built house with a solid roof, and we have survived far colder winters before."

Colleagues, Canadians can look to the horizon and see a glimpse of hope that better days are coming. I am confident we will get through the upcoming economic slowdown and what I expect to be a mild recession. But we all know that winter always turns to spring, and flowers will be blooming in no time. Thank you.

Hon. Leo Housakos: Senator Loffreda, will you take a couple of questions?

Senator Loffreda: Always my pleasure to take your questions, Senator Housakos.

Senator Housakos: Thank you, Senator Loffreda, for expressing very eloquently the government's point of view as independently as you might have done. I will, independently of course, ask some questions on behalf of taxpayers in this country — starting with the fact that we saw the Auditor General put out a report very recently calling into question $27.4 billion of COVID spending that you allotted the government. Of course, we participated in getting a lot of that COVID spending out the door very quickly. Clearly now, the Auditor General has questioned the transparency of a lot of that spending.

What in this bill — what mechanisms — and what action has the government taken to make sure that a lot of the programs you just highlighted, and a lot of the new spending that will be taking place, will have better checks and balances than, clearly, the previous couple of budgets that we approved?

Senator Loffreda: Thank you for the question, Senator Housakos. It's very relevant as, in my previous life, I was an auditor — way back more than 20 years. I started in 1984. How many years is that? I lost count. It's 38 years, right? So it's over 20 years.

But I think what does matter here is there are a lot of measures that are there for tax avoidance. A lot of measures are there to show that fiscal responsibility is imperative. I think the government is showing that.

You are right; the Auditor General did state that there has been a lot of COVID spending that has been distributed that must be recovered. We have to recover those funds, so we have to put measures in place to adequately look over as to how they could be recovered.

But this bill — Bill C-32 — is basically the Fall Economic Statement. It's going forward. It's putting in measures of tax avoidance, updating the Income Tax Act and looking at ways that we could go against tax avoidance. I'm fully in support of these measures in the bill. Hopefully, in the future, we will have additional measures that will be productive, and go against the unnecessary COVID spending that did occur.

Senator Housakos: Will the senator take another question?

Senator Loffreda: Yes.

Senator Housakos: Senator, of course, in the budget you talked about the Canada growth fund. Well, I can tell you that the only thing we have seen, over the last few years, that has been growing is — number one — deficits in this country because we've seen this government run deficits year after year. We have seen growth in the debt. We have a historic debt right now in this country — thanks, of course, in large part to successive budgets this government has passed.

Of course, as a former auditor yourself and a banker, you must be very concerned right now that, over the last couple of years, we're spending significantly more to service the debt than we did a couple of years ago. As interest rates continue to climb, in large part because of inflationary policies — and as you have seen in this particular bill as well, you talk about stimulants. You talk about injection of funds which, in effect, are increasing taxes. You talked about a program where you're taxing banks and insurance companies, and somehow the government makes it look like they are taxing the rich, but the truth of the matter is that will be passed on as well to Canadian consumers through higher insurance premiums, banking fees and so on and so forth.

Are you concerned that we are not doing enough to bring spending down, and to control the debt and deficit — and, as a result, as interest rates are growing, curb the interest we're paying on the national debt?

Senator Loffreda: Senator Housakos, there is always a concern. If I take a look at the last financial statement — as you know, I love the numbers — our debt stands at $1.134 trillion as of March 31, 2022. The federal debt-to-GDP ratio was 45.5% — down from 47.5% in the previous year. As reported by the International Monetary Fund, or IMF, Canada's total government net debt-to-GDP ratio, which includes the net debt of the federal, provincial, territorial and local governments, as well as the net assets held in the Canada Pension Plan and the Quebec Pension Plan, stood at 33.2% in 2021. This is the lowest among the group of G7 countries, which the IMF expects recorded an average net debt of 101.2% of GDP the same year.

Obviously, interest rates are increasing. Like I said, this bill brings in net revenues. But to return to the Canada growth fund, because that's the more relevant question here in this bill — in our committee, there was worry, or concern, about the permanent structure not being in place; the $2 billion is for the purchase of non-voting shares. But in my experience with many technology companies, the largest challenge to an acquisition was the integration.

In this case, the Canada growth fund — and I would always ask the technology companies, "Why are you merging, or why are we acquiring the company? Why don't we have a clean slate or a blank sheet?" Because technology evolves so quickly that the equipment is obsolete; the ideas are obsolete. So it's important to have a clean slate, move it forward, come up with creative new ideas and get the proper CEO and proper board in place.

• (1740)

The Canada growth fund, in this situation, is the right decision. It's going forward. The technical backgrounder says it all.

I'm comfortable that the $2 billion is a fine investment. It's to keep up with our major trading partner, the U.S., and many countries around the world. I have the list here of all the countries that have invested around the world. We're just investing a portion of that. If we look around the world, the European Union has invested €26.2 billion, the Netherlands has invested €13 billion, France has invested €7 billion and Australia has invested $10 billion.

So I think that $2 billion for the Canada growth fund for start-up costs to put it together with a clean slate and technology is important because the infrastructure is obsolete. At times, it's important to start with a clean slate, a clean sheet of paper and the results are much better.

Like I said, the financial statement is here. I could spend 10 minutes going through it. But what is important is that we are in a better financial position than other G7 countries. We rank at the top of the list in many aspects of many measures and metrics. Inflation is not the only metric to measure economic prosperity. Other measures do so, such as job growth and job creation. There are 1 million job vacancies in Canada, and there are 1 million people not working in Canada. It's important to bring solutions in this chamber and to look at solutions.

I'm comfortable with the bill. Thank you for your question.

Hon. Elizabeth Marshall: Honourable senators, I rise to speak to Bill C-32, An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 3, 2022 and certain provisions of the budget tabled in Parliament on April 7, 2022.

Bill C-32 is comprised of four parts. Part 1 proposes 21 amendments to the Income Tax Act. Part 2 proposes amendments to the Excise Tax Act and this year's Budget Implementation Act. Part 3 proposes amendments to the Underused Housing Tax Act, which was enacted last June as part of Bill C-8. I spoke to Bill C-8 at second reading and again at third reading. Part 4 of the act proposes a number of other measures, including an act entitled "Framework Agreement on First Nation Land Management Act." Senator Francis spoke to that portion of the bill last week. Part 4 also includes clauses on eliminating interest on federal student loans and apprenticeship loans.

The proposed changes to the Income Tax Act in Part 1 of this bill will have a significant impact on tax revenues. Some amendments will increase tax revenues for the government while other amendments will reduce tax revenues. Finance officials told us that the net impact of these amendments will increase tax revenues by $4.2 billion over six years.

Government revenues, and especially tax revenues, have increased significantly over the past three years. Total revenues have increased 33% over a three-year period, from $334 billion in 2019-20 to this year's estimated revenue of $445 billion, or 10.4% annually on average.

I have excluded the two COVID years from my calculations, and have compared financial information from 2019-20, the last year before COVID, to the current fiscal year.

Personal tax revenues have increased 24% over the three-year period from $168 billion in 2019-20 to this year's estimated revenue of $209 billion, or 7.5% annually on average.

Corporate tax revenues have increased 82% over the three-year period from $50 billion in 2019-20 to $91 billion this year. That averages out to 22% annually over the three years.

In summary, the most significant increase in government revenues over the past three years is corporate tax revenues.

In this bill, the government is proposing additional taxes on corporations, including the Canada Recovery Dividend, the additional tax on banks and life insurers and the tax on the buyback of shares.

The Canada Recovery Dividend is a one-time 15% tax on banks and life insurers. It is based on 2020 and 2021 taxable income. It will be imposed for the 2022 taxation year, and it will be paid in equal instalments over five years. At this time, we are told it is a one-time tax.

Government estimates that this tax will increase corporate tax revenues by $800 million annually beginning this fiscal year and the following four years for total revenues of $4 billion over five years.

The additional tax of 1.5% on the taxable income of banks and life insurer groups applies to taxation years that end after April 7, 2022. Government estimates that this tax will increase corporate tax revenues this fiscal year by $290 million and over $430 million annually in each of four subsequent years. Total estimated tax revenues over the five-year period is $2 billion.

I expect the tax increases of the Canada Recovery Dividend and the additional tax on banks and life insurers will be passed on to consumers, further burdening Canadians with increasing costs as they struggle with high inflation and increasing interest costs.

Effectively, the banks are being taxed but they are passing it on to the consumer, so the additional revenues the government is collecting are really coming from consumers.

Bill C-32 also imposes a 2% tax on the net value of all types of share buybacks of public corporations in Canada. The government has indicated that the details of the new tax will be announced in Budget 2023 and would become effective January 1, 2024. Although the details have yet to be announced, the government estimates that this tax on share buybacks will increase corporate tax revenues by $2 billion over five years and will, as the government states in its Fall Economic Statement, ". . . encourage them to reinvest their profits in workers and in Canada." It's ironic that government thinks it can encourage corporations to invest in this country by increasing their taxes.

Mr. Alex Gray from the Canadian Chamber of Commerce, in an interview with *The Hill Times*, said that the tax will do little to change how corporations invest their earnings. Instead, it sends a discouraging message to Canadian businesses. A similar view was expressed by Mr. John McKenzie, Chief Executive Officer of TMX Group, Canada's largest stock exchange operator. Mr. Don Drummond, a former associate deputy minister of finance, also told *The Hill Times* that he disagrees with the proposed tax. He went on to say he does not know why governments meddle in the affairs of businesses.

I do not see how increasing taxes on corporations will encourage them to invest in Canada. I think it would have the opposite effect.

Honourable senators, government spending has increased significantly over the past several years. For the four years between 2016 and 2020, which was the last year before the pandemic, government spending increased 5%, 6.6%, 5.6% and 7.4%, respectively. Compare those increases to this year. Expenditures in 2020, which was the last year before the pandemic, were $363 billion. This year, so far, the government expects to spend $472 billion, as indicated in the Fall Economic Statement and Supplementary Estimates (B), and we're only part way through the year yet.

In other words, government expenditures increased from $363 billion in 2019-20 to this year's $472 billion over a three-year period, an increase of 30%, which equates to an annual average increase of 9%. The expenditures for this year do not, as yet, include some major expenses, such as increases to the Canada Health Transfer and the Department of National Defence.

The Canada Health Transfer is the largest federal transfer to the provinces and territories, and helps pay for health care. It is expected to cost $47 billion this year, increasing to $58 billion in 2027-28.

But we all know our health care system is in crisis, and provincial and territorial premiers are asking for much more — $28 billion more. That far exceeds what is included in the government's spending plans.

• (1750)

There is also a commitment to increase additional funding for the Department of National Defence for aircraft, ships, submarines, NATO and the modernization of NORAD.

