



# DEBATES OF THE SENATE

---

1st SESSION



44th PARLIAMENT



VOLUME 153



NUMBER 215

---

OFFICIAL REPORT  
(HANSARD)

Wednesday, June 19, 2024

The Honourable RAYMONDE GAGNÉ,  
Speaker

## CONTENTS

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

*Publications Centre:* [Publications@sen.parl.gc.ca](mailto:Publications@sen.parl.gc.ca)

---

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



## THE SENATE

Wednesday, June 19, 2024

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

Prayers.

### SENATORS' STATEMENTS

#### NATIONAL SICKLE CELL AWARENESS DAY

**Hon. Jane Cordy:** Honourable senators, today is National Sickle Cell Awareness Day in Canada. Sickle cell disease and thalassemia are the most common genetic diseases in the world. An estimated 6,500 Canadians and their families live with sickle cell. For many, the only treatment is regular blood transfusions.

Sickle cell anemia, or sickle cell disease, is transmitted through parents who each carry the sickle cell gene. It causes red blood cells to become fragile and sickle shaped. These cells transport oxygen throughout the body, and when there is a deficiency in oxygen, serious complications arise and can have devastating consequences on quality of life and health.

Manifestations of the disease include episodes of severe pain and increased risk of serious infection and death. The disease causes damage to the organs and increases the risk of stroke to up to 300 times higher than that of the general population.

Honourable senators, I had the great pleasure of attending the annual Hope Gala & Awards in Toronto this past weekend, hosted by the Sickle Cell Awareness Group of Ontario. At the event, the Honourable Dr. Jean Augustine was awarded the Legislative Award of Excellence. Jean was recognized for her decades of advocacy in raising awareness in her community and here on Parliament Hill.

On November 3, 1997, Jean was the first person to speak about sickle cell in the House of Commons. This conversation continues today. I was also fortunate to attend the second annual Parliamentary Sickle Cell Breakfast on the Hill this morning, hosted by the African Canadian Senate Group.

Honourable senators, on this June 19, I would like to remember a sickle cell warrior and advocate, Angela Ngozi Njoku, who passed away on May 21, 2024, at the age of 53, due to complications from sickle cell. She was known as a strong advocate in Nova Scotia for those living with the disease. Angela was born in Ghana but moved to Halifax with her family in 1976 as a young girl. Anyone who was lucky enough to meet her was greeted with her smile and warm personality.

Honourable senators, I wish to thank Senator Mégie and the African Canadian Senate Group for their continued advocacy for sickle cell awareness. By working together, we can all continue to make a difference in the lives of so many.

Thank you.

**Hon. Senators:** Hear, hear.

### OIL TANKER MORATORIUM ACT

#### FIFTH ANNIVERSARY

**Hon. Peter Harder:** Honourable senators, I rise to recognize that this Friday, June 21, marks the fifth anniversary of the passage of Bill C-48, Canada's North Pacific oil tanker ban. I was honoured to work with Senator Jaffer, the sponsor of that bill, which was of great importance to British Columbia and many First Nations of the Pacific Northwest.

Bill C-48 formalized a policy, established in 1985 by former prime minister Brian Mulroney, aiming to prevent a major oil spill in one of the world's last great natural ecosystems. B.C.'s northern coast includes one quarter of the world's remaining intact coastal temperate rainforest and the most biologically productive seas on our planet. The region is home to giant red cedars, salmon, spirit bears, cougars, bald eagles and over 25 species of marine mammals.

Today, I will share with you a statement from Chief Marilyn Slett, President of the Great Bear Initiative, representing the eight First Nations on British Columbia's north and central coasts and on Haida Gwaii, who helped guide the Senate in passing Bill C-48. She said:

It is now five years since Bill-C48 was enacted. During this time, our nations have worked with the governments of British Columbia and Canada to protect the natural environment, mitigate and adapt against climate change, revitalize coastal fisheries, clean up plastics and abandoned fishing gear, create jobs for youth and develop a landmark Marine Protected Area Network Action Plan. Our work leads Canada's marine protection plan commitments of 25x25 and 30x30.

During the past five years, there have been no major oil spills, but an Exxon Valdez-type spill would be absolutely catastrophic for our First Nations, British Columbia and Canada. We remain vigilant against this risk.

In the spirit of the UN Declaration on the Rights of Indigenous Peoples and the reconciliation agenda of both Crown governments, we thank Parliament for protecting our ancestral homelands and waters through Bill C-48, which upholds our constitutional and inherent rights.

No other governments and communities are as directly dependent upon and tied to the marine environment as we are.

Senators, long may this law protect the Great Bear Rainforest and its surrounding seas in respect of the wishes of this territory's ancestral guardians, the Coastal First Nations.

Five years ago, this bill was born amid high rhetoric and great contention in this chamber. Today, it is accepted for the environmental protection it provides. Maybe there is a lesson here for us today.

**Some Hon. Senators:** Hear, hear.

## MENNONITE MIGRATION TO MANITOBA

### ONE HUNDRED AND FIFTIETH ANNIVERSARY

**Hon. Donald Neil Plett (Leader of the Opposition):** Honourable senators, 150 years ago, Mennonites started leaving imperial Russia to immigrate to Canada. They left their homes in Borosenko, Ukraine — a land of almost subtropical climate and rich soils — and made the long and hazardous voyage to a wild frontier they knew very little about. They did not do so lightly. They had previously moved to Russia from Poland in the late 18th century after they were invited by Catherine the Great, who promised them land, religious freedom and exemption from military service. But later, when Czar Alexander II reneged on these freedoms, they had no choice but to leave.

The appeal they sent to the government official to ask for permission to leave shows the importance of their faith in this decision. They wrote, "We are not leaving with ingratitude; but rather, we take leave of Russia with heart-rending tears and thankfulness . . ." They also wrote, "It is our priceless and holy duty to preserve and cling to the faith of our fathers . . ."

The first wave of immigrants arrived in August 1874, landing at the junction of the Red River and the Rat River near Ste. Agathe, Manitoba, after a trip of 15,000 kilometres. They had travelled by horse and wagon, river steamer, train, ocean steamer, laker and finally by paddleboat down the Red River from North Dakota.

Four months later, those with access to trees had already built houses of timber, sod and plaster, and surprisingly, all the Mennonite families had warm homes and stables for the winter. They were hard-working, ambitious and determined.

But do not mistake this to mean it was easy. Their first few years in Manitoba were extraordinarily difficult, and not everyone survived. However, they persevered.

The first villages were established on a parcel of land set aside for them by the government east of the Red River known as the East Reserve. Those villages were named Steinbach, Blumenort and Kleefeld, and this is where the first Evangelical Mennonite Conference — then known as the Kleine Gemeinde — churches were established, with others to follow as the population expanded.

One such expansion happened in 1918, when families moved into the Landmark area and a Kleine Gemeinde church was planted, which thrives after more than 100 years. My great-grandfather, the Reverend H. R. Reimer, pastored this church for its first 25 years.

• (1410)

This past Sunday, we closed our church service by singing the very hymn sung by those Mennonites departing Russia in 1874 as they left behind family and friends, many of whom they would not see again in their lifetimes. This hymn is called "God Be With You Till We Meet Again."

In closing, I would like to read you the words of the first verse:

God be with you till we meet again,  
By His counsels guide, uphold you,  
With his sheep securely fold you;  
God be with you till we meet again.

I am thankful for the vision, sacrifice and perseverance of my ancestors, who came to Canada to preserve their faith and to help make Canada what it is today.

*Danke schoen.* Thank you.

**Hon. Senators:** Hear, hear.

[*Translation*]

## VISITORS IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, I wish to draw your attention to the presence in the gallery of Biba Tinga, Jude Mary Cénat and Dwayne Morgan. They are the guests of the Honourable Senator Mégie.

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

**Hon. Senators:** Hear, hear!

## NATIONAL SICKLE CELL AWARENESS DAY

**Hon. Marie-Françoise Mégie:** Honourable senators, every June 19 in Canada, we mark National Sickle Cell Awareness Day, which was established after Senator Cordy's bill was given Royal Assent.

A parliamentary breakfast sponsored by the African Canadian Senate Group was held this morning in partnership with the Sickle Cell Disease Association of Canada and the Interdisciplinary Centre for Black Health.

We took this opportunity to present King Charles III's coronation medals to Biba Tinga, president of the Sickle Cell Disease Association of Canada, and to Dr. Jude Mary Cénat from the University of Ottawa for their ongoing efforts on issues related to sickle cell disease.

Plenty of action is being taken. This morning, the member for Hamilton Centre launched an online petition that families can sign. Tomorrow, Dr. Cénat's team is hosting a forum at the University of Ottawa on advancing sickle cell care globally. According to the World Health Organization, roughly 5% of the world's population carries the sickle cell gene and 300,000 people are born with a severe form of the disease. This disease affects nearly 6,000 people across Canada, and that number continues to grow.

I would like to remind you that sickle cell disease is particularly prevalent among persons with ancestors from Africa, the Caribbean, the Middle East, South America and some regions of India and the Mediterranean.

Since it is National Sickle Cell Awareness Day, I invite you to share the awareness campaigns on social media, so that Canadians can be better informed, better diagnosed and better treated against the ravages of sickle cell disease.

Thank you.

[English]

#### VISITORS IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, I wish to draw your attention to the presence in the gallery of members of the Survivors Circle and the Governing Circle of the National Centre for Truth and Reconciliation. They are the guests of the Honourable Senator Francis.

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

**Hon. Senators:** Hear, hear!

#### INDIGENOUS SURVIVORS

**Hon. Brian Francis:** Honourable senators, before I begin, I would like to acknowledge that I am speaking from the traditional unceded territory of the Algonquin Anishinaabe people.

Today I am honoured to welcome members of the Governing Circle and Survivors Circle of the National Centre for Truth and Reconciliation.

They are accompanied by Stephanie Scott, Executive Director of the National Centre for Truth and Reconciliation, and other staff.

In honour of their visit, this National Indigenous History Month I want to pay tribute to the significant contributions that First Nations, Inuit and Métis people and, specifically, survivors of the Indian Residential Schools and Indian Day Schools have made and continue to make to Canada.

[ Senator Mégie ]

These individuals are not only a testament to the enduring strength and resilience of Indigenous peoples, but have also inspired hope and change for current and future generations. Each of them has endured many hardships and is deserving of our respect, care and gratitude.

It is due to their courage and determination to speak about their experiences and their relentless pursuit for justice and healing that this country has begun to reckon with its past and present treatment of Indigenous peoples. They deserve our respect, gratitude and protection.

While Indigenous people have long been aware that many of our children died at residential schools or associated sites, announcements made since 2021 about several potential unmarked burials across the country have brought renewed attention to these tragedies.

Today, survivors, their families and communities are working actively to preserve and share the truth of what happened at these institutions. They are also leading search-and-recovery efforts to help bring respect, honour and dignity to the children who never returned home.

Colleagues, we must ensure that those who are undertaking this difficult work receive sustained and adequate funding and other supports from the federal government.

Colleagues, this month and throughout the entire year, I invite you to listen and learn from Indigenous survivors, including those in attendance today. I call on you to support them and their families and communities, not just with words but with actions. Let's work together to acknowledge the past, confront the present and improve the future.

Lastly, I would like to express my thanks to the Canadian Senators Group, who offered me this spot to make my statement.

*Wela'lin.* Thank you.

**Hon. Senators:** Hear, hear.

#### VISITORS IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, I wish to draw your attention to the presence in the gallery of Betty Patterson, Senator Coyle's mother, and Anne Patterson, Senator Coyle's sister.

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

**Hon. Senators:** Hear, hear!

#### PRIDE MONTH

**Hon. Mary Coyle:** Honourable senators, I am honoured to rise today to join you in celebrating Pride Month.

I know we all share the core Canadian values of respect for diversity, inclusion, acceptance and understanding. These values were highlighted in 2017 by the Honourable Grant Mitchell when introducing Bill C-16, which made changes to the Canadian Human Rights Act and the Criminal Code to protect the rights of transgender and gender-diverse people in Canada.