They are also increasing the size of the public service, which has now grown to almost 400,000 members, as indicated in a recent report by the Parliamentary Budget Officer. We do not know what impact inflation will have on the salaries and benefits of its members, but it is expected to be significant.

While government is forecasting declining deficits over the next four years and a surplus in 2027-28 — the fifth year — I cannot see this happening given the spending patterns of this government and the forecast of a recession next year. In fact, the Fall Economic Statement indicates that tax revenues this year will increase by $37 billion more than the estimate in April's budget. Rather than use that $37 billion to reduce the deficit, government actually spent $21 billion in additional expenditures and debt service charges, leaving only $16 billion to put toward the deficit.

Honourable senators, while increased taxation on corporations and individuals may be seen by the government as a source of revenue to pay for increasing expenditures, increased taxes can have a negative impact on the economy. Both individuals and corporations are mobile and can move to friendlier jurisdictions.

Since government expenditures exceed government revenue, the government has been taking on more and more debt to fund the shortfall. In my past speeches in the Senate, I have indicated how the cost of servicing the government's debt is increasing. As estimates are refined with the release of each financial document, it is easy to see that interest costs are on a significantly upward trajectory. Despite warnings that additional debt poses the risk of significantly increasing debt servicing costs, the Minister of Finance has assured us on numerous occasions that the government can easily absorb the cost of the additional debt and that the interest on this debt will remain low.

In her 2021 budget speech, the Minister of Finance told us that, in today's low interest rate environment, not only can we afford these investments, it would be short-sighted of us not to make them. She continued on to say that the government has issued an unprecedented level of long-term bonds at low interest rates to ensure Canada's debt is sustainable and will not weigh on future generations.

The problem with her plan is that this government does not pay down its debt. It just replaces maturing debt with new debt, which may be financed at higher interest rates. Contrary to what she says, it does weigh on future generations because we are not paying down this debt. Rather, it will be transferred to future generations, and they will have to pay the interest costs — and pay off the debt.

With the increase in interest rates, we can now see the impact it is having on government expenditures. In November of 2020, just two years ago, the government told us that debt servicing costs this year would be $22 billion. In this fall's economic statement, it has increased from the $22 billion to $35 billion, an increase of 60%. The government's debt servicing cost is now one of its most expensive programs.

As I've already indicated, government revenues are not sufficient to pay for all of government spending, so the shortfall is borrowed. As a result, it is important to oversee government borrowing as there is a legislated ceiling for its debt.

Two years ago, the government amended the Borrowing Authority Act to increase its legislated debt ceiling from $1.168 trillion to $1.831 trillion as of March 31, 2024 — a 56% increase over a three-year period. It's challenging for parliamentarians to track the current debt at a specific time because this information is not readily available. It is only disclosed in the Public Accounts of Canada. To obtain a more current number, one has to calculate it using the Public Accounts of Canada, monthly reports of *The Fiscal Monitor* and the financial statements of Crown corporations.

At March 31, 2015, the debt of the government was $918 billion. The most recent Public Accounts of Canada, as of March 31, 2022, indicate that the debt is now $1.5 trillion. Since March, it looks like the government has borrowed — and this is my estimate from looking at *The Fiscal Monitor* reports — another $10 billion. So government debt is now approaching $1.6 trillion, an increase of $640 billion since March of 2015.

The increase in debt servicing costs is not only attributable to rising interest rates; it is also attributable to a significant increase in government borrowings.

In its annual budget documents and fall economic statements, government provides updates on its borrowing strategies, but there is less information on what actually happened with the debt. So far, we have received two debt management strategies for this year telling us what will happen into the future. But as of today, there is no debt management report telling us what exactly has happened last year. Section 49 of the Financial Administration Act requires government to table its annual report on its debt management program within 30 sitting days after the Public Accounts of Canada have been tabled.

Since the Public Accounts of Canada were tabled on October 27, the Debt Management Report should be tabled by its legislated deadline of December 15, which is this Thursday.

It is now December 13, two days before the legislated deadline, and we're still waiting. I understand now that the House of Commons may actually adjourn tomorrow, thus deferring the Debt Management Report for last year into the next year. The government is not an enthusiastic supporter of openness, transparency and accountability.

Of the 21 amendments to the Income Tax Act, 5 are related to housing. I will speak to three of the amendments.

Part 1 of the bill proposes to introduce a tax-free first home savings account, a doubling of the First-Time Home Buyers' Tax Credit and introduce a multigenerational home renovation tax credit.

The Tax-Free First Home Savings Account will allow a potential homeowner to save up to $40,000, or $8,000 annually, tax-free, which can be used to purchase a home. There already exists the Home Buyers' Plan, which allows home buyers to withdraw up to $35,000 from their RRSPs, which can be used to purchase a home. However, any withdrawals from the RRSP must be repaid within 15 years.

The Parliamentary Budget Officer estimates that the Tax-Free First Home Savings Account will cost $731 million in 2023-24 and $2.5 billion in total over the following three years. While these initiatives sound helpful, it is unrealistic to think that young people will be able to save $40,000 in the Tax-Free First Home Savings Account or use the money in their RRSP if it has to be replaced.

The cost of housing has increased significantly over the past number of years, and interest rates are rising. While the average cost of a home has decreased over the past year, interest rates are rising, and we do not know if or when they will come down.

Bill C-32 also proposes to double the First-Time Home Buyers' Tax Credit from $5,000 to $10,000 for homes purchased on or after January 1 of this year. This tax credit is non-refundable. The Parliamentary Budget Officer estimates that the First-Time Home Buyers' Tax Credit will cost $115 million this year and $470 million over the following four years.

The third housing initiative proposes a refundable multi-generational home renovation tax credit, which, starting January 1, 2023, would provide up to $7,500 to construct a secondary suite for a family member who is a senior or an adult with a disability. I think the government wants to start us doubling up.

Honourable senators, the housing sector has become a key vulnerability of the Canadian economy, a point raised by the Superintendent of Financial Institutions, the President of CMHC, the International Monetary Fund, the Governor of the Bank of Canada and many think tanks and economists.

Interest rates have increased significantly, which has increased homeowners' mortgage payments. In many cases, the outstanding balances on mortgages now exceed the original amount of the mortgage, or the value of homes are now less than their mortgages. In addition, the unmortgaged debt is increasing as Canadians who are struggling to cope with inflation take on more debt to pay for food, fuel and other necessities. They are using their credit cards to buy their groceries.

While the proposed amendments to the Income Tax Act for potential homeowners may help some homeowners, a more comprehensive solution to the housing crisis is needed. Simply providing some financial assistance to some homeowners will not fix the housing problem.

Part 4 of Bill C-32 will provide the Minister of Finance with $2 billion to buy shares in an unnamed, non-existent corporation. The bill provides no —

The Hon. the Speaker: Senator Marshall, I apologize. I must interrupt you. It is now 6 p.m. Pursuant to rule 3-3(1), I must leave the chair until 8 p.m. unless it is agreed that we do not see the clock. Is it agreed that we do not see the clock?

Some Hon. Senators: No.

The Hon. the Speaker: I hear a "no." I apologize, Senator Marshall. You will be given the balance of your time when we resume at 8 p.m. The sitting is suspended until 8 p.m.

(The sitting of the Senate was suspended.)

[*Translation*]

(The sitting of the Senate was resumed.)

• (2000)

BILL TO AMEND THE CRIMINAL CODE AND THE IDENTIFICATION OF CRIMINALS ACT AND TO MAKE RELATED AMENDMENTS TO OTHER ACTS (COVID-19 RESPONSE AND OTHER MEASURES)

MESSAGE FROM COMMONS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-4, An Act to amend the Criminal Code and the Identification of Criminals Act and to make related amendments to other Acts (COVID-19 response and other measures), and acquainting the Senate that they had passed this bill without amendment.

[*English*]

FALL ECONOMIC STATEMENT IMPLEMENTATION BILL, 2022

SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Loffreda, seconded by the Honourable Senator LaBoucane-Benson, for the second reading of Bill C-32, An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 3, 2022 and certain provisions of the budget tabled in Parliament on April 7, 2022.

Hon. Elizabeth Marshall: Honourable senators, Part 4 of Bill C-32 will provide the Minister of Finance with $2 billion to buy shares in an unnamed, non-existent corporation. The bill provides no information on the corporation except to say that it will be:

> . . . a wholly-owned subsidiary of the Canada Development Investment Corporation that is responsible for administering the Canada Growth Fund.

The bill does not explain what the term "administering" means. The corporation has yet to be created, and there is no information on the corporation. The bill provides no information on the composition of the board of directors or even if there will be a board. There is no information on the mandate and function of the corporation, no information on the governance structure, nothing on whom the corporation will report to and nothing as to how the corporation will report to Canadians and parliamentarians.

There is also no information as to the financial management and control over the $2 billion. Since the corporation does not exist, what does the minister intend to do with the $2 billion? Will she retain the money until the corporation is created, or will she invest it — and if so, where?

Of equal concern is the provision in the bill that provides the minister with the authority to draw down, as the bill says, " . . . any greater amount that is specified in an appropriation Act . . . ." There is no dollar limit affixed to this greater amount.

Honourable senators, the part of Bill C-32 that legislates the spending of $2 billion and more is a mere 17 lines in length and provides no details regarding the $2 billion and more, nor does it provide any information on the referenced subsidiary corporation. In fact, the subsidiary corporation at this point in time does not even exist.

In its Fall Economic Statement, the government indicates that its revenues characterized as "projected other revenues" have been revised downward "due to the impact of higher interest rates on the Bank of Canada's income." The Bank of Canada has now reported its first financial loss in its 87-year history — in its third-quarter financial statements — in the amount of $522 million.

Unlike losses relating to the purchase of government bonds, which are covered by an indemnity agreement with the government and which will be paid by the federal government, the indemnity agreement does not cover these losses. With the rise in interest rates, interest on deposits at the bank is increasing. However, interest earned on the Government of Canada bonds, which the bank purchased during the pandemic, is at much lower interest rates. It is this mismatch of interest revenue at lower rates and interest expense at higher rates that is creating the loss for the Bank of Canada.

So the question arises as to how the bank and the government will treat these losses. I had expected that the Fall Economic Statement would indicate how these losses would be treated. Will the government reimburse the bank for these losses? Or will the

losses be accumulated on the bank's balance sheet? Since these losses are expected to continue into the future, parliamentarians and Canadians should be told as to the disposition of these items.

Honourable senators, the timeliness of the financial reporting of the public accounts continues to be a problem. This year, the public accounts were tabled on October 27, somewhat better than the tabling of last year's public accounts, which occurred on December 14, but still short of September 30, which would be six months after the fiscal year-end.