I am pleased to welcome my sister Anne and my 97-year-old mom, Betty.

This statement is a love letter to my mom and my brother. Our mother was born 60 years after Confederation into a Roman Catholic family in the small town of Perth, Ontario, into a Canada where homosexuality was hidden and forbidden by both church and state.

Mom was 42 years old when Canada changed its law to decriminalize consensual homosexual acts, and she was 78 when same-sex marriage became legal.

My mom is a matriarch, the oldest of 10, the last remaining aunt in my father's large family, a mother of 7, a grandmother of 14 and a great-grandmother of 20. My mom was a nurse who helped women have babies and helped care for them.

On November 4, 1955, on the eve of my first birthday, my handsome Irish twin, Patrick, was born in Orillia, Ontario. Patrick was a precocious child, very charming and bright. We were all jealous when he was chosen to go on "Romper Room."

Mom and Dad loved us and wanted the best for their kids. They were strict and very devout Catholics; mom still is. What they didn't know is that their son Patrick, who appeared to be thriving socially, academically and, later, professionally, was hiding a major part of his identity from them and from others.

Patrick is gay. Sadly, he felt it wasn't safe for many years to be out — to be himself — in his family or in society, and he was probably right. Thank goodness for the love of Patrick's close friends.

Fortunately, when Patrick did bravely come out to our parents in his thirties, he was embraced with love and care. Mom and dad were sad for the hardships Patrick had experienced growing up.

We, his siblings, were relieved our parents were accepting and not condemning of our brother. That couldn't have been easy for them.

Honourable colleagues, as we all work to protect the rights of Canadians in these times when 2SLGBTQI rights — and in particular, transgender children's rights — are increasingly under threat, let's encourage Canadians to choose love and acceptance.

My mom did, and I love her for that.

*Wela'liog.* Thank you.

**Hon. Senators:** Hear, hear.

• (1420)

## VISITORS IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, I wish to draw your attention to the presence in the gallery of Fritz Radandt and Robin Dhir. They are the guests of the Honourable Senator Martin.

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

**Hon. Senators:** Hear, hear!

---

## ROUTINE PROCEEDINGS

### FEDERAL OMBUDSPERSON FOR VICTIMS OF CRIME

2021-22 ANNUAL REPORT TABLED

**Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate):** Honourable senators, I have the honour to table, in both official languages, the 2021-22 Annual Report of the Office of the Federal Ombudsperson for Victims of Crime.

2022-23 ANNUAL REPORT TABLED

**Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate):** Honourable senators, I have the honour to table, in both official languages, the 2022-23 Annual Report of the Office of the Federal Ombudsperson for Victims of Crime.

## JUSTICE

LAW COMMISSION—2023-24 DEPARTMENTAL PLAN TABLED

**Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate):** Honourable senators, I have the honour to table, in both official languages, the 2023-24 Departmental Plan for the Law Commission of Canada.

## ADJOURNMENT

## MOTION ADOPTED

**Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate):** Honourable senators, with leave of the Senate and notwithstanding rule 5-5(a), I move:

That, notwithstanding rule 3-1(1), when the Senate next adjourns after the adoption of this motion, it do stand adjourned until Thursday, June 20, 2024, at noon.

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

**Hon. Senators:** Agreed.

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

**Hon. Senators:** Agreed.

(Motion agreed to.)

[*Translation*]

## NATIONAL IMMIGRATION MONTH BILL

## FIRST READING

**Hon. Amina Gerba** introduced Bill S-286, An Act respecting National Immigration Month.

(Bill read first time.)

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

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

[*English*]

## CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

NATIONAL CONFERENCE OF STATE LEGISLATURES,  
AUGUST 13-16, 2023—REPORT TABLED

**Hon. Michael L. MacDonald:** Honourable senators, I have the honour to table, in both official languages, the report of the Canada-United States Inter-Parliamentary Group concerning the National Conference of State Legislatures, held in Indianapolis, Indiana, United States of America, from August 13 to 16, 2023.

COUNCIL OF STATE GOVERNMENTS EAST'S ANNUAL  
MEETING AND REGIONAL POLICY  
FORUM, AUGUST 20-23, 2023—REPORT TABLED

**Hon. Michael L. MacDonald:** Honourable senators, I have the honour to table, in both official languages, the report of the Canada-United States Inter-Parliamentary Group concerning the Council of State Governments East's Sixty-second Annual Meeting and Regional Policy Forum, held in Toronto, Ontario, from August 20 to 23, 2023.

CONGRESSIONAL VISIT, NOVEMBER 13-16, 2023—REPORT TABLED

**Hon. Michael L. MacDonald:** Honourable senators, I have the honour to table, in both official languages, the report of the Canada-United States Inter-Parliamentary Group concerning the Congressional Visit, held in Washington, D.C., United States of America, from November 13 to 16, 2023.

COUNCIL OF STATE GOVERNMENTS NATIONAL CONFERENCE,  
DECEMBER 6-9, 2023—REPORT TABLED

**Hon. Michael L. MacDonald:** Honourable senators, I have the honour to table, in both official languages, the report of the Canada-United States Inter-Parliamentary Group concerning the Council of State Governments National Conference, held in Raleigh, North Carolina, United States of America, from December 6 to 9, 2023.

"CANADA DAY IN ALBANY" HOSTED BY THE  
NEW YORK CONSULATE GENERAL  
OF CANADA, FEBRUARY 27-28, 2024—  
REPORT TABLED

**Hon. Michael L. MacDonald:** Honourable senators, I have the honour to table, in both official languages, the report of the Canada-United States Inter-Parliamentary Group concerning the "Canada Day in Albany" hosted by the New York Consulate General of Canada, held in Albany, New York, United States of America, from February 27 to 28, 2024.

[*Translation*]

## MENTAL HEALTH, SUBSTANCE ABUSE AND ADDICTIONS PARITY

## NOTICE OF INQUIRY

**Hon. Sharon Burey:** Honourable senators, I give notice that, two days hence:

I will call the attention of the Senate to ongoing concerns with respect to mental health, substance abuse and addiction parity in Canada.



## NATIONAL FRAMEWORK ON SICKLE CELL DISEASE BILL

PETITION TABLED

**Hon. Marie-Françoise Mégie:** Honourable senators, I have the honour to table a petition from the residents of British Columbia, Ontario and Quebec expressing their support of Bill S-280, An Act respecting a national framework on sickle cell disease.

[English]

## QUESTION PERIOD

### FINANCE

#### CAPITAL GAINS INCLUSION RATE

**Hon. Donald Neil Plett (Leader of the Opposition):** Leader, yesterday, a House of Commons committee looking into the terrible upcoming capital gains tax increase heard from Mr. Larry Stefanec, a plumber from Winnipeg. He is very worried about his retirement due to these tax changes. He told the committee:

... I understand we all have to pay our share. I could live with a 50% capital gain structure, but now I hear it's going up to 66%. for no reason other than the government needs more money. I'm just a regular everyday person who happens to be a plumber running a business trying to live a good life. Why am I being penalized for hard work?

I just do not understand how the current Liberal government got so out of touch with the people. . . .

Those are not our words, Leader, but those of Larry Stefanec of Winnipeg.

Leader, what is your response to him? Why is the Trudeau government punishing hardworking people?

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

The government is of the view that the change in the inclusion rate for capital gains is an appropriate and measured response that introduces greater equity into our tax system. Colleagues will remember that the inclusion rate used to be 75% all the way through the 1990s. There is no evidence that it changed the economic performance of the country.

Also, it's not obvious that something was demonstrably gained when the inclusion rate was lowered to 50% in 2000.

This is a proportionate, measured device to introduce fairness. It is important to remember that the funds that will be gleaned from this revenue, which totals approximately \$19.4 billion, will be applied to the needs of Canadians in the areas of housing, pharmacare and dental care.

**Senator Plett:** Leader, Mr. Günter Jochum, who runs a grain farm just west of Winnipeg, told that same House of Commons committee:

When I consulted my tax accountant, he estimated that I will pay 30% more taxes. These numbers are staggering, and if the capital gains inclusion rate is increased for family farms, it will impose a substantial tax burden on new farmers such as my daughter Fiona at the beginning of their careers.

What do you say to Fiona, leader? How is this fair?

**Senator Gold:** Thank you for your question.

The question of the impacts upon farms, farmers and the transfer of ownership between generations is one the government is aware of and taking seriously. That is why the lifetime capital gains exemption on the sale of small businesses, generally, for farming or fishing properties, has been altered by 25% to \$1.25 million.

#### GOVERNMENT SPENDING

**Hon. Leo Housakos:** Senator Gold, the Governor of the Bank of Canada, Mr. Macklem, said a few days ago that the \$61 billion of new spending by the Trudeau government is not helpful in bringing down inflation and interest rates.

When will this government give up on its terrible nine-year experiment, which has yielded nothing but a historic rise in the cost of living, with doubled rents and mortgages and 1 million more Canadians in food bank lines this year compared to last year?

• (1430)

I know you're going to say there are forces beyond our control, international forces, the dog ate my homework and all the rest of that because the Trudeau government is never responsible for anything.

The opposition, in a constructive manner, has been giving you a path forward after nine years to try something different. Cut taxes. Give Canadians a break. Reinject the hard work that Canadians have put into this economy for them to help grow the economy, not from the heart out but from their own —

**Hon. Marc Gold (Government Representative in the Senate):** The Government of Canada respects the work of the Bank of Canada and its efforts — which were significant — to bring down the level of inflation, and the work it continues to do to find the right balance between controlling inflation and allowing our economy to continue to grow.

Again, Senator Housakos, notwithstanding your repetition of these points, they're not correct in fact. They are simply not correct.

The policy options that you have provided so generously to the government are tired policies that have proved ineffective and acknowledged by even their proponents, whether in the Conservative Party of Canada or south of this border.

This government has invested in Canadians during the pandemic and will continue to invest in the creation of a robust and sustainable economy for generations to come.

**Senator Housakos:** Senator Gold, the only thing Canadians are tired of are nine years of the tax-and-spend Liberal government of Justin Trudeau.

The facts now remain that, thanks to the spending by this government like drunken sailors, it's costing Canadians families an extra \$3,687 to pay for Justin Trudeau's interest alone on the debt he has accumulated in this country. Fifty-four billion dollars is going in interest to pay the debt. Six million Canadians don't have a doctor.

When will you stop the tax-and-spend policies and put a cap on spending?

**Senator Gold:** Thank you for your question.

The government's budget and legislation implementing it, which we will be debating shortly, is the response of the government in this regard — a measured, responsible approach that balances the need to continue to invest, whether in defence or other areas, and in maintaining a strong economy for the future.

## CANADIAN HERITAGE

### ACTION PLAN ON COMBATTING HATE

**Hon. Mary Coyle:** Senator Gold, as we celebrate both Indigenous History Month and Pride Month in the Senate, I'm happy to be able to welcome my sister, Anne, whose husband, Morley Stewart, is a talented Cree artist from Wemindji; and my mother Betty, who is a proud mom of seven, including my gay Irish twin Patrick Patterson.

Patrick was born in 1955 into a Canada where homosexual acts were criminal. This changed in 1969 when he was 14. Since then, many advances have been made.

However, Senator Gold, today in Canada, 25% to 40% of homeless youth identifies as 2SLGBTQI and 52% of 2SLGBTQI seniors fear being forced back into the closet in residential care.

What is the progress on Canada's Action Plan on Combatting Hate and what are the metrics of success?

[ Senator Gold ]

**Hon. Marc Gold (Government Representative in the Senate):** Thank you very much for your question. Thank you for the lovely love letter to your mother and family. I am now on notice that my 95-year-old mother is jealous. I will have to do better.

In response to your question, I have been informed that the government's work on Canada's combatting hate action plan is ongoing and supported by a \$273.6 million investment.

The main goals are to support community outreach, law enforcement reform to address the rise in hate crimes, counter radicalization and increase support for victims.

I also note the government has launched the Federal 2SLGBTQI+ Action Plan, which aims to advance the rights of equality for two-spirit, lesbian, gay, bisexual, transgender, queer, intersex and additional sexually and gender diverse people in Canada.

The government remains steadfast in its commitment to build a safer and more inclusive society for today and for generations.

**Senator Coyle:** Senator Gold, when my brother gave me permission to use his name today, he said that not long ago he wouldn't have felt safe to do so. He said he would trade Pride Month every year for a daily affirmation of the Golden Rule.

In 64 countries, being gay is not only unsafe, it's illegal. Senator Gold, what is Canada doing to advance the human rights of 2SLGBTQ people internationally?

**Senator Gold:** Thank you. Let me make three points quickly.

In order to promote and protect the human rights of people in those communities, the government engages constructively at both bilateral and multilateral levels to promote and protect their human rights, consults and works closely with civil society organizations in Canada and abroad to advance those rights and supports international assistance programming that seeks to advance human rights and improve socio-economic outcomes for LGBTQ2SI+ people.

[*Translation*]

## INFRASTRUCTURE AND COMMUNITIES

### AFFORDABLE HOUSING

**Hon. Éric Forest:** Senator Gold, the Prime Minister and the Leader of the Conservative Party are implying that municipal red tape is to blame for the housing shortage.

However, the Institut de recherche et d'informations socioéconomiques has revealed that the number of new housing units built in at least four of Quebec's major cities has kept pace with demographic growth for the past 20 years. Quebec has no shortage of condos or single-family homes. The problem is that we did not build homes to meet priority needs, like rental housing for families and affordable housing, especially for our low-income seniors.

Instead of pushing around municipalities, which have managed the expansion effectively over the past 20 years, why doesn't the federal government take a collaborative approach with local governments, in other words, municipalities?

**Hon. Marc Gold (Government Representative in the Senate):** That is exactly what the government is trying to do. Municipalities are on the front lines when it comes to addressing some of the biggest challenges facing Canadians today.

That's why the federal government has taken a highly collaborative approach to working with the municipalities on finalizing 179 agreements across the country to fast-track the approval of 107,000 additional housing units over the next three years and to spur the construction of over 750,000 new housing units for Canadians in the next decade. These measures add to the \$2.4 billion allocated under the Canada Community-Building Fund for 2023-24 to help municipalities meet their infrastructure needs.

**Senator Forest:** Leader, the reason Quebec experienced strong growth in the housing industry is that interest rates were low for 20 years.

The municipalities were able to absorb that growth. The housing crisis is due to the fact that we spent 20 years building condos and single-family homes instead of rental units and affordable housing. For nearly 30 years, the Canada Mortgage and Housing Corporation also contributed to the problem by disengaging from social housing.

Will the government admit that it needs to do a lot more to create social and affordable housing and to involve the Canada Mortgage and Housing Corporation?

**Senator Gold:** Yes, the government recognizes that rent is too high everywhere and that more young families than ever are renting. That is why the government is unlocking over 600,000 new rental homes across the country for the middle class and investing \$1.5 billion in the Canada Rental Protection Fund to keep affordable units affordable. The government is unlocking Canada Post properties and other public lands to address this need.

[English]

## PUBLIC SAFETY

### NATIONAL SECURITY AND INTELLIGENCE COMMITTEE OF PARLIAMENTARIANS

**Hon. Scott Tannas:** My question is for Senator Gold.

Last Tuesday, Senator Downe asked you about granting access for the leaders of each recognized group or caucus to examine the National Security and Intelligence Committee of Parliamentarians, or NSICOP, report in order to take any necessary actions related to their respective members.

You responded by saying, not once but twice, the government is reviewing the request.

While we're in the dark, there is a cloud of doubt over each member in this chamber. My question to you is how much time will it take to get an answer?

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

As I've mentioned on a number of occasions — and I won't belabour the point — this is a serious and complicated matter. It involves not only the government and Parliament, but also other security and intelligence institutions that are engaged in the important work of both protecting us from foreign interference but also have the responsibility to do so in a responsible way.

• (1440)

I do not have a timeline for the decision of the government, but, again, as frustrating as this may be to many of our colleagues here, my office is engaged, and we are awaiting the decision of the government.

**Senator Tannas:** Leader, today we're going to begin consideration of Bill C-70, the countering foreign interference act. Surely it is not lost on you the irony of us undertaking this given the circumstances.

Senator Gold, you've often talked about the fact that, in addition to being the Government Representative in the Senate, you're also the Senate representative to the government. What are you doing specifically to point out how difficult this situation is by virtue of the lack of a decision to provide what has already been provided to the House of Commons?

**Senator Gold:** Thank you. As I've stated before, my office has raised the issue proactively with the government. The government is very aware of the concerns of the senators in this regard. We continue to be engaged with the government on this file.

## EMPLOYMENT AND SOCIAL DEVELOPMENT

### INCLUSIVITY FOR SENIORS

**Hon. Wanda Thomas Bernard:** My question is for Senator Gold. Senator Gold, the 2024 federal budget falls short, as it is not inclusive for all seniors. While the 10% increase in the Old Age Security pension for seniors aged 75 and older is a step in the right direction, it overlooks those aged 65 to 75. Furthermore, seniors aged 65 to 75 may face additional barriers because of disabilities, gender, racialization or Indigeneity or other intersecting identities, and they risk falling into poverty due to these benefit limitations. The budget lacks comprehensive measures for all seniors.

Senator Gold, what will Canada do to ensure that budgets address these gaps to ensure financial security for all seniors?

**Hon. Marc Gold (Government Representative in the Senate):** Thank you for your question, and for underlining the challenge that many seniors of different ages continue to face.

The government will always consider measures to improve the federal government's ability to provide support to Canadians. The current budget and, for many years, this government's investments have done their best to assist. There's always, of course, room to improve, and the government is always open to suggestions in that direction.

**Senator Bernard:** Senator Gold, I have a particular interest in Black seniors. Yesterday, I had the pleasure to attend and participate in the launch of a summit, led by Dr. Josephine Etowa at the University of Ottawa, planning for 10 years of research on Black health. One of the speakers, Dr. Cénat — who is actually here today — noted that there is a lack of quantitative data on Black seniors in Canada, but we know they are likely to be disproportionately impacted by issues of poverty. What else is the Canadian government doing?

**Senator Gold:** I'm not really in a position to answer that specific question, as important and broad as it is.

What resonates with me, among other things, is the importance of proper data and disaggregated data so that we can understand not only generally how certain age cohorts are faring, but also how other factors — race and others — intersect to aggravate or complicate those disadvantages.

## PUBLIC SERVICES AND PROCUREMENT

### PROCUREMENT PROCESS

**Hon. Yonah Martin (Deputy Leader of the Opposition):** Leader, my question concerns comments made by the RCMP Commissioner and Deputy Commissioner before the House committee yesterday. They confirmed that more than six criminal investigations are currently under way related to federal contracting. In October, Canadians learned the RCMP was unable to pursue a criminal investigation into the SNC-Lavalin scandal because the Prime Minister refused to provide all relevant documents or let certain individuals testify. The RCMP simply did not receive all the information that it needed or requested.

Leader, can you confirm the Trudeau government is now providing the RCMP with access to all unredacted documents that it requests, along with access to witnesses?

**Hon. Marc Gold (Government Representative in the Senate):** The information that often comes to the government with regard to these matters is, obviously, reviewed by the government in light of all the important constraints that may or may not apply. The announcement that there are indeed many investigations under way is an important one, but because investigations are under way, colleagues, I'm not in a position and the government will not comment on ongoing investigations.

**Senator Martin:** Leader, as you know, the Auditor General is investigating the over \$200 million in sole-source contracts given by the Trudeau government to Accenture to run the Canada Emergency Business Account, or CEBA, loan program. Has the RCMP reached out to the Trudeau government for access to documents and witnesses in relation to these contracts? If so, have they been provided?

[ Senator Gold ]

**Senator Gold:** Again, thank you. As RCMP Commissioner Duheme recently stated, there are several investigations going on at that level. Again, I cannot and the government will not be commenting on those matters.

[Translation]

## INDIGENOUS SERVICES

### INDIGENOUS BUSINESSES

**Hon. Claude Carignan:** Leader, when the renewal of the Procurement Strategy for Indigenous Business was announced in 2021, First Nations representatives identified numerous flaws in the system and alerted the government. However, in typical fashion, the government turned a deaf ear. As a result, the program has become a veritable sieve. Anyone can get funding for anything.

According to *The Globe and Mail*, the number of businesses listed on the Indigenous Business Directory has jumped by 40% since the new strategy was announced. The value of contracts awarded now totals \$862 million, but who is getting those contracts? Front companies that turn around and pass the contracts off to others.

In light of yet another grand failure, what will the government do to fix the program?

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

Based on the information I have, the Indigenous procurement office maintains a list of organizations. In order to register for the directory, organizations must demonstrate that they are majority-controlled and majority-operated by the Indigenous community.

I also understand that audits are under way at the request of the Minister of Public Services and Procurement. If there are any shortcomings in the system, they will be corrected.

**Senator Carignan:** Leader, the law is being circumvented through the loopholes that were identified, namely front companies. We don't need an audit. We need an RCMP investigation.

Will you turn the files over to the RCMP?

**Senator Gold:** Once again, first, as Mr. Duheme mentioned, the government does not comment on RCMP investigations, and second, even though a plethora of investigations have been announced by the RCMP, these investigations are ongoing and no conclusions can be drawn at this point.

[English]

## AGRICULTURE AND AGRI-FOOD

### RECOMMENDATIONS OF COMMITTEE

**Hon. Paula Simons:** Senator Gold, the Standing Senate Committee on Agriculture and Forestry has just presented our report entitled *Critical Ground: Why Soil is Essential to Canada's Economic, Environmental, Human, and Social Health*. In the report, we made 25 recommendations, including the appointment of a national soils advocate, the creation of a national soils database and the designation of soil as a national strategic asset. The committee has, of course, asked various government ministers and ministries for a response, which I hope will be received in the fall. However, I wanted to ask if the federal government has any preliminary reaction to this important study led by our esteemed chair, Senator Black?

• (1450)

**Hon. Marc Gold (Government Representative in the Senate):** Thank you for your question. It, indeed, was an important study, and the government thanks the Senate for its work on this important issue, which is not always at the front of mind for Canadians and therein lies one of the added values that our Senate studies can bring by putting issues on the policy agenda that would otherwise be ignored.

The government takes seriously the Senate's recommendations and is studying them seriously, as they merit, and will issue its response to the recommendations as soon as it has finished its study. I do not have a timeline for that.

**Senator Simons:** Thank you very much. Senator Gold, one of the other recommendations in the report was to create a national permafrost assessment program. Our committee heard really disturbing testimony about the potential release of carbon as permafrost melts. In our Transport and Communications Committee, we also heard testimony about the dangers created for our infrastructure systems as permafrost melts and settles.

Does the government share a pressing concern about the state of permafrost in this country?

**Senator Gold:** The Senate should be assured that the government is very much aware — as many senators are, such as those of us who have travelled to the North, for example — that climate change is affecting the North more than any other part of the earth. That has impacts in all kinds of areas, many of which you have mentioned and many others which you have not. The government takes these very seriously.

## PUBLIC SAFETY

### NATIONAL SECURITY AND INTELLIGENCE COMMITTEE OF PARLIAMENTARIANS

**Hon. Percy E. Downe:** Senator Gold, the redacted report of the National Security and Intelligence Committee of Parliamentarians states that the Canadian Security Intelligence

Service, or CSIS, produced a body of intelligence that showed that foreign actors cultivated relationships with Canadians whom they believed would be useful in advancing their interests, particularly members of Parliament and senators, with a view to having Canadians act in favour of the foreign actor and against Canada's interests. In this respect, their efforts extended beyond normal diplomatic activities.