While the public accounts were tabled this year on October 27, the Auditor General Report was actually dated September 12, after which it took the government 45 days to table it in Parliament. On average, over the past decade, the public accounts have been tabled more than two months after the conclusion of the Auditor General's audit. In other words, it appears that the government is withholding the tabling of the public accounts.

At a recent meeting of the Senate Finance Committee, Auditor General Karen Hogan assured us that her office would complete the audit of the public accounts in time to allow for a pre-September 30 tabling. She went on to further say that, typically, she signs off at some point in early September and she would be ready to advance that a few weeks if needed in order to meet all the publication deadlines.

The International Monetary Fund's advanced standards on financial reporting recommend that governments publish their annual financial statements within six months of the fiscal year-end. Parliamentarians and Canadians require access to this information on a timely basis so that the information provided is current and not historical.

Honourable senators, the Canada workers benefit is a refundable tax credit to help Canadians who are working but earning a low income. The Fall Economic Statement announced a change in the government's policy for the Canada workers benefit. Single individuals will receive $1,395 if their adjusted net income is $22,944 or less. For incomes between that amount and $32,244, the benefit is reduced. Families will receive $2,403 if the adjusted family net income is $26,177 or less. For family incomes between that amount and $42,197, the benefit is reduced.

Of the $52 billion of new spending announced in the Fall Economic Statement, $4 billion relates to changes in the Canada workers benefit. Beginning next year, all workers who qualify for the Canada workers benefit based on their income for the previous year will receive an advance payment of the benefit every three months rather than a lump sum payment after filing their tax returns.

However, the revision to the benefit has also introduced a new change. Under the old system, the payment would not have been made until after the worker had filed their tax return. If the worker had opted for a partial advance payment under the old system, any overpayment determined after the worker had filed their tax return would have to be refunded to the government. Under the new system of quarterly advance payments — paid prior to the filing of tax returns — any overpayment calculated when the tax return is filed will not have to be refunded. The substantial cost of this change — $4 billion — is largely due to the government's decision not to recover these overpayments when workers become ineligible for benefits or eligible for lower benefits.

However, the new system introduces unfairness in the tax system and in the program itself. For example, it will create situations whereby two workers receiving the same salary in a given year will result in one worker receiving the Canada workers benefit because they qualified for the benefit in the previous year. If a worker was eligible for the benefit last year but has a higher income this year, exceeding the ceiling for benefits, that worker will still receive the Canada workers benefit and not have to repay any overpayment. Compare this situation to that worker's colleague who receives the same salary for that same year but did not qualify for any benefit the previous year. That worker will not receive any of the Canada workers benefit. Not requiring repayment of a benefit for ineligible recipients is a departure from the existing federal tax system.

The Parliamentary Budget Officer told us that the substantial cost of this measure is largely due to the government's policy decision not to recoup these advance payments when recipients' incomes rise and they become ineligible for benefits or eligible for lower benefits. He said that not requiring repayment of federal benefits for ineligible individuals is a pronounced departure from the existing federal tax and transfer system.

Honourable senators, two of the proposed amendments within Part 1 of Bill C-32 relate to the Canada Revenue Agency. Part 1 (q) of the bill strengthens the rules on avoidance of tax debts when a taxpayer transfers assets to a non-arm's-length person for insufficient consideration.

• (2010)

The second amendment is in response to a court decision which called into question the extent to which Canada Revenue Agency officials can require people to answer all proper questions, and to provide all reasonable assistance relating to the administration and enforcement of the Income Tax Act.

The amendment is intended to strengthen the Income Tax Act and other legislation to ensure the Canada Revenue Agency has the authority to require a person to respond to questions orally or in writing. Unfortunately, Canada Revenue Agency officials appearing before our National Finance Committee were unable to explain whether these amendments respond to their recently released *Overall federal tax gap report: estimates and key findings for tax years 2014-2018*, and whether the amendments will assist the agency in collecting taxes that are part of that so-called tax gap.

In their recently released report, the agency estimates that the tax gap is in the range of $35 billion to $40 billion. The tax gap is a measure of potential tax revenue loss resulting from tax non-compliance. Despite recognizing that the tax gap exists and attaching an estimate to it, the Canada Revenue Agency is not making progress to collect the monies owed. Rather, the perception is that the agency focuses on already tax-compliant

taxpayers. The collection of even a portion of the $40 billion tax gap would significantly reduce the government's deficit, and more efforts to collect these monies should be made.

In the Fall Economic Statement, there is a listing of new initiatives along with additional initiatives implemented since Budget 2022. Together, they total $52 billion over six years through to the end of March 2028. However, of the $52 billion, $14 billion represents funding for which no information is available. The Parliamentary Budget Officer, upon testifying at our National Finance Committee, said the unexplained $14 billion is not a one-off, it is the largest amount announced without specific detail since 2016 and the precise number suggests that the government knows exactly what it is going to do with the money. However, when the government does announce the initiatives for this $14 billion, it will not relate back to the $14 billion. Parliamentarians will not be able to reconcile the $14 billion back to anything. We will not know whether the $14 billion will be used, what it will be used for or whether it is simply another a buffer or contingency.

This is not uncommon for this government. It builds in contingencies for expenses, and in establishing its new debt ceiling two years ago, it included a buffer of 5% for additional new borrowings along with a duplicate of the buffer provided five years ago when the debt ceiling was established at that time. The government likes to give itself lots of room to manœuvre when spending and borrowing, and transparency is not top of mind.

In Budget 2022 in April, the government announced two spending reviews that would focus on the overall level of government spending. First, there would be a strategic policy review to assess program effectiveness, identify savings and reallocate resources to adapt government programs and operations to a new post-pandemic reality. The strategic policy review was estimated to save $6 billion over three years beginning in 2024-25.

In a second spending review, the government said it would review previously announced spending plans with a view to reduce spending that has yet to occur — that is the term they used — by up to $3 billion over the next four years, or $750 million a year starting in 2023-24. Note that the government itself made the commitment to focus on spending that has yet to occur and it was this future spending that was to be reduced. In its Fall Economic Statement, the government announced it had already achieved the total targeted savings of $3 billion and more because the uptake of COVID-19 supports in the previous fiscal year — that is, 2021-22 — had exceeded the $3 billion target.

Honourable senators, the government's commitment in Budget 2022 was to reduce spending in future years, not go back to a time that predates their commitment and use completed programs to take credit for savings that actually occurred before they made their commitment to reduce spending. Obviously, the government is not up to the task of managing their spending. Surely, the government can do better than this. Canadians deserve better.

Before I conclude my comments, I once again raise the issue of much-needed tax reform. The last major review of Canada's tax system occurred in 1967. Much has changed since then: How we live and work has changed, Canadians are living longer, technology is constantly changing and the proportion of women in the workforce has increased significantly. Our tax system has become a patchwork of new rules, amendments, incentives and so on. It is now over 3,000 pages long. Incidentally, the first income tax legislation in 1917 was — I thought it was 10 pages long, but Senator Loffreda said 11, so we're close. Our Income Tax Act has become inefficient and complicated for Canadians, businesses and professionals, such as accountants and lawyers. Maybe we would not need so many accountants and lawyers if our tax system was reformed.

It has even become complicated for the government to administer, especially the Canada Revenue Agency, as evidenced by an audit carried out by the Auditor General of Canada in 2017, during which responses to tax questions provided by the Canada Revenue Agency to auditors were incorrect almost 30% of the time. Many professional organizations and many individual Canadians support a comprehensive tax review, including the Chartered Professional Accountants of Canada, the Business Council of British Columbia and the Canadian Chamber of Commerce, as well as committees of both the Senate and the House of Commons.

Once again, I encourage my colleagues to support a comprehensive review of Canada's tax system. This concludes my comments on Bill C-32. Thank you.

Hon. Denise Batters: Senator Marshall, going back to this non-existent corporation, did I understand you correctly that not only will this non-existent corporation the government is creating under Bill C-32 receive $2 billion by virtue of this bill, but it will also potentially receive additional unspecified money? If so, is there a limit put on that unspecified amount?

Senator Marshall: Thank you very much. Your interpretation of the bill is correct. It allows for the $2 billion that is specifically carved out. That is a statutory payment. There is also a provision that the minister can also requisition money from the Consolidated Revenue Fund, and there is no limit on that at all. We have no idea as to how much money is going to be channelled into that fund once it's created.

Senator Batters: I was also quite shocked to see the response that you received from Finance Minister Freeland when you questioned her about this non-existent corporation last week at the Senate Finance Committee. As *Blacklock's* reported, you asked her:

> . . . $2 billion with no explanation within the bill over how the $2 billion is going to be controlled. The company is not even created. What are you going to buy shares in? There is no company yet.

Minister Freeland replied that the green transition is essential. *Blacklock's* reported: "The finance minister did not explain why the measure was not detailed in a separate bill."

Senator Marshall, I'm recalling the early days of the COVID pandemic. The Trudeau government used one of their early pieces of legislation to create what I called at the time the "giant government corporation" — the ability to buy massive corporations to use them for government purposes. At that point, they were able to create a corporation. Why didn't they do a similar thing with this?

Senator Marshall: I have no idea, Senator Batters. I think you're talking about the LEEFF corporation. They created that. Actually, that did come up at the Finance Committee and the Department of Finance provided us with all the information. The other corporation you can compare it to, which is probably — well, Senator Loffreda mentioned this, and it's probably not a good example — the Canada Infrastructure Bank, which wasn't very successful, but nonetheless, they did create a separate corporation. They actually had the legislation for that corporation, which was included in a budget bill, and we were able to go through it and ask about specific details.

In this case, there is just nothing there. There is no information there at all. It just focuses on the $2 billion-plus. It's not just $2 billion; I call it $2 billion-plus. We don't know anything about how it's going to be controlled or the financial controls. We don't know anything about it.

I know people are looking at the backgrounder and saying there is a lot of information in the backgrounder. There is some information there, but what should have happened is that all of that information in the backgrounder should have been included in the legislation, and more besides, so that is a big shortcoming.

• (2020)

Hon. Tony Loffreda: Will Senator Marshall take a question? Thank you for your speech, always very insightful.

Would you not agree that a common first step for every corporation and investment is the acquisition of shares, and this is exactly what's going on here? We're acquiring $2 billion in shares for a Crown corporation, a subsidiary that is wholly owned by Canada Development Investment Corporation at this time, and after the acquisition of shares, we will put a CEO and a board of directors in place, we will put the structure in place. There is a technical backgrounder that is very detailed as to the objectives and values.

As I mentioned in my speech, in my experience — I was saying 20 years of auditing, and I always think I'm 40, but I'm 60, and 1984 is a long time ago — the top challenge with mergers and acquisitions was integrating the acquisition, getting the values: Do they have our values? Our values will be different.