Senator Gold, the report implicated no one and everyone — the House of Commons and the Senate combined. All of us are currently under a cloud. The loyalty to Canada of parliamentarians has been called into question by this report. In fact, some senators' loyalties are now an open question in the media.

Why can't the four leaders of the groups in the Senate read the unredacted report so that they can address the cloud hanging over all senators?

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

I've answered several times, Senator Downe, that the government is considering how to respond to this request, and is taking it seriously.

I will also note, as Senator Tannas did — although drawing a different conclusion from it — that we will begin third reading debate on Bill C-70, which addresses this important challenge to our democratic institutions. I look forward to that debate later today.

I would also say that the issue is now being considered under the mandate of Justice Hogue, and, in that regard, we also will benefit from her reflections on this matter.

**Senator Downe:** Senator Gold, the *Ethics and Conflict of Interest Code for Senators* states in section 7.1(1) that, "A Senator's conduct shall uphold the highest standards of dignity inherent to the position of Senator."

And in section 7.2, it states, "A Senator shall perform his or her parliamentary duties and functions with dignity, honour and integrity."

In particular, section 44.(1) makes it clear:

A breach of the Code by any one Senator affects all Senators and the ability of the Senate to carry out its functions . . .

How is the Senate to enforce this code if the Senate leaders are not given the opportunity to read the report of the National Security and Intelligence Committee of Parliamentarians?

**Senator Gold:** Senator Downe, again, I will repeat that it is an important issue that you're raising, but it's equally important that the response to your request be done in a responsible way — one that protects both the sources of information and the reputations of those who may be named in that report. In that regard, my answer stands.

## PRIME MINISTER'S OFFICE

### PRIME MINISTER'S TRAVEL

**Hon. Donald Neil Plett (Leader of the Opposition):** Let's talk a little bit about what the Prime Minister is doing to make life more affordable for Canadians.

Leader, in April, I asked you about the enormous cost to taxpayers for the Prime Minister's tour of the Indo-Pacific region last September. At the time, the inflight catering alone for this trip was thought to be just under \$190,000.

Updated figures tabled in the other place show the cost was actually \$223,000. This was just for airplane food on a six-day trip, leader. That's almost 14 times what the average Canadian family will spend on groceries this entire year, leader — not worth the cost.

To top it all off, the Prime Minister's Office claimed in a press release that this trip was about — what else? — affordability.

The Prime Minister is out of touch and Canadians are out of money. Leader, how do you justify this?

**Hon. Marc Gold (Government Representative in the Senate):** The Government of Canada has taken important measures to address the question of the cost of living and affordability.

Allow me, in the brief time that I have, to mention just simply a few: passed legislation to eliminate the GST on new rental construction to build more rental apartments; strengthened the Competition Act to ensure that the Competition Bureau is empowered to hold grocers accountable to protect consumer interest; unlocked \$20 billion in new financing to build 30,000 more apartments per year; introduced a new mortgage charter to protect homeowners; launched a new tax-free First Home Savings Account now helping over half a million Canadians to save for their first home; supported seniors through the Canada Pension Plan, the Guaranteed Income Supplement and Old Age Security, all of which are indexed to inflation; delivered the enhanced Canada Workers Benefit for low-income workers, providing up to \$2,461 for families this year; delivered affordable child care as families in nearly half of Canadian provinces and territories are already benefiting from \$10-a-day child care; and there is more.

**Senator Plett:** Well, they're not successful. How many houses have been built?

We learned the other day that a quarter of Canadians now live in poverty, leader, because of this Prime Minister. There is no justification for these catering costs — none.

Leader, when I asked you about these costs in April, you said the government had put into place a spending review to refocus unnecessary spending.

Does this mean the catering for the Prime Minister's trip to Italy and Switzerland cost taxpayers less money, or did that cost us a small fortune as well?

**Senator Gold:** Canadians are still struggling and many are living in poverty; that is unfortunate, deplorable and regrettable.

I don't have information about what it costs to provide food to the Prime Minister, his security staff and others who accompany him, but, again, I repeat the following: The government is focused on helping Canadians get through difficult times, whether it's the child care agreements with the Canadian provinces or the carbon tax rebates, putting money back in the pockets of 8 out of 10 families in this country.

---

## ORDERS OF THE DAY

### BUSINESS OF THE SENATE

**Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate):** Honourable senators, pursuant to rule 4-12(3), I would like to inform the Senate that as we proceed with Government Business, the Senate will address the items in the following order: third reading of Bill C-70, with third reading of Bill S-17 and second reading of Bill C-20 being called after second reading of Bill C-75, followed by all remaining items in the order that they appear on the Order Paper.

### COUNTERING FOREIGN INTERFERENCE BILL

#### THIRD READING—DEBATE

**Hon. Tony Dean** moved third reading of Bill C-70, An Act respecting countering foreign interference.

He said: Honourable senators, I rise to speak at third reading of Bill C-70, the countering foreign interference act. This will be a shorter speech today, and I share your relief collectively and individually in that experience.

• (1500)

Bill C-70 is a significant legislative initiative touching on three existing acts and creating an important new one — all in the realm of national security and defence in Canada.

When we think about public policy initiatives, we are generally engaged in trying to seize opportunities — business opportunities, export opportunities — or addressing harms. Some of them are complex and need multi-faceted responses. In this case, the government tries to develop a range of approaches in an effort to wrap its arms around the nature and character of the problem that we're facing. We have seen here public servants in the room — senators Harder, Cotter, McNair, Oudar and Saint-Germain — who will attest to that.

In this case, Bill C-70 is designed to address the complex challenge of protecting Canadians and others living in Canada from foreign states seeking to interfere in Canadian democracy, major institutions and communities, including parliamentarians, diaspora communities and universities. These activities are deceptive, threatening and, in many cases, illegal.

Foreign interference — and malign foreign interference, more specifically — is distinct from legal and legitimate channels of engagement such as lobbying, advocacy efforts and regular diplomatic activity. Foreign interference takes complex forms, and it's evasive by nature.

We have learned about foreign interference through a number of reports and studies, and it's therefore necessary to develop multi-faceted approaches in order to disrupt these efforts. This is a feature of the countering foreign interference act.

I spoke at second reading about past initiatives to reform Canada's responses, and I want to do that in much briefer form today.

In 2019, before a Canadian general election, the government announced the Plan to Protect Canada's Democracy, which included, among other measures, the Critical Election Incident Public Protocol and the Security and Intelligence Threats to Elections Task Force.

In 2022, leaks emerged from the Canadian Security Intelligence Service, or CSIS, alleging that China had engaged in foreign interference in the 2019 and 2021 federal elections. This, in turn, prompted committee studies on foreign interference in the House of Commons.

In March 2023, the Prime Minister requested two independent reviews on the issue. The National Security and Intelligence Review Agency, or NSIRA, was asked to conduct a review focused on the production and dissemination of intelligence on foreign interference, including how it was communicated across the government.

In a parallel report released just weeks ago, the National Security and Intelligence Committee of Parliamentarians, or NSICOP, concluded that:

Foreign states conduct sophisticated . . . foreign interference specifically targeting Canada's democratic processes and institutions, occurring before, during and after elections and in all orders of government. These activities continue to pose a significant threat to national security, and to the overall integrity of Canada's democracy. . . .

China, India and Iran were named as the most active perpetrators.

In fall 2024, the government launched the Foreign Interference Commission to respond to increasing concerns about the issue. Witnesses reinforced the need to address this critical threat, reporting instances of foreign state actors monitoring,

intimidating and harassing them and their families. And, of course, we know this is a much more pressing issue in diaspora communities.

One year ago, the government also held public consultations to guide the creation of the foreign registry as well as separate consultations that focused on potential legislative amendments to the Canadian Security Intelligence Service Act, the Criminal Code, the Security of Information Act and the Canada Evidence Act.

I go through all of that again just to remind you, colleagues, that this bill did not come out of nowhere. It was not created in a vacuum. Indeed, it was the result of over a year of consultation and expert advice.

I will summarize again but briefly the key changes in this act without recounting the extensive detail covered at second reading.

First, changes to the Canadian Security Intelligence Service Act, the CSIS Act, would give CSIS new authorities to provide advice to non-federal partners, including other orders of government, enabling them to build resilience against threats; initiate a five-year parliamentary review of the CSIS Act; provide for a range of warrant powers tailored to the requirements of an investigation; and, importantly, allow CSIS to collect from within Canada foreign intelligence that resides outside of Canada.

The bill would also amend the Security of Information Act, or SOIA, to create new targeted foreign interference offences, including a general foreign interference offence committed for a foreign entity, an indictable offence committed for a foreign entity and political interference for a foreign entity. It would amend the existing offence of foreign-influenced threats or violence — section 20 — by removing the need to prove that the act actually helped foreign state actors or did harm to Canada. It would increase the penalty for preparatory offences from two years to five if done in connection with a SOIA offence, punishable by 10-plus years in prison. The bill would also amend the definition of "special operational information" to address the inappropriate sharing of military technology and knowledge.

Proposed changes to the Criminal Code would strengthen the legal response to sabotage by enacting a new sabotage offence focused on conduct directed at essential infrastructure and specify categories of protected essential infrastructure. The amendments would also expressly clarify that the sabotage offences do not apply to legitimate advocacy, protest or dissent in circumstances where there is no intention to cause the serious harms specified in the legislation. They would introduce a new offence of making, possessing, selling or distributing a device to commit a sabotage offence, such as malware or bots.

An amendment in the House of Commons also included a reference to essential infrastructure under construction.

Finally, colleagues, the foreign influence transparency and accountability act would enact the foreign registry, which would be administered and enforced by an independent foreign influence transparency commissioner. The commissioner would be appointed by the Governor-in-Council, which, by the way, distinguishes the bill from its Australian and UK counterparts, where the power rests with the minister responsible.

The appointment of the commissioner would require consultation with all the major groups and parties in the House of Commons and in the Senate, and final approval from both houses as well.

A foreign influence arrangement is defined as an arrangement under which a person undertakes to carry out, under the direction of or in association with a foreign principal, a number of activities in relation to a political or governmental process in Canada, including communicating with a public office holder, communicating or disseminating information that is related to the political or governmental process, and distributing money or items of value or providing a service or the use of a facility.

I would note that this is not an exhaustive list and that the term “political process” would capture not only elections and nomination contests but, crucially, also leadership contests.

An arrangement would require three elements, a three-part test: a person to act under the direction of or in association with a foreign principal, engagement in at least one of the foreign influence activities listed in the definition, and that the activity be performed in relation to a political or governmental process in Canada.

As a reminder, “foreign principal” is defined as:

. . . a *foreign economic entity*, a *foreign entity*, a *foreign power* or a *foreign state*, as those expressions are defined in . . . the *Security of Information Act*.

Colleagues, it warrants repetition: The bill is not intended to prohibit arrangements with foreign principals in Canada, but it does state that those arrangements should be transparent.

Failing to register an arrangement or activity within 14 days could result in penalties, such as a notice of violation or administrative monetary penalties to enforce or encourage compliance. In more serious cases, the commissioner would have the ability to pursue these violations as criminal offences, which police of jurisdiction could investigate.

Finally, as a result of an amendment in the other place, the statutory parliamentary review has been changed from five years to one year after a federal general election. This ensures there are additional checks and balances in the bill.

• (1510)

Colleagues, I also want to speak briefly about the pre-study at the Standing Senate Committee on National Security, Defence and Veterans Affairs. These meetings were chaired by our colleague Senator Dagenais, the deputy chair, because, as sponsor, I stood down as chair. I want to thank and applaud

Senator Dagenais for his diligent work and for managing a considerable number of intensive hearings with very tough issues under discussion.

At the same time, I commend my colleagues on the Standing Senate Committee on National Security, Defence and Veterans Affairs, who are a brilliant group of parliamentarians and not only provide good advice but ask tough questions and exercise judgment with diligence and grace. It’s a committee I am proud to be part of and to chair.

Thank you, colleagues.

The committee met for a total of 10 hours over three days — June 10, 12 and 13 — and heard from 35 witnesses. Witnesses highlighted their support for the bill and their expectation of seeing it passed quickly.

Daniel Stanton, a former intelligence officer at the Canadian Security Intelligence Service, or CSIS, stated that Bill C-70:

. . . will not only strengthen Canada’s national security, but foster more trust among Canadians in the resiliency of our democratic institutions.

He continued, stating:

Without these significant changes to the Security of Information Act, there will not be any serious consequences to foreign interference and transnational repression. These amendments, as well as the foreign agent registry, will significantly mitigate the significant threat to our nation’s national security.

Balpreet Singh Boparai of the World Sikh Organization of Canada said:

. . . the legislation gives CSIS the power to disclose information to any person or entity, should CSIS deem it relevant. This would be a positive step as members of the Sikh community have received duties to warn, with no details on the sorts of threats they face or any resources to protect themselves. . . .

Mehmet Tohti, Executive Director of the Uyghur Rights Advocacy Project, said:

The expansion of information disclosure to anyone, not just a public official, if deemed essential in the public interest, will allow for enhanced bureaucratic transparency.

He continued, saying that it:

. . . serves to strengthen Canada’s trust in the agency and in its capacity to detect, prevent and respond to the threat of foreign agents . . . .

Trevor Neiman from the Business Council of Canada said that Canada’s “. . . business community is broadly supportive of Bill C-70 in its entirety.”



He continued, saying:

Despite CSIS having both the knowledge and expertise to help Canadian companies withstand growing threats, CSIS's outdated legislation means businesses are left fending for themselves. . . .

He also said that:

With new threat intelligence sharing authorities, CSIS could communicate more specific and tangible information with Canadian companies. This would give business leaders a clear understanding of the growing threat, as well as the protective measures that could be taken to better safeguard their employees, customers as well as the communities in which they operate.

We also heard from many civil liberties groups, who are deeply concerned with the speed of this legislative process and some potential negative impacts of the bill on individual rights and liberties. We must listen closely to this community also.

Some observations appended to the report include the need for adequate resourcing for the RCMP to enforce the provisions of the bill; the uncertainty created for universities in their relationships and partnerships with foreign schools and the need for the foreign influence transparency registry commissioner to engage with these groups and provide guidance and clarity on their obligations under the act; the potential unintended impacts on diaspora communities and individual rights, including freedom of expression and freedom of association; and, lastly, the recognition that the committee would have benefitted from additional time to study this legislation.

Colleagues, we have heard from senators that we would all have appreciated more time to study such a complex bill and consider amendments.

I am going to share with you, and I hope my committee colleagues will understand and appreciate this, that toward the conclusion of our meeting and continuing on after the meeting ended, to a person — I believe this was a unanimous view — members of the committee were concerned enough that they were searching between themselves for appropriate approaches. One of those was that the committee not close down its study and end its terms of reference but, indeed, consider the possibility of seeking a new order of reference to continue observing the ongoing development and formation of the institution, the processes and the regulations that will be developed as a result of this registry's creation.

Colleagues, I understand all of these concerns that were raised. I want to state very clearly that my belief is that this is an urgent issue we need to act on now.

Foreign interference is a major and growing threat to our national security. It has already affected us. In fact, yesterday, David Eby, the Premier of British Columbia, in a letter addressed to the Prime Minister, said, "Serious allegations of foreign interference at the federal level are making headlines in B.C."

The letter continues, saying:

. . . our government does not have the information we need to intercept and address any alleged foreign interference at the provincial level.

Based on public media reports, we have credible reasons to suspect state-level interference with British Columbians with personal connections or relatives in China, Iran, Ukraine, India and Russia. We have grave concerns about the activities of transnational organized crime, based on our money laundering inquiry. Expert advice following a recent computer security incident involving provincial government e-mail has given us reason to suspect the involvement of a state-level actor.

Colleagues, we know this is not the only instance of state-level actors being involved with the electronic and digital infrastructure of private sector and government organizations, because we have seen reports on that too.

The premier's letter continues:

Once passed, please bring this bill into force immediately so that we may . . . take any action required here in British Columbia.

Colleagues, this is not something to be taken lightly. Provinces, municipalities, diaspora communities, businesses, universities and other groups are counting on us to pass this bill quickly, and it is our job to protect them.

We must worry about diaspora communities. I've spoken to those in Toronto, as you have to those in your own communities, who have had their identities stolen online and replaced with vicious characterizations about their behaviour and businesses they might be involved in. This is vicious. All of these things are in the mix, and our diaspora communities are being affected by this daily.

Colleagues, before concluding, I want to again return to our discussions yesterday at the National Security, Defence and Veterans Affairs Committee and the broad consensus that we should seek permission in the fall — or earlier — to continue an oversight role in examining the ongoing process of engagement, the regulation-making process and other key policy and design matters associated with Bill C-70.

Colleagues, thank you. It is a privilege, as always, to engage in this hugely important work with you, and I look forward to seeing this bill passed.

Thank you so much.

**Some Hon. Senators:** Hear, hear.

**Hon. Marty Deacon:** Will the honourable senator take a question? Thank you very much. As you mentioned, a common theme that certainly came through our committee and through briefings was that there was not enough time to review this consequential legislation. The mandated review will not be until after the election, which is scheduled late in 2025 at this moment.

• (1520)

You touched on this. If this legislation is passed, can you be more specific about a meaningful role the Senate and our committee could have in the fall to continue to look at this and review it to see, frankly, if there is anything we have missed or could be corrected?

**Senator Dean:** First of all, thank you for the question because it allows me to talk about this more, but I may have already overreached. Let me say this: The nature of the problem was clearly addressed and understood. That is shared by everybody in here — there wasn't enough time to wrap our arms around the complex issues in a way that we would have liked, both the advantages of this model — and there are many — and also some of the challenges of it.

I haven't talked to our steering committee, but I imagine one possibility — and we could always surmise about possibilities — is that the committee may seek a mandate, or the Senate as a whole may want to do something, to examine further the issues, questions and opportunities that senators felt they didn't have time to interrogate sufficiently given the speed in which this process has occurred.

I will say that given the speed and the truncated time available to us, I commend everybody in this chamber for doing a marvellous job because you have done your work, as you often do, when pressed. But, Senator Deacon, some form of order of reference that is broad, that allows us to look at the things we didn't cover in sufficient detail so that we can satisfy ourselves as a community that we have done our job well and completed our work in the way we would like to.

**Hon. Andrew Cardozo:** Would the senator take another question?

**Senator Dean:** Yes, I would.

**Senator Cardozo:** First, Senator Dean, I want to thank you for your leadership as the sponsor of the bill and providing us with all the information we needed through the process.

Certainly, as you say, foreign interference is a serious and growing threat, both in terms of other countries that want to interfere in our political system, but also people who want to intimidate members of diaspora communities with regard to politics in another country.

You addressed the balance in terms of civil liberties. One of the pressing issues was the need — the reason we want to get this through now is to have the registry in place by the next election, scheduled for the fall of 2025. Do you think there is enough time to do that? I call on your past experience as a senior public servant. Do you think there is the time to go through the steps in order to put the registry in place well before the election?

**Senator Dean:** With the preface of the obvious unknown factor of when the next federal election might be, I would say that if it is when we expect it to be, on the appropriate anniversary, with hard work, with an early search for a commissioner and due diligence in terms of consultation, I think that government can move quickly and commissions can move

quickly when they are tasked to. Government works well when it is focused on a priority and it is given a very clear mandate, and that goes for politicians and public servants alike.

This is one of the most pressing challenges that we face in Canada today, and it deserves a rapid response, but a diligent response.

A new commissioner and those who are engaged with building this new organization will have to find the right balance of speed, good judgment, the acquisition of the right talent — which is absolutely a critical success factor in all of this — the right accountabilities and a good, solid time frame.

With all of those things, Senator Cardozo, this can be done, and I would more so say that it has to be done. I think all of you would agree with that. Thank you.

**Hon. Leo Housakos:** Would Senator Dean take another question?

**Senator Dean:** Yes.

**Senator Housakos:** Thank you, Senator Dean, and thank you for your work on this bill as the sponsor. We have seen how quickly things can move when the government is committed to getting something done. Of course, as you all know in this chamber, I, on a reflex, don't like when we rush legislation through.

But wouldn't you agree, Senator Dean, that we are behind the eight ball when it comes to foreign interference compared to other Five Eyes allies? More importantly, given the fact that we have found this renewed sense of importance in this issue, would you agree there is absolutely nothing to prevent this chamber, going forward, having a number of our committees — Foreign Affairs and International Trade, National Security, Defence and Veterans Affairs, Legal and Constitutional Affairs — over the next few months and years, building on this first step forward by making sure national security is, indeed, a priority and what is the best path forward? We could play a role, wouldn't you say, in all these various aspects of it?

**Senator Dean:** This is a matter in which I'm going to defer to the chamber. I'm not going to get ahead of my colleagues. That's a discussion that you have to have, and I'm not going to opine on.

At the current time, I can only tell you what the inclinations of some of my colleagues were at the Standing Senate Committee on National Security, Defence and Veterans Affairs.

**Hon. Michael L. MacDonald:** Honourable senators, I am pleased to speak today on Bill C-70, An Act respecting countering foreign interference. I originally thought we were speaking tomorrow, so you will be pleased to know my speech is not as long as it normally would be.

**An Hon. Senator:** You look so good.

**Senator MacDonald:** However, this bill dealing with foreign interference is long overdue, and I support its aims to provide a level of transparency to the behaviour of foreign actors.

However, this bill is also further proof that the government only responds to pressing issues when forced to by increasing public attention and the subsequent dip in political opinion polls.

I know that Senator Housakos tabled Bill S-237 in February of 2022, and the government was free to act against foreign interference then, if not before. The Prime Minister should have taken action as soon as he was aware of foreign interference — not when the news became public — and by not doing so, he jeopardized the security of Canadians. Canadians want something done about this, and they want it done yesterday.

The fact is the Prime Minister had countless opportunities to do something about foreign interference and refused to act until public pressure made it impossible to ignore the situation. The National Security and Intelligence Committee of Parliamentarians, or NSICOP, report that was tabled earlier this month has forced his hand, and I sincerely believe this bill can begin to combat what has become an existential risk to the democratic process in our Canada.

Nonetheless, I do support this bill. In my view, Bill C-70 is better late than never, and that it is vital to ensure that foreign interference is prevented from occurring in the upcoming election.

There are many positives found within Bill C-70. One particular positive is the requirement to assess foreign interference on Canadian university campuses. Bill C-70's requirement to register the receipt of research grants from institutions that represent a foreign government's interest will prevent Canadian academic institutions from becoming beholden to foreign organizations. These grants and relationships could jeopardize national security or even encourage research that damages the fabric of our nation's identity.

There have been significant concerns raised about theft of intellectual property, or IP, by foreign actors. IP theft by foreign actors jeopardizes national security, and our lack of protections currently makes Canada a less enticing place for multinational companies to conduct their research. Additionally, research conducted by Canadians can be provided to foreign nations. One such case was the highly reported incident where two Chinese Communist Party, or CCP, scientists, answering to Beijing, were allowed to work in the Winnipeg disease lab, and were working to benefit China — an act that could very well have jeopardized the safety of Canadians.

• (1530)

Requiring researchers both on and off campuses to register their funding is an important preventative measure against these massive security breaches.

I also have concerns about efforts by non-allied nations to fund academic research that delegitimizes Canada or delegitimizes our allies. This bill provides a framework to alleviate my concerns by requiring academics to declare their foreign funding.

I would like to note that when this bill was studied in the House of Commons — if I'm allowed to say, "studied in the House of Commons" — one brief noted that the current anti-Semitic protests on university campuses could be funded by

foreign actors. I would certainly be interested — I would hope we would all be interested — in seeing if the faculty members who are currently participating in these protests end up declaring any foreign grants that they receive from nations who are supportive of this outrageous behaviour on our campuses.