This is a new Crown corporation. We're acquiring the shares. We have a clean slate, as I said in my speech, and going forward, we can build on it, get the right CEO and board of governors. Wouldn't you agree with that? Wouldn't you agree that a common first step is the acquisition of shares? How else could it be done?

Senator Marshall: No, I can't agree with you, Senator Loffreda. The first step should have been creating the corporation by a statute, and it should have been included in the bill. All of this information that you're talking about, the boards and whatever is included in the backgrounder — the government should have had that; that should actually be in the bill.

The corporation doesn't exist — you're saying you have to buy shares in the corporation, but the corporation doesn't exist. What's the minister buying shares in? What's the control over the $2 billion? And it's not just $2 billion — it's $2 billion-plus, so she can requisition additional monies out. There is no information on the corporation. There is nothing there.

As parliamentarians we should be very concerned that we have a section of a bill that talks about $2 billion to buy shares of a corporation that doesn't exist. Not only that, we don't know anything about the corporation. All we're depending on is a couple of pieces of paper called the backgrounder. If it's so important, put it in the bill so we can debate it.

No, I don't agree with you. I would call it non-existent controls over $2 billion and more.

Senator Loffreda: Would you not agree that something as important as the Canada growth fund, which in the technical backgrounder you did read, and I'm sure you read it three times, as I did, so I'm not questioning that — and good job on your speech, by the way — but wouldn't you agree that the right way to go about it is to start a new Crown corporation and not include it in, as I mentioned in my speech, like the Canada Infrastructure Bank, where the values and the objectives of an existing corporation are totally different from this Canada growth fund, which has clear objectives?

As you've seen in the technical backgrounder and in the Fall Economic Statement, there are clear objectives. It is clear as to what the government intends to do with this growth fund, what the objectives are and where the money will be invested. This is $2 billion to buy shares; the CEO will come next, then the board of directors, and the investments will come afterwards.

Would you not agree that the best way to do it is to have a new slate when it comes to technology especially, because equipment and technology become obsolete very quickly?

Going forward, would you not agree that a clean slate is the best way to go? Create a new corporation, and the purchase of shares is the first common step of creating any corporation. Would you not agree with that?

Senator Marshall: I cannot agree with you, Senator Loffreda, because the corporation hasn't been created. There is no corporation there. The bill says, "Give the minister $2 billion so she can buy shares in a subsidiary corporation." So I said, "Oh, what's the name of the corporation so I can look it up?" And somebody says, "Oh, don't worry, it hasn't been created yet." There is nothing in the legislation, and for you to look and say, "Oh, we have a backgrounder with information, oh, yes" — listen, I want to see it in the legislation. That's the right way to do it.

Some Hon. Senators: Hear, hear.

[*Translation*]

Hon. Renée Dupuis: Would Senator Marshall take a question?

[*English*]

Senator Marshall: Yes, of course.

[*Translation*]

Senator Dupuis: Thank you. I always listen closely when you speak, and for good reason. Often, we pay more attention to the end of a speech, particularly if it is long. What struck me about the end of your speech is that you invited us to work on the tax reform. You said that the current system dates back to 1967, so there have been successive governments in office since that time.

In your opinion, what should the priority be for this comprehensive tax reform?

[*English*]

Senator Marshall: I think the priority should be the entire system. How the government goes about it, I would leave it up to the government, but they need to have some sort of task force with a good cross-section of representatives from both the business and charitable communities. You need a good cross-section of people. I think it's going to be a big undertaking.

Ever since I've become involved with the National Finance Committee, I've been raising the issue. Senator Loffreda and Senator Duncan have raised it. But despite all the people and organizations who are saying to the government, "Please reform our taxation system," it seems that the government hasn't made any attempt at all.

I'll give you an example. I talked about the taxation of corporations. Someone needs to look at how corporations are taxed, this thing with the share buybacks. What's happening is the government is bringing in all these new measures, whether it's raising revenues or spending revenues, and you have a big mishmash of 3,000 pages. The government needs to set up some sort of task force to look at the overall tax system. I don't think they can do it just piecemeal. I think it has to be a comprehensive review, and there have been jurisdictions that have done it in more recent years.

I can remember the tax changes back in 1967, which kind of dates me. The government really needs to do something. The tax act is very difficult to read. I'm an accountant and even I'm muddled by it.

[*Translation*]

The Hon. the Speaker: I'm sorry, Senator Dupuis, but Senator Marshall's time has expired. Would you like to ask another question?

Senator Dupuis: As always, yes.

[*English*]

The Hon. the Speaker: Senator Marshall, are you asking for five more minutes to answer questions?

Senator Marshall: Yes.

[*Translation*]

Senator Dupuis: Thank you for your answer, Senator Marshall. I understand very well the idea of creating a fairly large group with broad representation to review the entire system. You mentioned a government initiative. Do you believe that the Senate, in one way or another, would have a role to play? For example, could the Standing Senate Committee on National Finance perhaps undertake this kind of reflection?

[*English*]

Senator Marshall: A number of individual senators on the Finance Committee have been promoting it and encouraging it, and we've included it in our Finance Committee reports. I would like to see more senators talking about it. If we did that, then maybe government would edge itself toward undertaking something or at least considering it.

Hon. Percy E. Downe: Senator Marshall, in your speech you mentioned tax evasion and the work of the Canada Revenue Agency. I wonder what your view is given that in April 2016 the Panama Papers were disclosed, and there were 894 Canadians with accounts there. As we know, it's not illegal to have an account overseas, but it appears that the Canada Revenue Agency has now determined there is over $9 million in unpaid taxes for those 840 Canadians. That was in 2016.

Countries around the world that had citizens there have been able to recover $1.2 billion from the Panama Papers. Australia recovered $92 million; Germany, $183 million; even Iceland recovered $25 million. Canada hasn't recovered one cent, and no one has been charged. What would you suggest we do about the Canada Revenue Agency?

• (2030)

Senator Marshall: I think the Canada Revenue Agency should start doing their job. They have been very well resourced. They have even been given resources specifically to look after the tax gap. They are measuring it, but they are not doing anything about it. The Canada Revenue Agency should step up to the plate, and start doing the job that they are being paid to do.

Senator Downe: I think it undermines Canadians' confidence in the tax system when, over 10 years ago, in one bank in Liechtenstein, there were accounts of 106 Canadians. Again, money was owing. Again, no one was charged.

Two years later, there was one bank in Switzerland with over 1,700 Canadians. Again, no one charged, and no one convicted — contrary to every other country in the world who were charging people recovering money.

Do you think there is a double standard in Canada? You referenced this briefly in your speech. Canadians receive a T4 slip and pay their taxes. The Canada Revenue Agency does an excellent job on domestic tax evasion. But if you can lawyer up and hire accountants, your chances of being prosecuted are nil to none. Would you agree with that statement?

Senator Marshall: Yes, I would agree with that. I have raised it now several times at Finance Committee, even when the Canada Revenue Agency has appeared before us.

On one occasion when we were talking about the tax gap, and not going after people who owed money, I remember an example of a student who had graduated from university, had moved out to Calgary and was claiming some travel expenses. They were telling me how the Canada Revenue Agency was constantly after them to pay a couple of hundred dollars in taxes.

I said to the Canada Revenue Agency, "The perception being left with taxpayers is that you're picking the low-hanging fruit." That's the way I put it. "You're picking the low-hanging fruit, and you're not going after the big guys."

The other thing that is happening is that everybody looks at high-income earners or corporations as possible tax evaders. There are many corporations and high-income earners out there that are paying all the taxes that are owed to the government. Yet, you can look and see that we have a tax gap of $35 billion to $40 billion. How come they are getting away with it? How come they are not paying their fair share?

That's what the Minister of Finance keeps saying. Everybody has to pay their fair share. What about these individuals and corporations that are caught up in the tax gap? They are not paying their fair share. It's time for the Canada Revenue Agency, and the government, to start collecting the taxes that are owed.

We would have a better-looking bottom line.

The Hon. the Speaker: Senator Marshall, your time has expired. I know Senator Loffreda has another question. Are you asking for more time so that you can take his question?

Is leave granted, honourable senators?

Some Hon. Senators: No.

The Hon. the Speaker: Leave is not granted.

Hon. Ratna Omidvar: I, too, rise to speak on Bill C-32, the fall economic statement implementation act, 2022. I will focus my remarks on one tiny subsection of the act. You guessed right; it is about charities. I urge you to be charitable to me as I encroach on your time at this late hour, and for good reason, colleagues.

During — and after — the pandemic, when Canadians were in need, it was Canada's many charities that stepped up to the plate to deliver essential services. It was not easy. This is not a sector that has the resources to pivot easily, but it did. In doing so, it provided much-needed services to young people in stress, to women in shelters and to poor people in need of food.

Now, post-pandemic, they are adjusting to new demands and a new reality. On the one hand, demands for their services are rising and, on the other hand, the level of donations is sinking. It is, again, the charities that are taking the brunt. They will be relieved and supportive of the measure in the bill that raises the disbursement quota for foundations from 3.5% to 5%. This measure, as Senator Loffreda has stated, will generate close to $400 million, or more, for charities throughout Canada.

As pointed out by the government, every year, charities are required to spend a minimum amount based on the value of their investment. If you set up a private foundation with an initial investment of $10 million for which you receive a charitable tax credit, there is an expectation that some base amount of the returns will be disbursed annually in pursuit of the charitable purpose of the foundation; this is known as the disbursement quota, or DQ. In the charitable sector, we call it the DQ, so I will call it the DQ as well. It ensures that charitable donations are being invested into our communities and not, instead, being hoarded in investment accounts.

In 1976, the government set the DQ at 5%. It subsequently lowered it to 4.5%, and it remained unchanged for 20 years — until 2004 when it was reduced from 4.5% to 3.5%. The policy rationale was that it needed to be more representative of historical, long-term real rates of return at that time. If you remember, there was a meltdown at that time. However, since then, the market has not only stabilized, but has generated returns of 10% or more, but the DQ has remained static at 3.5%.

Following consultations with the sector in 2021, Bill C-32 proposes to introduce a new, graduated disbursement quota for charities. For investment assets exceeding $1 million, the rate of the disbursement quota will be increased from 3.5% to 5%. This new, higher rate will boost support for the charitable sector, while being set at a level that is sustainable, and ensures the continuous availability of funding over the long term.

Colleagues, I support this measure for obvious reasons: It brings more private funding to charities. It brings us in line with similar jurisdictions, like the U.S. It is a modest change from 3.5% to 5%. Some advocates have pushed for a DQ of 10%, which would have seen more money go to charities. I believe that a jump to 10% would have been a leap too far, and would have seriously destabilized the sector. I am in full support of this cautious approach.

Who will this impact? There are roughly 5,800 private foundations in Canada with an asset base of $80 billion or so. In addition, there are charities like the YMCA who have endowments and trusts. Altogether, as Senator Loffreda has mentioned, they have an asset base of $116 billion.

Estimates suggest that the new proposed threshold of 5% for the DQ will trigger somewhere between $300 million to $500 million annually as incremental disbursements starting in

2023. Colleagues, this is not chump change. Given the needs of the hour — reconciliation, racial justice and equity, to name a few — an increase in the DQ is a reasonable policy ambition.

As always — in the foundation sector as well — there are leaders and laggards. Some foundations already disburse more than 3.5%; others don't meet the floor. As just one example of leadership, colleagues, last week The Winnipeg Foundation received $500 million from an individual, Miriam Bergen — the biggest single donation ever in Canadian history from an individual. The Ivey Foundation — a storied foundation in Canada — announced last week that they would not just meet the disbursement quota, but they would spend down their entire capital of $100 million over the next five years. They will spend themselves out.

• (2040)

This, colleagues, is just to give you a flavour of the generosity of Canadians. However, there are many endowments, trusts and foundations that do less than the bare minimum. There are many so-called mom-and-pop foundations that do less than we would expect of them given that they reap significant tax benefits on set-up.

Foundations are, by the way, also a growth market, growing at a higher rate than other charities. This is, of course, good. For one, it signifies that people are generous and that wealth is growing at a rate fast enough for individuals to set up such institutions. For another, it means that more money is going into the community to meet various needs that are considered charitable under the law.

This change in the disbursement quota comes at the right time. You will remember that in June of last year, we passed Bill C-19, which created a third way for charities to work with non-charities that wouldn't be stuck in the "own activities" or "direction and control" tests. It provided a reasonable, accountable path to get rid of the deeply imbedded form of systemic racism that was contained in the Income Tax Act, which made any intellectual property that was owned by the partner to be owned by the charity. I won't go over the arguments. You approved it unanimously, and, thankfully, it was passed into law.

Colleagues, these are big and important changes. In its place will be strong and effective partnerships. The increase in the disbursement quota will increase the absolute amount of money spent on causes, and because of the new changes, it will create a more equitable distribution of charitable funds that will reach Indigenous, BIPOC and local development communities in the global south.

I should tell you that although I agree with this proposal, there was some initial feedback from foundations that I'd like to share with you.

First, we know that the markets have been in economic turmoil this past year, and foundations are concerned about their returns in the moment.

Second, some foundations have bylaws that require the retention of their initial capital in perpetuity — these charities and foundations may find themselves in the unenviable position of taking on riskier investments to meet the new higher disbursement quota.

However, my position is that what goes up must come down, and what goes down must go up — at least I tell myself that every time I view the returns on my own investments.

In addition, should a foundation or charity be in severe straits, they are able to ask the Canada Revenue Agency for special consideration and an agreement can be reached to disburse less than the 5%. Under this new bill, the Canada Revenue Agency would be required by law to publish all such arrangements in the interest of transparency. This is new, and a welcome change.

Colleagues, if the principle of this bill is to encourage more charitable giving into the community, then the bill does miss an important opportunity because the amendment does not cover the fastest-growing instrument of charitable giving in Canada, and that is donor-advised funds.

Donor-advised funds enable a group or individual to give money to an existing charitable foundation or corporate foundation and the foundation handles all the administration, governance and reporting, for which it charges a fee, generally a percentage of total assets. The donor gets a tax receipt for the full amount at the moment they create the fund, but there is no requirement for them to disburse from it on an annual basis. Instead, the investment can grow in the fund, invested by the institution and not disbursed for important causes.

Since donor-advised funds are simpler to set up than a private foundation, many philanthropists are choosing this new and simpler route. There is less governance, less management and fewer headaches, which is all good. However, the problem lies in the disbursement.

The holding entity, which is usually a community foundation or corporate foundation, likely has many sub-funds. If, in total, on an aggregate level, they disburse 5%, then they are fine, but there is no requirement for every single fund to meet the threshold of 3.5% or 5%.

Perhaps this is the next measure the government can look at in the future — I'm not making an amendment, colleagues — given that the value of donor-advised funds in Canada today stands at $4.5 billion.

In addition, there is a growing group of enlightened foundations that want to bring their whole selves to their charitable purpose. They are not satisfied with disbursing a mere 5% of their total assets. They are investing their assets not in the financial market but in what we would call program-related

investments — in climate change, housing and reconciliation — and there is no allowance for them to include such progressive thinking in the disbursement quota.

Colleagues, in conclusion, I really welcome this measure and I encourage the government to look into future possibilities in the Income Tax Act to create greater fairness for both taxpayers and charities. Thank you.

Hon. Mary Jane McCallum: Honourable senators, I am compelled to rise again today to speak to Bill C-32, with specific reference to Division 3 of Part 4, that being the Framework Agreement on First Nation Land Management Act. My focus today will be on how the pre-study process commits an injustice to First Nations.

I have witnessed that with pre-studies we, as senators, cannot and do not attend to our matters as thoroughly as we should, and, therefore, are unable to apply proper sober second thought. Yet, as stated by other senators, pre-studies have become a normalized part of procedure, which creates problems.

As a senator who is First Nations, I am concerned about how this rush has breached my right of privilege. The interim report of the Standing Senate Committee on Rules, Procedures and the Rights of Parliament entitled *A Matter of Privilege: A Discussion Paper on Canadian Parliamentary Privilege in the 21st century* states that:

> . . . in the late 20th and now in the 21st century discourse about parliamentary privilege centres on how privilege should function in a rights-based legal system exemplified here in Canada by the *Canadian Charter of Rights and Freedoms*, and where the public expects increased transparency and accountability for the decisions made by parliamentarians.

The report cites the Supreme Court of Canada in *Canada (House of Commons) v. Vaid*:

> Parliamentary privilege in the Canadian context is the sum of the privileges, immunities and powers enjoyed by the Senate, the House of Commons and provincial legislative assemblies, and by each member individually, without which they could not discharge their functions.

Colleagues, my work and function rests with Indigenous peoples across Canada, including grassroots, leadership and specific interest groups. Part of my function is to bring their voices, which have been largely and historically unheard in this arena, to the Senate floor and into our committees. It is extremely difficult to do this with pre-studies.

• (2050)

In the artificially fabricated rush to deal with Bill C-32 via multiple pre-studies, I have been unable to ensure that the interested groups I represent have been empowered to be heard on relevant matters that are of critical importance. This has resulted from an inability to procure timely translation of their documents into French and an inability for them to bring proposed amendments forward due to the Office of the Law Clerk and Parliamentary Counsel being stretched too thin. This issue, which is of absolutely no fault of the Law Clerk's office, as they provide a crucial service, has previously affected my work in the Standing Senate Committee on Energy, the Environment and Natural Resources.

Of great concern in such instances is that this issue has already impeded me from being able to best demonstrate to my colleagues, who are charged with making decisions that have direct bearing on First Nations' lives and well-being, the impacts of the cumulative effects of resource extraction on Indigenous lives as well as on reconciliation efforts.

I'll be interested to see how French translation will be handled with these new committee studies. Why are some bills allowed amendments and others are not? This is differential treatment.

Honourable senators, in this specific situation with Bill C-32, Grand Chief Garrison Settee of the Manitoba Keewatinowi Okimakanak, or MKO, only heard about this bill very late in the process. He immediately presented a written submission to the Standing Senate Committee on Indigenous Peoples and the Standing Senate Committee on National Finance.

On December 1, 2022, MKO also requested to be invited to appear before the Indigenous Peoples Committee and the Energy Committee with regard to Part 4 of Division 3 of Bill C-32. To date, MKO has not received correspondence from either committee on the decision about their request to appear. More importantly, they have not been informed if or how their critical submission was taken into account.

Colleagues, MKO has championed thoughtful and determined efforts to uphold First Nations' rights to enforce and adjudicate First Nations laws enacted pursuant to the First Nation Land Management Act and of bylaws enacted pursuant to the Indian Act. The MKO is underscoring that the intent behind Parliament establishing these law-making regimes further to the inherent right of self-government is to move towards establishing the third level of government in the nation-to-nation relationship that the federal government speaks about.

However, these law-making regimes in First Nations communities are currently being rendered inactive by the policies and inaction of the Government of Canada and of the RCMP. The result, Grand Chief Settee says, are "stranded regimes" of unenforceable First Nation laws and bylaws.

What are the results of these stranded regimes? MKO Grand Chief Settee wanted to share critical information with all honourable senators about the real-life experiences of MKO First Nations in their struggle to apply enforcement of the self-governing law-making authorities of First Nations enacted through previous legislation, Bill C-49 in 1999 and Bill C-428 in 2015. Why do these uncertainties persist, despite legislation that was supposed to correct these injustices?

These real-life experiences impacted all communities that were then forced to scramble to best protect their people. This included lockdowns; social distancing; maximum number of patients in a dwelling, business or facility; trespass by prohibited persons during bans on non-resident travel; and health checks of persons entering the community — all protections afforded to other Canadians.

Honourable senators, one example that I previously read into the record recounts that the chief and council, First Nation safety officers and the pandemic response coordinator of the Misipawistik Cree Nation were abandoned by RCMP, who refused to enforce the COVID-19 emergency law enacted under the Misipawistik Land Code during the midst of a major outbreak of COVID-19 in the community.

The Public Prosecution Service of Canada has gone on record to say that PPSC has no mandate to prosecute offences under First Nation land code laws under the First Nation Land Management Act.

The First Nations Land Management Act was enacted to recognize the inherent right of self-government and the nation-to-nation relationship by providing the option to replace parts of the Indian Act. Where is this recognition of self-government when First Nations laws enacted further to a land code to protect the health and lives of First Nations during a declared global pandemic are then not recognized, respected, enforced and prosecuted? Requests for help in an emergency situation must be acted upon in a timely manner. Such requests cannot wait idly for the Attorney General's blessing — something that could take literally months to occur.

Colleagues, I concur with the statements by Senator Patterson that our pre-study of Bill C-32 has served only to rush legislation. I appreciate the senator's view that:

> . . . with Indigenous or grassroots organizations that often already face capacity issues, we need to give as much notice as possible to prospective witnesses. We need to slow down and make sure we are properly reviewing legislation, taking the time to hear from as many people and as many different perspectives as possible.

I acknowledge and concur with the statements made by Senator Francis that:

> . . . we are responsible for ensuring that the voices of historically marginalized, under-represented and oppressed individuals and groups are heard and acted on.