Another positive is that Bill C-70 allows Canadians to know with whom the parliamentarians who represent them meet and with whom their representatives have cultivated close relationships. The Senate has heard testimony regarding the frankly horrific human rights abuses occurring against the Uighur minority in China and on the brutal repression of individual freedoms undertaken by the governments of Iran and Russia. I think most Canadians would want to know if their parliamentarians were developing personal relationships with these authoritarian regimes, especially if the interests of these foreign actors begin to outweigh the interests of Canadians.

It is a simple fact that public office-holders who cultivate relationships with these foreign nationals should be transparent about their dealings, just as they and us must be transparent with our meetings with lobbyists.

On that note, I have often noticed that some of us seem to forget at times that we are here to represent Canadians and Canadian interests, not those of foreign powers. Diaspora communities are free here in Canada to make their voices heard, a privilege they perhaps didn't have in their native countries. This is not in question, nor is it preventing them from sharing issues of importance to their communities. This is not what the legislation discusses — in fact, quite the opposite. Bill C-70 was asked for by members of the diaspora communities who are genuinely concerned about the behaviour of the governments in the countries that they fled.

I do, however, share some of the concerns discussed by Senator Housakos when this chamber debated the bill at second reading. I am not convinced that this bill will be fully implemented before the next election, and because of this, I am sincerely concerned about the integrity of the upcoming election. This is one of the reasons that I support passing this bill as quickly as possible. National security is not a partisan issue. Rather, it is an issue that concerns all Canadians, and that concern reaches across party lines.

I also have some concerns about the independence of the proposed foreign influence transparency commissioner given that this individual will be appointed by the government, albeit after consultation with opposition parties. However, I agree with Senator Housakos in believing that this bill is better than nothing, which is what we have today because of years of inaction by this government.

I encourage all senators to vote in favour of Bill C-70 to give it the best chance to be fully implemented before the election occurs, barring any delays by the Liberal government. This is about the national security of Canada and the risk that the status quo, which now is nothing at all, presents to the foundations of a free and democratic Canada. Thank you.

**Hon. Peter M. Boehm:** Honourable senators, I rise to speak to Bill C-70, the countering foreign interference act.

Much has been said already, but given the seriousness of the subject matter and its impact on a foundational element of Canadian society, namely our very democracy, I wish to add my voice to this important debate.

The revelations in the *Special Report on Foreign Interference in Canada's Democratic Processes and Institutions* released recently by the National Security and Intelligence Committee of Parliamentarians, also known as NSICOP, were unsettling. It demonstrates that Canadians, least of all the government and parliamentarians, can no longer sit back and turn a blind eye to interference by foreign states in our democratic processes.

As the report revealed, current and former elected officials have wittingly colluded with foreign governments against Canada's national interests. Despite its domination of the news cycle lately, foreign interference against Canada and other countries has been a problem for decades.

There has been much debate and frustration over the timing of this bill because, after years of ignoring a clear and present danger, it is both only coming now and is being rushed through Parliament in only a few weeks.

One thing all parliamentarians and Canadians agree on is that Canada needs to finally start taking seriously the significant national security threat of foreign interference. That is what Bill C-70 aims to do.

It is not perfect — I have yet to see a bill that is — but it is a solid first step in at least addressing foreign interference in our democratic processes, especially as we near the next federal election.

Just as “foreign interference” requires a clear definition, so too does understanding how it impacts our democratic processes and what those processes are beyond elections themselves. NSICOP's report cites key processes including:

- the election itself;
- nomination processes, including leadership races;
- parliamentary business, including parliamentary motions and the legislative process;
- campaigns; and
- fundraising.

When we talk about foreign interference, especially as parliamentarians, we must recognize that there is much more to a functioning democracy than the specific act of voting.

In understanding how malign foreign actors seek to influence these processes, the NSICOP report states that foreign interference:

. . . undermines the democratic rights and fundamental freedoms of Canadians; the fairness and openness of Canada's public institutions; the ability of Canadians to make informed decisions and participate in civic discourse; the integrity and credibility of Canada's parliamentary process; and public trust in the policy decisions made by the government.

So, colleagues, we are not just talking about the possibility of one candidate winning over another with the help of a foreign state, which is certainly bad enough. We are talking about the long-standing, ongoing assault on a fundamental element of our society and the public trust needed to ensure its survival.

Along with the creation of a foreign influence transparency registry and bolstering the ability of CSIS to do its work through amendments to the CSIS Act, as well as increased investment, Bill C-70 is also playing an important role in the public discourse around foreign interference.

Over the more than 11 hours of meeting time last week on the pre-study of Bill C-70 at the National Security, Defence and Veterans Affairs Committee, we heard that while there are serious concerns, such as the potential impact on privacy and the right to protest and the rushing through of the bill, there is also general agreement that this legislation is much needed and long overdue.

One problem, as I see it, is that parliamentarians and their staff are not equipped with the knowledge of how to identify foreign interference efforts. As parliamentarians, we often meet with ambassadors and high commissioners and other diplomats, as do members of our staff. That is a normal part of diplomacy and of our roles in this place.

Just as Canadian diplomats abroad work to influence governments and legislators to advance Canada's national interests and priorities, foreign diplomats accredited to Canada are sent by their countries to try to influence our own policies. However, there are lines that diplomats do not and cannot cross. As with most things, there are grey zones, but it is important to recognize the differences between foreign influence and foreign interference.

In my previous life as a Foreign Service officer for 37 years, especially posted abroad, I engaged with, influenced and sometimes even cajoled others to advance Canada's interests. Regardless of the goals I was trying to achieve, however, I did not cross any lines.

Acceptable diplomatic conduct involves states engaging in open, transparent and mutually agreed-upon interactions to promote their respective values and national interests, to build alliances and foster international cooperation. These activities are conducted within the framework of international law and norms under the Vienna Convention on Diplomatic Relations of 1961 and its companion, the Vienna Convention on Consular Relations of 1963.

Canada actively influences other countries in various ways. For example, Canada advocates for ratification of free trade agreements; de-escalation of conflicts and tensions around the world; and advancement of Canadian policy objectives and values, including human rights, women's political empowerment and LGBTQI+ rights.

• (1540)

Interaction with foreign officials here in Ottawa and on postings abroad was a mainstay of my previous life and has continued in my current one. That is the norm for most, if not all, of us in this room as well as for our staff. Going beyond normal diplomatic activities in an attempt to subvert a sovereign country's democracy and society, however, is crossing the line between influence and interference. That is why being able to recognize the difference is so important. Unfortunately, there remains a lack of knowledge in this respect.

As much as Bill C-70 will make a difference, it would go that much further if parliamentarians and their staff had the knowledge to empower them to differentiate between foreign influence and interference so they can identify and manage issues.

With all the attention and blandishments we, as parliamentarians, receive from representatives of foreign countries here and on our journeys abroad, it would be in our best interest — and that of our intelligence agencies — to receive detailed briefings. Whether parliamentarians receive classified or even unclassified briefings, unclassified security briefings, at the very least, should be offered to senators' staff as they are also susceptible to influence and interference tactics.

I know that the Canadian Security Intelligence Service, or CSIS, is willing to provide these briefings. There should also be the possibility to receive unclassified and specific-country briefings as required.

In my previous career, I was frequently a consumer and purveyor of — as well as sometime contributor to — security and intelligence analysis. I know that knowledge is power, colleagues, and I believe that parliamentarians can play a role in helping to combat foreign interference if we are empowered with the tools to do so.

Our country's business community — specifically the Business Council of Canada — has also advocated for CSIS to communicate more specific and tangible information to Canadian companies. Just as parliamentarians and staff need to understand the growing threat environment, so, too, do business leaders so they can better protect their employees, customers and communities.

Amendments to the Canadian Security Intelligence Service Act, or CSIS Act, outlined in Bill C-70, will allow CSIS to share more with companies than they are currently permitted.

Efforts are not just under way in Canada to combat foreign interference in our own democratic processes but globally, too, with our partners and allies. Colleagues, foreign interference is not a problem unique to Canada. It is one that impacts every liberal democracy around the world. While frustrations about

Canada's response to interference against our own country are justified, it is important to understand that Canada is not the only target. That is why we need to work with our partners and allies around the world to combat the threat we all face.

For example, Canada worked with its G7 partners on a unified approach to countering malign foreign activities at the G7 summit last week in Italy. In the G7 leaders' communiqué released last week at the end of the summit, leaders acknowledged the threat posed by foreign information manipulation and interference, which now has an acronym: FIMI.

G7 Leaders pledged to strengthen their coordinated efforts to better prevent, detect and respond to foreign interference and will direct their relevant ministers to bolster Charlevoix's G7 Rapid Response Mechanism by creating, by the end of 2024, a collective response framework to counter foreign threats to democracies, including publicly exposing foreign operations of information manipulation.

Domestic and global efforts to combat foreign interference activities are all well and good, but it is crucial that we can review measures taken to ensure their efficacy or lack thereof. Bill C-70 was amended by the House Committee on Public Safety and National Security to require a comprehensive parliamentary review of this act and its operation not just, as originally planned, after every five-year period but also during the first year after a general election. This is important, colleagues, especially considering the gravity of the threat against our democracy — and the need to see what works and what does not — as well as the concerns of diaspora communities and civil liberties organizations.

As the chair of a committee that undertook a mandated five-year comprehensive review of legislation — that being the Sergei Magnitsky Law and the Special Economic Measures Act — I know that legislative reviews do not necessarily happen just because they are written into law. It is my hope that parliamentarians and, indeed, Canadians can count on the following points: that in the context of the operation of the act in the case of a post-election review, the designated Senate or House committee be required to identify any cases of interference that might have occurred and how they were dealt with, and that members of that committee receive any necessary intelligence briefings and security clearances; and that reports be written in a way that is accessible to the Canadian public — who deserve transparency — especially in matters impacting the functioning of our foundational democratic processes.

Finally, we need a clear understanding of how the success — or failure — of the act and its operation will be measured beyond waiting to see what happens at the next election. The Senate Committee on National Security, Defence and Veterans Affairs can play an important role in looking at the implementation of Bill C-70 beyond the mandatory reviews, particularly regarding its impact on diaspora communities and civil liberties organizations.

Colleagues, foreign interference must not be subject to hyper-partisanship, as we have all agreed that it is a matter of grave and enduring importance. It also requires creative and modern solutions capable of adapting to constantly developing threats and tactics.

Unfortunately, Canada has long been complacent when it comes to national security. Even 100 years ago, former Quebec senator Raoul Dandurand told the League of Nations that Canadians “live in a fireproof house far from inflammable materials.” Despite the wars and conflicts around the world, the terrorist attacks and cyberattacks and the many humanitarian crises over the past century, Canada has not abandoned its sense of invulnerability.

Bill C-70 is long overdue, colleagues, but it is perhaps finally an acknowledgement that Canada is not invincible and that we, ultimately, are responsible for the security of our own country. Without safeguarding the heart of our society — our very democracy — there will be no country to defend.

Thank you.

**Hon. Yuen Pau Woo:** Honourable senators, let me start by thanking my friend Senator Dean for his wise stewardship of the bill and my friend Senator Dagenais for allowing me to sit in on meetings of the Standing Committee on National Security, Defence and Veterans Affairs during the pre-study as an observer.

Colleagues, earlier today you will have received notice that I will move an amendment to Bill C-70 to remove the phrase “in association with” from the bill. Before I do so, let me take a few minutes to explain why I think it is necessary.

There are six references to that phrase in both Part 2 and Part 4 of the bill. For example, the words “in association with” are part of the definition of “arrangements” in the Foreign Influence Transparency and Accountability Act. The act requires persons to register and provide information:

. . . in relation to arrangements entered into with foreign states or powers and their proxies under which persons undertake to carry out certain activities in relation to political or governmental processes in Canada.

It defines “arrangement” as, “. . . under which a person undertakes to carry out, under the direction of or in association with a foreign principal . . .”