I also share the view of Senator Francis that:

> I further hope that the members of the Committee on National Finance have an opportunity to hear directly from MKO and perhaps others in relation to the proposed Framework Agreement on First Nation Land Management Act.

As requested by Senator Loffreda at the National Finance Committee, I, too, am looking forward to comments from the Deputy Prime Minister and Minister of Finance on the concerns about Bill C-32 raised by MKO, to which the Deputy Prime Minister and Minister of Finance advised as being, "Duly noted."

Honourable senators, the two amendments identified and submitted by MKO refer to two other acts of Parliament that are not included in Bill C-32 but directly impact the ability of enforceability by the First Nations land code laws. These two acts that impact the enforcement and prosecution of First Nations laws enacted pursuant to a land code include the Royal Canadian Mounted Police Act, R.S.C., 1985, c. R-10, and the Director of Public Prosecutions Act, S.C. 2006, c. 9, s. 121.

I believe that it was a serious oversight that these two statutes were not amended when this Framework Agreement was enacted in 1999. The problems with enforcement and prosecution were known in 1999 when Bill C-45 was first enacted, but they were thought of as being part of an ongoing, longer term discussion that never took place. The COVID-19 pandemic starkly illuminated the effects of the failure to enforce and prosecute.

Honourable senators, when I speak about the gaps created by legislation we pass, this is but one example. Because of this legislation, which is, once again, being rushed through this place, we are unable to do our fulsome research on the impact this legislation has on First Nations impacted by the bill. It also precludes us from identifying what recourse we have to best speak for the people for whom we have responsibilities. How can we practice reconciliation under such conditions?

It makes it very difficult to come up with solutions to help First Nations navigate the injustices created by siloed legislation. We must acknowledge the reality that we are seeing that pre-studies only add to the silencing of First Nations' voices. We must do better, and we must demand better. *Kinanâskomitin*. Thank you.

• (2100)

[*Translation*]

Hon. Diane Bellemare: Honourable senators, today I wish to add my voice to the debate on Bill C-32.

I was a little surprised by the debate we had on the Growth Fund. I may have been a little surprised, but not entirely. I do want to share some of my concerns about the Canada growth fund, but I would rather put it into context.

When I first looked at Bill C-32, I saw a number of very good measures in it and I thought it was very important that they pass. Consider, for example, the measures for students and for home ownership.

My interest for the Canada growth fund only grew after reading the bill, because I had looked at the Inflation Reduction Act of 2022, which was introduced in the U.S. last fall. That legislation provides for a set of measures aimed at reducing the impact of inflation on Americans, but also measures to stimulate American investment, promote the green transition and increase productivity while generating growth that will help reduce the deficit. The Inflation Reduction Act seeks to address a whole range of challenges.

At the same time, the legislation provides nearly $400 billion to companies in the form of tax credits and loans. I saw more tax credits than loans, but the Department of Finance saw more loans than tax credits. It depends how you interpret the American legislation.

In a nutshell, the U.S. Inflation Reduction Act contains a package of measures to stimulate business investment in the context of the transition to a greener economy. It is worth nearly $400 billion, not including the leverage effects that these measures are trying to achieve.

I understand that following the enactment of this U.S. legislation, the Government of Canada felt the need to take action, and that the bill before us includes a measure known as the Canada growth fund. When the minister appeared before the committee — I wasn't there, but I read the testimony — it was obvious that she was making a case for the urgent creation of a fund of up to $15 billion, which had been announced. She put it in this bill in order to immediately start making potential investments in businesses.

It is true that this raises many questions because the bill is relatively succinct and provides for $2 billion in shares held by the government, which will look to the Canada Development Investment Corporation to potentially make investments and oversee the transition.

Many senators obviously asked questions in committee. Senator Marshall asked some very interesting questions, as did Senator Gignac, Senator Loffreda, Senator Galvez, Senator Moncion and Senator Cardozo, who were all interested in this fund and in the lack of information — let's be honest — that was made available to us.

That said, we do learn a little more when we read the technical document for the Canada growth fund and the government's objectives for this measure.

I will read some excerpts. You will see that my goal is not so much to defend this measure as to try to suggest some elements the government could use in the next version of the bill, where there will be more information on the institution being created. I think this is a good opportunity to tell the government to include these elements in the next version. That's why I'm quoting from the fund's objectives:

> Because Canada's economic prosperity has traditionally been built on natural resources and other emissions-intensive industries, a substantial transformation of our industrial base will be required to meet our climate targets and ensure long-term prosperity for Canadians and the Canadian economy. Canada needs to build the technology, infrastructure, and businesses to reduce our carbon reliance, but this will not occur without rapidly increasing—and then sustaining—private investment in activities and sectors that will strengthen Canada's position as a leading low-carbon economy.

It goes on:

> The CGF is designed to invest in a manner that mitigates these risks that currently limit private investment, and unlock the domestic and foreign capital that Canada needs now.

Those are the objectives the fund seeks to achieve, in terms of the transition, on a rather broad scale.

The debate also made it clear that the situation is urgent. We also see in the newspapers that there are companies that started making investments, risky investments, that may decide to go invest in the United States without too many penalties being imposed. The fund therefore helps to somewhat defend the Canadian strategy and to say to companies that the government will also help them with technology and the more at-risk sectors, or at least that is how I see it.

The argument itself is not all that convincing, but the technical backgrounder lets us see the magnitude and complexity of the issue. In the technical backgrounder, we learn what risks the fund is trying to mitigate for businesses. We're not talking about small risks. These are big risks.

First, there's demand risk, which is associated with the uncertainty around end market pricing. There's also policy risk, which is related to uncertainty around climate regulations, such as a carbon price or clean fuel standards. Then there's regulatory risk, which is a big one that has to do with what the provinces can do with respect to project assessments and permitting approvals for construction projects. Finally, there's execution risk from building first-of-a-kind commercialized products and companies.

All of this is lingo to say that our companies are facing major risks. In this sense, the government will use this fund to find financial instruments that will allow it to receive returns on its investments and mitigate all various forms of risks at the business level.

This is what the government wants to do, but for the moment there's not much in the legislation that describes this measure, except for the information in the technical document.

In my opinion, the government should have introduced targets in the bill. It would have been quite simple to propose concrete greenhouse gas emission reduction targets. Those targets, as well as the elements and criteria to define them, are also found in the technical document, on the last page. There are several of them, I won't read them all, but the document could have stated that the first objective is to quickly and significantly reduce greenhouse gas emissions and to help reach Canada's climate targets.

• (2110)

The bill should also include potential performance metrics, such as annual greenhouse gas emissions reductions through the fund's investment in technology improvement projects and the fund's investment in businesses.

That said, I think we should give it the benefit of the doubt and wait for the next government bill. We have to tell the government that we want to see three things in its bill: results-based objectives, targets to achieve concrete results, and much broader governance than what was planned and described in committee.

In committee, the department mentioned that it had provided for governance by experts, finance experts who will be able to adopt the best instruments to lower investment risks for companies. Unfortunately, I'm not sure whether this is enough.

We heard some very interesting ideas from witnesses about the fund's governance. I'm thinking of Gil McGowan, the president of the Alberta Federation of Labour. He is a trade unionist who came to present elements of a report produced by the Alberta Federation of Labour entitled *Skate to where the puck is going*. In its report, the Alberta Federation of Labour provides for transition elements and an industrial strategy for Alberta. Mr. McGowan told the committee that the Canada growth fund lacks vision, and that the government should have one. Interestingly enough, he suggested that the Canada growth fund should be managed in a bicameral structure. I will read a excerpt of what he said in English, because I think it is clearer:

[*English*]

> I've shared the report with the clerk, so I would encourage you to take a look at the seven pathways we identified. The one thing about the growth fund that I want to emphasize and I mentioned it in passing in my opening remarks has to do with governance. We're suggesting that instead of simply creating an arm's-length organization that is run by investment managers that we have a bicameral structure where we have a stakeholder board on the top that will help provide direction and then an operational board that would handle investments.
>
> We actually have a bicameral structure like that for our big pension plans in Alberta. I acted of the chair of what we call the sponsor board to set general policy and then we had an operations board.

[*Translation*]

What we're suggesting to the government is that, in the next version of the bill, which should be arriving soon, there should be a governance structure of this nature to ensure that the projects that are chosen will facilitate a more macroeconomic transition rather than small, specialized projects.

Something else occurred to me when I compared the present situation to the experience in Quebec. Indeed, Quebec had a green fund. There was legislation, that has since been changed, there was a somewhat bicameral structure and results-based objectives. However, it takes time before there is any clarity in all this because it is a relatively complex issue. In my opinion, there's something missing in Canada to be able to make this highly necessary transition. We have the money, we know what we need to do, but there is no cooperation between the key economic players. Every government wants to do things in accordance with what the government in place decides.

In my opinion, the macroeconomic problem would require the creation not just of a fund, but of a Canadian prosperity council. Let's institutionalize a council of the provinces, the federal government, as well as representatives from the economy, namely businesses and the workforce.

It is a colossal challenge. If we created this type of council, we could give it the necessary vision to spend the money we have all around. There's money in Quebec; we're going to get some. This is what I hope for from the government: results-based objectives, a bicameral governance and a prosperity council.

Thank you very much.

[*English*]

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

Hon. Senators: Question.

The Hon. the Speaker: It is moved by the Honourable Senator Loffreda, seconded by the Honourable Senator LaBoucane-Benson, that the bill be read a second time. 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 please say, "yea."

Some Hon. Senators: Yea.

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

Some Hon. Senators: Nay.

The Hon. the Speaker: I see two senators rising.

And two honourable senators having risen:

The Hon. the Speaker: Do we have agreement on a bell? The vote will take place at 9:31. Call in the senators.

• (2130)

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

YEAS
THE HONOURABLE SENATORS

Audette	Gagné
Bellemare	Gerba
Black	Gignac
Boniface	Gold
Bovey	Harder
Busson	LaBoucane-Benson
Clement	Loffreda
Cordy	Marwah
Cormier	Miville-Dechêne
Coyle	Moncion
Dalphond	Petitclerc
Dasko	Ringuette
Dawson	Saint-Germain
Deacon (*Nova Scotia*)	Smith
Deacon (*Ontario*)	Sorensen
Dean	Tannas
Downe	Woo
Dupuis	Yussuff—37
Francis	

NAYS
THE HONOURABLE SENATORS

Ataullahjan	McCallum
Batters	Oh
Housakos	Patterson (*Nunavut*)
MacDonald	Plett
Manning	Seidman
Marshall	Wells—13
Martin	

ABSTENTION
THE HONOURABLE SENATOR

Wallin—1

REFERRED TO COMMITTEE

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

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

[*Translation*]

APPROPRIATION BILL NO. 4, 2022-23

SECOND READING

Hon. Raymonde Gagné (Legislative Deputy to the Government Representative in the Senate) moved second reading of Bill C-36, An Act for granting to His Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2023.

She said: Honourable senators, I'm pleased to rise today to introduce the appropriation bill for the 2022-23 Supplementary Estimates (B).

The government is requesting Parliament's approval of the planned voted spending that is detailed in the Supplementary Estimates (B) through the appropriation bill before us today.

As honourable senators will know, Parliament's approval of the Minister of Finance's federal budget does not authorize the government to spend funds.

Rather, appropriation bills serve as the vehicle through which payments from the Consolidated Revenue Fund are authorized for government programs and services.

Therefore, it is the responsibility of those of us in Parliament to authorize government spending through the estimates and their associated appropriation bills, like the one before us today.

I would note that the voted amounts in these supplementary estimates represent maximum "up to" ceilings or estimates.

Actual expenditures are published in quarterly financial reports, and total 2022-23 expenditures will be listed in the Public Accounts of Canada, which are tabled after the end of the fiscal year.

• (2140)

[*English*]

The estimates — together with the public accounts, Departmental Plans and Departmental Results Reports, which, I want to remind colleagues, were tabled on December 7 — provide important information and help us as parliamentarians scrutinize government spending.

Colleagues, this scrutiny is essential to a well-functioning democracy. Canadians must know and have access to a detailed breakdown of where their tax dollars are going. Accountability is achieved when the government is open and transparent about how taxpayers' dollars are spent. Accountability and good governance go hand in hand. Good governance, therefore, builds public confidence and trust in government.

As honourable senators know, the supplementary estimates provide information on incremental spending requirements. These requirements were either not sufficiently developed in time to include in the Main Estimates or have been refined to account for recent developments.

To date for this fiscal year, the 2022-23 Main Estimates presented $397.6 billion in planned budgetary spending, composed of $190.3 billion in voted expenditures and $207.3 billion in statutory spending.

The 2022-23 Supplementary Estimates (A) proposed an additional $9.7 billion in planned budgetary spending, made up of $8.8 billion in voted expenditures and $860 million in statutory spending across 26 federal organizations.

These Supplementary Estimates (B) provide information on $25.8 billion in planned budgetary spending, which breaks down to $20.8 billion in voted expenditures and $5 billion in statutory spending.

Taken together, both these supplementary estimates propose roughly the same amount of new spending as last year. This year, however, many initiatives were not ready in time for the spring estimates, so they are included in the estimates this fall.

Although statutory authorities receive Parliament's approval through separate legislation, they are included in these supplementary estimates to provide information on departments' total estimated expenditures.

[*Translation*]

With these supplementary estimates, the government continues to invest in priority areas such as support for Indigenous peoples, disaster relief and affordable housing.

Notably, eight organizations are each seeking $500 million or more. They are: the Department of Crown-Indigenous Relations and Northern Affairs, requesting $6.3 billion; the Department of Indigenous Services, requesting $2.2 billion; the Department of Public Safety and Emergency Preparedness, requesting $1.7 billion; the Treasury Board Secretariat, requesting $1.4 billion; the Public Health Agency of Canada, requesting $1.4 billion; the Department of Foreign Affairs, Trade and Development, requesting $1.2 billion; the Department of Citizenship and Immigration, requesting $1.2 billion; and the Canada Mortgage and Housing Corporation, requesting $694.6 million.

Colleagues, allow me to go over a few of the major areas of spending in these supplementary estimates.

[*English*]

Let me first start with the government's support for Indigenous peoples and their communities.

Colleagues, this government is deeply committed to a renewed nation-to-nation relationship with Indigenous peoples — a relationship that is based on recognition of rights, respect, truth, cooperation and partnership.

Indigenous nations have the right to self-determination and self-government and rightfully aspire to restoring strong and healthy communities. As part of Canada's ongoing journey toward reconciliation, the government is making necessary investments to support Indigenous peoples and their communities.

Honourable senators, these investments are making a real difference. They are helping settle long-standing claims, they are building important infrastructure and they are supporting services that are vital to the physical, mental, social and economic health and well-being of Indigenous communities.

[*Translation*]

Honourable senators, I would also note that the government is continuing the important work of improving housing infrastructure, supporting education and child care, and responding to the Truth and Reconciliation Commission's Calls to Action.

It goes without saying that important progress is being made. For example, with the help of $5.6 billion in new funding announced since 2015, 137 long-term drinking water advisories have been lifted on reserve as of December 1. These new funds also prevented 230 short-term drinking water advisories from becoming long-term advisories.

In these Supplementary Estimates (B), $6.3 billion is allocated to the Department of Crown-Indigenous Relations and Northern Affairs. That represents an 86% increase over the department's estimates to date for 2022-23. Allow me to provide a breakdown of some of the major items in this total.

[*English*]

As this chamber knows, the government is in active discussions with various Indigenous groups related to legal challenges.

Honourable colleagues, I want to assure you that the government is committed to resolving these challenges through respectful dialogue and mediation.

There is $3 billion being proposed in these supplementary estimates for out-of-court settlements to ensure that the department can quickly implement negotiated settlements should agreements be reached.

An additional $677.6 million in funding would go toward replenishing the Specific Claims Settlement Fund, and $673.5 million is earmarked for the settlement of the Blueberry River, Doig River, Halfway River and West Moberly First Nations' Treaty 8 Land Entitlement specific claims.

It is important to note that specific claims are grievances against the federal government regarding alleged failures to fulfill our historical treaty obligations or mismanagement of Indigenous lands and assets.

Claims and tribunal awards valued at up to $150 million are paid from the Specific Claims Settlement Fund. The fund is therefore being replenished based on anticipated payments for negotiated settlements and tribunal awards.

[*Translation*]

Specifically in these supplementary estimates, the government is proposing $673.5 million for compensation and administration costs for the Federal Indian Day Schools and Sixties Scoop settlement agreements.

Childhood claims refer to a broad category of past and ongoing legal actions against the Government of Canada. This includes experiences Indigenous claimants had relating to residential schools, boarding homes, Indian hospitals, adoption, and foster care. The funding will be used to make compensation payments related to the Federal Indian Day Schools Settlement Agreement and to cover the cost of the ongoing management of childhood claims, including payments for existing agreements.

Lastly, $458.2 million is allocated for First Nation, Inuit and Métis housing. The funds would be used to support site planning and preparation, new construction, major and minor repairs, land and lot development, operations and maintenance, capacity support, and other housing-related needs.

Honourable senators, it will indeed take time to address the legacy of these historical wrongs and vital needs, but the government's investments are making a difference. They are helping address inequalities that exist between Indigenous and non-Indigenous peoples in Canada.

[*English*]

I would now like to address the second major spending item in these supplementary estimates: funding for disaster assistance. From coast to coast to coast, Canadians have experienced various natural disasters brought on by climate change. The science is clear: These destructive events will continue, and without continued action to address climate change, their frequency will only increase.

• (2150)

As the government works to achieve a comprehensive climate plan, it also realizes that individual Canadians affected by natural disasters need support and relief.

In the event of a large-scale natural disaster, the government provides financial assistance to provincial and territorial governments. As honourable senators well know, federal funding to provinces and territories is based on a cost-sharing formula, with a wide range of eligible expenses. Those include items like cleanup and repairs to public infrastructure, property of individuals, small businesses and farms.

These supplementary estimates propose $1.5 billion — that is out of $1.7 billion — for disaster financial assistance to assist British Columbia with its response and recovery costs from recent natural disasters, including the 2020 flood and landslides as well as the 2021 fires, floods and landslides.

In its study, *Treading Water: The impact of and response to the 2021 British Columbia floods*, the Standing Senate Committee on Agriculture and Forestry shed light on challenges faced in southwestern British Columbia with flood control and emergency preparedness. I would like to commend the committee for their excellent work.

[*Translation*]

Honourable senators, although we have come a long way in our battle against COVID-19, we all know the pandemic is not over yet.

This is particularly the case in developing countries, which have struggled to obtain the proper testing and therapeutics.

The government believes Canada has an important role to play in vaccine equity around the world.

That is why these supplementary estimates propose allocating $732 million to the Department of Foreign Affairs, Trade and Development to provide developing countries with vaccines, testing and therapeutics to fight COVID-19.

This funding will be used to procure and distribute COVID-19 vaccines, diagnostic tests, and therapeutics, as well as to build capacity in developing countries' health systems.

In countries with low vaccination rates, the funding will support COVID-19 vaccine delivery, vaccine production, and outreach and awareness campaigns to increase vaccine confidence.

We all also know that COVID-19 is not done with us yet. As the virus continues to evolve, Canada will be prepared.

With this in mind, $696.2 million is proposed for the Public Health Agency of Canada.

The funding would support the continued development and acquisition of vaccine doses, including new formulations to provide the best protection against COVID-19.

With these investments, we will continue to address the impacts of COVID-19 both in Canada and abroad.

[*English*]

Honourable senators, we also know that Canada's housing shortage is making it difficult for Canadians to find affordable housing. Budget 2022 proposed measures that, in partnership with actions taken by other orders of government, will put Canada on the path to double the construction of new housing and meet Canada's housing needs over the next decade.

The Supplementary Estimates (B) include funding for the following housing measures in Budget 2022: $750 million to provinces and territories for transit and housing, which was authorized under Budget Implementation Act, 2022, No. 1; as mentioned earlier, $458.2 million for self-governing and modern treaty First Nation, Inuit and Métis housing; $441.6 million for the Rapid Housing Initiative, which aims to create new affordable housing for people and populations who are vulnerable; and $10.3 million to co-develop an urban, rural and Northern Indigenous housing strategy.

These supplementary estimates further build on those measures. In addition to funding announced in Budget 2022, I'm pleased to say that these estimates also contain funding for a number of other Canada Mortgage and Housing Corporation programs, such as $91.8 million for the Affordable Housing Innovation Fund; $38 million for the Federal Lands Initiative, which supports the transfer of surplus federal lands and buildings to be developed or renovated for use as affordable housing; and $27 million for the Rental Construction Financing Initiative.

At the end of the day, every Canadian deserves a safe and affordable place to live and raise their families.

Honourable senators, the proposed funding in these estimates demonstrates the government's commitments to priorities at home and abroad, from investing in Indigenous communities to providing disaster financial assistance and providing programs for affordable housing.

[*Translation*]

If there is one thing that world current events have taught us, it's that we are all in the same boat. The estimates show that the government is responding to immediate needs while continuing to make long-term investments that benefit all Canadians.