We have received clarification from officials that “arrangements” include not only formal contracts but other kinds of agreements that are less explicit. Here is what an official from Public Safety Canada said:

An arrangement wouldn’t need to be a written contract. It wouldn’t necessarily need to be spelled out on paper. It can be a verbal understanding. Ultimately, it would be up to the commissioner, based on the facts available to them, to determine whether there was an understanding, an arrangement, an agreement to conduct these influence activities. It’s purposely drafted in a way to not limit it to just that one contract that says I will pay you X to do Y.

In other words, the concept of “arrangement” is already very elastic. This is as it should be since we already have a Registry of Lobbyists that would require anyone who formally represents a foreign power to register under that measure. The new foreign

influence transparency registry would close loopholes in the Registry of Lobbyists both by expanding the scope of covered activities and by using a broad definition of “arrangements.”

What, then, is the point of adding the phrase “in association with” to this definition of “arrangements”? Where does the phrase come from anyway? It turns out that this phrase is taken from the Criminal Code and pertains to the commission of offence for criminal organizations.

In the code, 467.12(1) says:

Every person who commits an indictable offence under this or any other Act of Parliament for the benefit of, at the direction of, or in association with, a criminal organization is guilty of an indictable offence and liable to imprisonment for a term not exceeding fourteen years.

• (1550)

There is some jurisprudence around the term “in association with.” In *R. v. Ruzic*, 2001, the Supreme Court explained that there is an implicit requirement that the accused committed the predicate offence with the intent to do so for the benefit of, at the direction of or in association with a group they knew had the composition of a criminal organization.

In *R. v. Venneri*, 2012, the Supreme Court highlighted the underlying principles behind the terms “in association with,” “benefit” and “at the direction of.” The court says the terms have a shared purpose:

Their common objective is to suppress organized crime. To this end, they especially target offences that are connected to the activities of criminal organizations and advance their interests.

Those rulings refer to the suppression of organized crime and the activities of criminal organizations. The proposed foreign influence transparency and accountability act, or FITAA, however, is not a registry of organized crime and criminal organizations. It is a transparency registry intended to encourage persons and organizations lobbying on behalf of a foreign principal to be transparent about their activities. Those activities are not illegal; they are certainly not criminal. The FITAA registry, after all, is not meant to be a blacklist; rather, it is a whitelist. In fact, one of the features of Bill C-70 is that anyone who is in compliance with the registry can legitimately carry out the political interference activities listed in Part 2 of Bill C-70.

The words “in association with” may have some utility in the prosecution of individuals involved in criminal gangs, but it is not helpful for the purposes of FITAA. On the contrary, the use of that criterion will force the commissioner to look for a foreign influence analogue to organized crime.

How will they do that? I believe it will boil down to the views expressed by the person suspected of being “in association with,” even if the point of the registry is not about screening for good or bad points of view. This has already been seen to be a problem in criminal cases where offences using the “in association with” term have allowed conduct to be criminalized that only has a tenuous connection to a criminal organization.

Take the case study of co-called malign foreign influence that was highlighted in the Minister of Public Safety’s consultation paper on the registry that we now have in Bill C-70. It paints a scenario whereby a Canadian academic is asked by an individual employed by a foreign government to write an op-ed opposing a position taken by the federal government without disclosing the foreign actor’s request to do so. This example sent shivers down my spine. It suggests that Canadians who have interactions with foreign governments are servile dupes who have no capacity for individual judgment or agency. How do we know that the Canadian did not already share the views of the foreign government or if they may have, in fact, influenced the foreign agent rather than the other way around?

The reality is that the commissioner of the registry will be hard pressed to determine if there was any direction from the foreign agent to the academic. The commissioner might have information about contact between the agent and the academic, but in the absence of information about direction, they will have to guess if the academic was “in association with” the foreign agent.

The likely starting point for such an assessment will be the views expressed by the academic. The government is passing the buck to the commissioner to determine how to define a vague and problematic term, and is counting upon the courts to fix any excess.

However, we should not go down this road in the first place by inviting the commissioner to perform such a task, and we can do so by removing the words “in association with” as part of the definition of “arrangements” with a foreign principal.

Honourable colleagues, if you think this is a marginal case study, let me give you an example that is closer to home.

When MPs and senators travel to another country as part of an interparliamentary association, they invariably meet with foreign principals who will bend the ears of their Canadian counterparts on policy issues that are important to them. Very often, Canadian parliamentarians will return to Ottawa and pass along those messages to the responsible minister, a senior bureaucrat or the party caucus. I have heard Hill colleagues advocate for lower cheese tariffs after a visit to the U.K.; a change in wine import quotas after visiting Wellington; the need to invest in liquefied natural gas, or LNG, export facilities after going to Berlin; or a plea to support Taiwan’s participation in the World Health Assembly after a sponsored trip to Taiwan. Are the MPs and senators “in association with” the foreign power, and do they have to register with the FITAA registry? After all, they are members of an association that explicitly seeks to influence and be influenced by their counterparts.

Perhaps you agree with the policy proposals advocated by the Brits, the Germans, the Kiwis and the Taiwanese, and are therefore inclined to discount the need for registration, but what if a parliamentary delegation came back from Beijing and advocated for more flights between China and Canada? What if they lobbied for Canada to not follow the lead of the United States in imposing massive tariffs on Chinese electric vehicles, or EVs? Would those examples make you more inclined to insist on registration?

On the face of the bill, MPs and senators are not exempt from registration under FITAA. Perhaps the commissioner will issue a ruling to give all of us a pass, but what about our staffers?

What about the numerous — hundreds — bilateral and multilateral business associations in Canada that do very similar work as our interparliamentary associations, and that regularly meet with foreign officials to hear their views on policy issues that affect bilateral relations? Will members of the Canada-EU, Canada-Japan, Canada-U.S. or Canada-Africa business associations and councils have to register if they trigger any of the three criteria under FITAA simply because they are “in association with” the foreign power?

Just last week, the Business Council of Canada sent a letter to the Prime Minister warning that Canada faces “diplomatic isolation” in NATO if it doesn’t meet its defence spending target of 2%. I presume that Mr. Hyder, the CEO of the Business Council of Canada, believes we will face diplomatic isolation because he has had conversations with leaders of NATO governments who have told him as much. I am sure Mr. Hyder is not “directed by” those governments to lobby Ottawa, but can it not be said that he and his organization are “in association with” NATO governments in conveying such a message?

What about the hundreds of cultural, clan and civil society organizations in Canada that have intrinsic links with foreign governments and which might, from time to time, engage with public officials? Let me be clear: If any such groups have an “arrangement” or are acting “at the direction of” a foreign power, they should register, but in the absence of meeting such tests, does it make sense to use the woollier concept of “in association with” to force them to register?

You might think that it isn’t a big deal if parliamentarians, business associations and cultural and civil society groups have to register. So what if the term “in association with” captures a very broad swath of individuals and groups? But bear in mind that the phrase “in association with” also appears in Part 2 of the bill that deals with political interference for which the consequences are not trivial at all. The use of “in association with” could ensnare Canadians in criminal cases related to political interference because of their views or connections, with the threat of a maximum penalty of life imprisonment.

The open-ended nature of the phrase “in association with” will incline the commissioner and investigators to look at the backgrounds and views expressed by suspected agents as a proxy for being “in association.” Even if they do not specifically go in that direction, there will be public pressure upon them, including snitching and rumour mills, to make judgments about who should be required to register based upon the views they hold and the groups they associate with.

That is how McCarthyism started.

If you have any doubt this will happen, I offer myself as a case study. Yesterday, I learned that the Chinese Canadian Concern Group on the Chinese Communist Party’s Human Rights Violations has written to the Commissioner of the Public Inquiry into Foreign Interference to question my loyalty and that of our former colleague Senator Victor Oh. To be specific, the concern group has urged the commissioner to review my participation in the commission by “. . . taking into consideration his past comments and associations.”

• (1600)

I suppose I should thank the Concern Group for providing me with such an egregious and timely example of stigmatization based on my “past comments and associations.” You can be sure that if Bill C-70 is passed, they and others will use the phrase “in association with” to stigmatize many other Canadians who have much fewer protections than I have. Indeed, they have already recklessly named other Chinese Canadians in the letter and cast them as possible foreign agents with zero evidence.

#### MOTION IN AMENDMENT—DEBATE

**Hon. Yuen Pau Woo:** Therefore, honourable senators, in amendment, I move:

That Bill C-70 be not now read a third time, but that it be amended,

- (a) in clause 53,
  - (i) on page 26, by replacing line 28 with the following:
 

“rection or for the benefit of a for-”,
  - (ii) on page 28, by replacing lines 8 and 9 with the following:
 

“outside Canada, at the direction or for the benefit of a foreign entity or a terrorist group, in-”,
  - (iii) on page 29,
    - (A) by replacing line 11 with the following:
 

“rection or for the benefit of a for-”,

(B) by replacing lines 27 and 28 with the following:

“who, at the direction or for the benefit of a foreign entity, knowingly engages in surrepti-”,

(iv) on page 30, by replacing line 14 with the following:

“who, at the direction of a foreign”;

(b) in clause 113, on page 75, by replacing lines 5 and 6 with the following:

“person undertakes to carry out, under the direction of a foreign principal, any of the follow-”.

Honourable colleagues, I thank you for your attention. I hope you will you support my amendment.

**Some Hon. Senators:** Hear, hear.

#### BUSINESS OF THE SENATE

**The Hon. the Speaker:** Honourable senators, it being 4 p.m., I must interrupt the proceeding. Pursuant to rule 9-6, the bells will ring to call in the senators for the taking of a deferred vote at 4:15 p.m., on the third reading of Bill C-59.

Call in the senators.

**Senator Plett:** It is not 4 p.m. It is 4:05 p.m.

**The Hon. the Speaker:** The bells will ring for 15 minutes. The vote will take place at 4:20. Thank you, senator.

• (1620)

#### FALL ECONOMIC STATEMENT IMPLEMENTATION BILL, 2023

##### THIRD READING

On the Order:

Resuming debate on the motion of the Honourable Senator Moncion, seconded by the Honourable Senator McBean, for the third reading of Bill C-59, An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28, 2023.

**The Hon. the Speaker:** Honourable senators, the question is as follows: It was moved by the Honourable Senator Moncion, seconded by the Honourable Senator McBean:

That Bill C-59, An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28, 2023, be read the third time.



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

YEAS  
THE HONOURABLE SENATORS

Anderson	Hartling
Arnot	Jaffer
Aucoin	Kingston
Bellemare	Klyne
Bernard	LaBoucane-Benson
Boehm	Lankin
Boniface	Loffreda
Burey	MacAdam
Busson	McBean
Cardozo	McCallum
Clement	McNair
Cordy	McPhedran
Cormier	Mégie
Cotter	Miville-Dechêne
Coyle	Moncion
Cuzner	Moodie
Dalphond	Omidvar
Dasko	Osler
Deacon ( <i>Nova Scotia</i> )	Pate
Deacon ( <i>Ontario</i> )	Petitclerc
Dean	Petten
Downe	Ravalia
Duncan	Ringuette
Forest	Ross
Francis	Saint-Germain
Galvez	Simons
Gerba	Sorensen
Gignac	White
Gold	Woo
Harder	Yussuff—60

NAYS  
THE HONOURABLE SENATORS

Ataullahjan	Patterson
Batters	Plett
Black	Poirier
Carignan	Quinn
Dagenais	Richards
Housakos	Seidman
MacDonald	Smith
Manning	Verner
Marshall	Wallin
Martin	Wells—20

ABSTENTIONS  
THE HONOURABLE SENATORS

Oudar

Tannas—2

[*Translation*]

**BUDGET IMPLEMENTATION BILL, 2024, NO. 1**

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-69, An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024.

(Bill read first time.)

(Pursuant to the order adopted by the Senate on June 18, 2024, the bill was placed on the Orders of the Day for a second reading later this day.)