Before I conclude, I would like to thank, once again, the Standing Senate Committee on National Finance for its study. Thank you for your hard work. I appreciate the time you have devoted to studying the various financial bills throughout the year and especially during supply periods. Your input is greatly appreciated. Esteemed colleagues, I urge you to pass this bill without delay.

Thank you.

[*English*]

Hon. Elizabeth Marshall: Honourable senators, I rise to speak to the government's fourth appropriation bill this year, following Bills C-16, C-24 and C-25.

This appropriation bill is requesting approval to spend another $20 billion. In addition to the $20 billion being requested, the government already has parliamentary approval to spend $200 billion, which was approved by the previous three appropriation bills. Approval of this bill will increase spending approved by appropriation bills to $220 billion.

There is also another $215 billion approved by legislation other than appropriation bills, such as the Canada Health Transfer via the Federal-Provincial Fiscal Arrangements Act and public debt charges, which are approved by the Financial Administration Act.

I have said in this chamber a number of times that parliamentarians should spend more time reviewing statutory spending. The $215 billion in statutory spending is comparable to the $220 billion requested in appropriation bills. We studied the $220 billion in the appropriation bills, yet there is no comparable study of the $215 billion in statutory spending.

Honourable senators, government spending plans change many times throughout the year, and that presents a challenge for parliamentarians when reviewing those plans. To give you an idea of the complications of following the government's spending, consider the following. Prior to April 1, we approved the first appropriation bill. Next, we received the budget bill, which approves some of the spending in the budget, but not all. In June, we received the second and third appropriation bills based on Main Estimates and Supplementary Estimates (A). In November, we received the Fall Economic Statement and the bill to implement some of the spending in the Fall Economic Statement, Bill C-32, which is before us this week.

In December, we received another appropriation bill based on Supplementary Estimates (B). This is Bill C-36, which is also before us today. Then in March, we will receive another appropriation bill, based on Supplementary Estimates (C). Some budget items and some fiscal update items are included in Supplementary Estimates (C).

• (2200)

Interspersed with all these bills, there are other bills that will provide parliamentary approval to spend money on other programs. For example, Bill C-31 was recently enacted, giving the government approval to spend on a dental program for children and a rental housing program.

To further complicate the process, the government will request approval for part of a program in one bill, while the funding for the remainder of the program will be requested in other bills. This was the process used for the new $30 billion child care program, in which $2.6 billion of the $30 billion was approved by the Budget Implementation Act, 2021, while approvals for the remaining amounts are being requested in appropriation bills.

There are also numerous other transactions that fall outside the appropriation bills and are not studied during our review of the appropriation bills and estimates documents. As I mentioned earlier, statutory spending so far this year exceeds $200 billion, Employment Insurance benefits are $24 billion, and the Canada Child Benefit is another $24 billion. There are also a number of other significant transactions that affect government spending that are not included in our study of the estimates, the supplementary estimates or the appropriation bills.

Honourable colleagues, my purpose in explaining the approval process for government spending is to convey to you the difficulties in tracking government spending. The process used by the government to obtain parliamentary approval to spend money is, as former president of the Treasury Board Scott Brison said, "totally irrational" or, as the Parliamentary Budget Officer recently said in a podcast with *The Hill Times*, "an absolute mess." To Mr. Brison's credit, he did attempt to fix the process or at least streamline it, but after his departure, no further work was undertaken by the government to simplify the process.

This government was elected in 2015 on a platform that promised open and transparent government. Specifically, the government promised to "change Parliament's financial processes so that government accounting is more consistent and clear." The commitment went on to say, "We will ensure accounting consistency among the Estimates and the Public Accounts." We are still waiting for the government to honour that commitment.

Honourable senators, it is time for the government to fix the problem with the estimates process or at least make a start. Actually, it is past time.

This appropriation bill is requesting additional funding of $20 billion for 89 departments and agencies. Seven organizations are requesting over $1 billion each, and the Canada Mortgage and Housing Corporation is requesting $695 million. There is

also $7 billion in statutory spending, for which approval has already been provided by other legislation. Included in this $7 billion is $2 billion for a one-time top-up to the Canada Health Transfer, just under $2 billion for assistance to Ukraine, $1.8 billion for COVID-19 tests and $750 million for provinces and territories for transit and housing. We don't study any of that spending.

One of the overarching commitments of this government is their commitment to openness, transparency and accountability. I have often spoken in this chamber as to the lack of openness and transparency and the delay by government in tabling accountability documents such as the public accounts, the Debt Management Reports and the Departmental Results Reports. In fact, my comments so far today explain the difficulties in following the government's array of spending plans.

The C.D. Howe Institute, a well-respected think tank, regularly provides a report card on the usefulness of the budgets, estimates and financial statements of the federal, provincial and territorial governments. The most recent report, released in September, reviewed the financial statements for 2020-21 and the budgets and estimates for 2022-23 of the federal, provincial and territorial governments.

Alberta was at the top of the class with an A, with the Yukon close behind with an A-. In the B-rating categories were Saskatchewan, New Brunswick, Ontario and Quebec. In the C categories were P.E.I. and Nova Scotia. In the D category was the federal government, Newfoundland and Labrador, Manitoba, British Columbia and the Northwest Territories. This was an improvement for the federal government because last year, it scored an F rating.

I do not understand why the federal government, with all the resources at its disposal, rated an F score last year on financial accountability documents and only a D score this year. The government should be able to do better than this. Canadians and parliamentarians deserve better.

The Departmental Results Reports were released on December 6, much too late to be of any use during our review of Supplementary Estimates (B), this Appropriation Bill C-36 and Bill C-32. A brief review indicates that 84 organizations established 2,676 performance indicators or targets, of which 1,331 met their target — just under 50%.

While a complete review of the Departmental Results Reports has yet to be completed, I can offer an example of the challenges a detailed review will identify. The government launched an Early Learning and Child Care strategy in 2020 at an estimated cost of $30 billion over five years. Objectives — or performance targets — included a 50% reduction in average fees of child care by the end of this month, the creation of 250,000 child care spaces over five years as well as the creation of around 50,000 child care positions. The department did not establish performance targets to annually measure the number of additional child care spaces created or the number of child care positions. Rather, the department is measuring whether access to early learning and child care has increased, with a target of 40,000 and a target date of March 31, 2022.

However, the Departmental Results Report indicates results are not available for 2019-20, 2020-21 or 2021-22 — just no results available. As well, there are no performance targets or criteria to measure whether child care fees have been reduced by 50% by the end of this month. Without this performance information, the government does not know whether its $30-billion child care strategy is successful.

In his report on the Main Estimates in March, the Parliamentary Budget Officer provided an overview of the increase in Indigenous spending within the two Indigenous departments. Spending in the two departments has increased from $14 billion in 2018-19 to $57 billion so far this year.

A significant part of the funding in Indigenous Services Canada is for out-of-court settlements, with $20 billion related to the compensation for Indigenous children and families harmed by the underfunding of child and family services. The government and the Assembly of First Nations had reached an agreement in principle to disburse the funds, but the Canadian Human Rights Tribunal did not support the agreement in principle. Officials from Indigenous Services Canada had informed the Finance Committee that the federal government and the Assembly of First Nations would seek a judicial review of the Canadian Human Rights Tribunal's decision rejecting the $20 billion settlement.

Honourable colleagues may recall that I had asked Senator Gold a question on this matter last month. At a recent Finance Committee meeting, department officials and Treasury Board officials assured the committee that the $20 billion is frozen and that "it remains in our appropriation. . . . It's dedicated to compensation, and it cannot be spent on other priorities."

Last week, the Assembly of First Nations passed a resolution urging Canada to place a minimum of $20 billion earmarked for compensation into an interest-bearing account and compensate all victims covered by both the tribunal's rulings and the class action. Given the significant funding provided to both departments for various claims and settlements, it is important for our Finance Committee to continue its oversight of these significant expenditures.

Supplementary Estimates (B), which supports this Bill C-36, includes $2 billion in statutory spending for the Canada Health Transfer. This is in addition to the $45 billion disclosed in the Main Estimates. This $2 billion was provided to jurisdictions to reduce backlogs of surgeries and other procedures during the pandemic.

• (2210)

The Canada Health Transfer is the largest transfer to provinces and territories to help pay for health care. Our health care system is in crisis, and provinces and territories have asked the federal government for a $28 billion increase in health care funding, which they say will increase the federal contribution toward health care costs from the current 22% to 35%. There is no provision in any spending document for any additional funding for the Canada Health Transfer.

Honourable senators, our government is facing significant economic challenges, along with problems in delivering basic government services. Inflation has taken hold, and Canadians are struggling to cope with the increasing costs of food, fuel and other necessities.

On December 5, four Canadian universities published *Canada's Food Price Report 2023*, which predicts food prices will continue to increase between 5% to 7% in 2023, with the costs of vegetables, dairy and meat increasing the most. Food bank usage is up across the country. Interest rates continue to rise even though the government had assured Canadians that interest rates would remain low. Given the increase in inflation, Canadians are now borrowing more to make ends meet.

Homeowners are facing increased mortgage payments. Some Canadians who purchased homes when housing prices peaked now have mortgages that exceed the value of their homes.

Increased interest rates and more borrowing are also increasing government's debt servicing costs to the extent that government's debt servicing program is now one of its most expensive programs. Along with these economic challenges, economists are warning of a recession as we head into 2023.

Canadians cannot access health care. More Canadians have no family doctor, and there are long lineups for services at clinics and emergency rooms. Surgeries and diagnostic services are postponed, and our health care providers are overwhelmed. Especially concerning is the impact that the lack of health care services is having on our children. Over-the-counter medications for children are in short supply.

The government is challenged to provide other public services. There are lineups at passport offices. Applications by veterans for financial assistance and services are backlogged, and of the 2.2 million immigration applications outstanding, approximately 1.2 million are backlogged.

Even access to information requests are backlogged while the objective of the Access to Information Act is, ". . . to enhance the accountability and transparency of federal institutions . . . ." Canada's Information Commissioner recently told a standing committee in the other place that the government failed to meet its legislated timelines on more than 30% of the 400,000 access to information requests made in the last year.

Honourable senators, Canadians are waiting for their government to take a leadership role. How much longer must they wait?

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

Hon. Senators: Question.

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

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

Some Hon. Senators: Agreed.

An Hon. Senator: On division.

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

[*Translation*]

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

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

BUSINESS OF THE SENATE

Hon. Raymonde Gagné (Legislative Deputy to the Government Representative in the Senate): Honourable senators, with leave of the Senate and notwithstanding rule 5-13(2), I move:

That the Senate do now adjourn.

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

Hon. Senators: Agreed.

(*At 10:14 p.m., the Senate was continued until tomorrow at 2 p.m.*)

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