[*English*]

**CHEMICAL WEAPONS CONVENTION  
IMPLEMENTATION ACT**

BILL TO AMEND—MESSAGE FROM COMMONS

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons returning Bill S-9, An Act to amend the Chemical Weapons Convention Implementation Act, and acquainting the Senate that they had passed this bill without amendment.

• (1630)

[*Translation*]

**BILL RESPECTING CYBER SECURITY, AMENDING THE  
TELECOMMUNICATIONS ACT AND MAKING  
CONSEQUENTIAL AMENDMENTS TO OTHER ACTS**

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-26, An Act respecting cyber security, amending the Telecommunications Act and making consequential amendments to other Acts.

(Bill read first time.)

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

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

[English]

**MISCARRIAGE OF JUSTICE REVIEW COMMISSION BILL  
(DAVID AND JOYCE MILGAARD'S LAW)**

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-40, An Act to amend the Criminal Code, to make consequential amendments to other Acts and to repeal a regulation (miscarriage of justice reviews).

(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.)

[Translation]

**COUNTERING FOREIGN INTERFERENCE BILL**

THIRD READING—MOTION IN AMENDMENT NEGATIVED

On the Order:

Resuming debate on the motion of the Honourable Senator Dean, seconded by the Honourable Senator Cotter, for the third reading of Bill C-70, An Act respecting countering foreign interference.

And on the motion in amendment of the Honourable Senator Woo, seconded by the Honourable Senator Ravalia:

That Bill C-70 be not now read a third time, but that it be amended,

- (a) in clause 53,
  - (i) on page 26, by replacing line 28 with the following:
 

“rection or for the benefit of a for-”,
  - (ii) on page 28, by replacing lines 8 and 9 with the following:
 

“outside Canada, at the direction or for the benefit of a foreign entity or a terrorist group, in-”,
  - (iii) on page 29,
    - (A) by replacing line 11 with the following:
 

“rection or for the benefit of a for-”,
    - (B) by replacing lines 27 and 28 with the following:

“who, at the direction or for the benefit of a foreign entity, knowingly engages in surrepti-”,

- (iv) on page 30, by replacing line 14 with the following:

“who, at the direction of a foreign”;

- (b) in clause 113, on page 75, by replacing lines 5 and 6 with the following:

“person undertakes to carry out, under the direction of a foreign principal, any of the follow-”.

**The Hon. the Speaker:** Resuming debate on the amendment. Two people have shown an interest in asking a question, and there are 19 seconds left. Senator Woo, you have the floor.

[English]

**Hon. Yuen Pau Woo:** I ask for another five minutes.

**An Hon. Senator:** No.

**The Hon. the Speaker:** Leave is not granted.

[Translation]

**Hon. Marc Gold (Government Representative in the Senate):** Honourable senators, I rise to speak briefly to Senator Woo's proposed amendment to Bill C-70.

[English]

I thank Senator Woo for his heartfelt remarks. I thank Senator Dean for his sponsorship, his very responsible carriage of this bill and his remarks today. And I thank the members of the committee, who worked diligently to study this bill during the time that they had.

This chamber is at its best when thoughtful people engage in vigorous, civil debate about matters of consequence, and that's what's happening here today.

I know we all count ourselves fortunate to be part of a country and an institution where this kind of debate is not only possible but encouraged, and it's an honour for me to be part of it.

Bill C-70 has been developed in that spirit, with the aim of protecting our democratic institutions and the values of openness and transparency that make Canada, Canada.

We can't take our democracy for granted. We can't ignore the reality that some foreign powers — among others — would like to see our democracy sour and rot and are actively working to make that happen. We have a responsibility to protect people who have come to Canada in search of safety and freedom from the tentacles of the regimes they fled.

Colleagues, I'm confident that we're all on the same page in that regard. Our debate today — and our debate on this amendment, in particular — is about how exactly to do so.

It's important for people to demand vigilance and thoughtfulness from legislation, particularly when it relates to national security, so that we don't unintentionally solve some problems by creating others. That's what Senator Woo is attempting to do in this case, and I thank him again for it.

One of the main objectives of Bill C-70 is to protect members of diaspora communities. The last thing any of us want to do is feed suspicion and persecution of fellow Canadians on the basis of national origin or ethnicity. The concerns Senator Woo has expressed are legitimate, important and should not be taken lightly.

We each come to this chamber with perspectives shaped by our background and experience. Bringing those perspectives to bear as part of the legislative process is an act of patriotic service to Canada.

To that end, I will now share my views about this amendment.

Colleagues, in short, I cannot support this amendment.

As we've heard, the amendment proposes to remove the phrase "in association with" from two areas of the bill, as set out and explained by Senator Woo in his remarks. Let me address them each in turn.

The first of these areas is the Security of Information Act, a bill that has been on the books for some time and is being amended with proposed amendments in Bill C-70. Bill C-70 would create or expand several offences in that act involving activity undertaken ". . . at the direction of, for the benefit of or in association with . . ." a foreign entity.

These offences include the use of intimidation, threats or violence in proposed sections 20 and 20.1; conducting an indictable offence for a foreign entity in proposed section 20.2; and engaging in surreptitious or deceptive conduct harmful to the interests of Canada in proposed section 20.3.

The bill also creates the offence of engaging in surreptitious or deceptive conduct with the intent of influencing political, governmental and certain other processes at the direction of or in association with a foreign entity in proposed section 20.4.

Colleagues, in all these cases, a person has to be engaged in malign activity. On their face, these provisions do not criminalize mere association with a foreign entity. Rather, they target people who are up to no good, using threats, violence, intimidation and deceit. Someone engaged in this kind of activity should be subject to prosecution.

The government disagrees that these provisions are over-broad or ambiguous. As I mentioned, section 20 of the Security of Information Act already contains a provision — and that's the one I referred to earlier — and it has been in force for many years. It has always included the phrase "in association with."

This is nothing new in this area of the law. Indeed, in one important aspect, Bill C-70 actually removes ambiguity from the existing law.

Let me explain. The existing section 20, which is currently in force, prohibits the use of ". . . threat, accusation, menace or violence . . ." to induce someone to do something harmful to Canada ". . . at the direction of, for the benefit of or in association with a foreign entity . . ." That's the law as it stands now. Bill C-70 would replace the terms "menace" and "accusation" with "intimidation," a term better understood in Canadian criminal law, notably in the context of extortion.

That's not an unhelpful analogy with regard to some of these offences. They are extortion-type offences, albeit not for monetary gain but for the nefarious purpose of interfering in our democratic processes.

As I said, this provision which is currently in force includes the "in association with" phrasing. So, the proposed amendment offered by Senator Woo would actually water down the existing statute. That would certainly be contrary to the government's intent, which is to more effectively deter and to allow for the prosecution of malign activity where a foreign entity is involved.

I'll turn now to the second area where the proposed amendment would apply, and that is the foreign influence transparency and accountability act.

This new act is not about malign activity. It's simply about transparency. Bill C-70 would require people to register if they're attempting to influence political or democratic processes in Canada ". . . under the direction of or in association with a foreign principal . . ."

• (1640)

Colleagues, there is no implication that such activities are inherently bad, and there is no attempt to discourage them or curtail them. The government's objective is simply to ensure that Canadians know where political messaging is coming from and who is behind it. It is the same concept as the lobbying registry, which doesn't prevent lobbying; it simply promotes transparency.

Removing "in association with," as this amendment proposes, would create a sizable loophole in the requirement to register, and it therefore undercuts the transparency objective.

When it comes to political communication, relationships between foreign actors and people in Canada are not usually so straightforward as to involve written contracts or explicit direction. There may be situations, for example, where a foreign regime funds a think tank in Canada. Now, the regime may not direct the think tank's specific actions and communications, but Canadians at least are entitled to know who is bankrolling it, regardless of what the think tank's positions were or are and where they originated.

Or the agent of a foreign country might approach a Canadian academic and encourage them to make certain public statements or publish certain articles, without giving explicit instructions. Under Bill C-70, the academic would be free to do so. They

would just have to be transparent about it. The proposed amendment, on the other hand, would relieve them of that obligation of transparency.

Colleagues, foreign actors can be quite skilled at finding weaknesses in our laws and exploiting them. By removing “in association with” and limiting the registry to situations where there is explicit direction from a foreign principal, we would be pre-emptively hollowing out this new registry.

Colleagues, the purpose of this bill is to better protect Canada from foreign interference and transnational repression and to promote transparency with regard to political communication and influence. Bill C-70, looked at as a whole, enhances the tool kit that is available to our national security and intelligence agencies to help them counter these growing phenomena. A spectrum of tools could be brought to bear from transparency requirements, on the one hand, to administrative monetary penalties to investigation to prosecution — all depending on the context.

Similarly, the new foreign influence transparency commissioner would likewise have a range of tools at their disposal, from issuing guidance and warnings to making referrals to law enforcement. In other words, this bill is not a blunt instrument. It is a very nuanced one, a nuanced approach to a nuanced and challenging issue.

As I said at the outset, I’m sensitive to Senator Woo’s concerns. We are all aware that well-intended legislation can have unintended consequences, especially in the national security space.

I would remind senators that we have taken significant steps in recent years to strengthen oversight and accountability in this regard. We now have institutions like NSICOP and NSIRA, which didn’t exist when anti-terror laws were adopted in years past.

Legislating in this space will always be a matter of trying to strike the right balance: protecting civil liberties while protecting our national security and national institutions. The government believes that this bill strikes that balance appropriately, and, as demonstrated by the vote in the other place, members of the House of Commons emphatically agree.

The other place is also of the view that these new statutes should be operational before the next election, a goal that would be jeopardized if we return the bill to them at this point in the calendar.

I understand that the Senate’s National Security Committee has had initial discussions about the possibility of staying engaged with Bill C-70. Senator Dean alluded to that. That could include following the implications and studying its implementation when we return in the fall. From the government’s point of view, this sounds like a very worthwhile endeavour, and it’s a good way of respecting the desire of the other place and of the public to respond to emerging threats in a timely way while doing our due diligence and carrying a watching brief in our role as senators.

Once again, I want to thank Senator Woo for his contributions to the study of this bill. Senator Woo, I trust that you will be an eager participant in any further committee study of Bill C-70 and related issues, and our chamber would certainly benefit from your involvement.

For the moment, though, I encourage honourable senators to oppose this amendment and support this legislation as drafted. Thank you for your kind attention.

**Senator Woo:** Would you take a question, Senator Gold?

**Senator Gold:** Yes, of course.

**Senator Woo:** Thank you for your speech; I appreciate it. Let me preface my questions by saying that the examples you listed which you think would not be captured by the foreign influence transparency and accountability act if the phrase “in association with” were removed, I believe, are already covered by the definition of “arrangements,” on which I elaborated in my speech.

My question, though, is on SOIA, the Security of Information Act, where you correctly point out that the expression “in association with” has been in that law for a long time.

You also remind us that there are new offences being created, but you gloss over the fact that one of those new sets of offences has to do with political interference. The offence is not about participating in the political process at the federal, provincial, municipal, Indigenous or school board levels. The offence is doing it surreptitiously.

My question then, Senator Gold, is how we can be confident that the term “in association with” will not be used to stigmatize, to penalize, to criminalize a Canadian who is participating in a political process in his or her community simply because he or she is alleged to be “in association with” a foreign state? The penalty, as you know, is life imprisonment.

**Senator Gold:** Thank you for your question. It’s an important one. I have confidence that the government’s intent is very clear in this law as not to stigmatize members who engage and participate legitimately in the legislative process.

I would point out, though, if I may — and this is proposed section 20.4 to which you’re referring — that although it retains “in association with,” a careful reading shows that it, unlike the other sections, has removed the phrase “for the benefit of.” The reason is the continuum of standards that might be reached. The easiest one to meet for an investigation or indeed a prosecution is “for the benefit of” because that’s fairly clear. It was precisely because that is too easy a bar that the government removed it from this particular area, unlike the sections that involved intimidation, threats and violence and so on and so forth, to make it harder to capture those who are engaged in deceptive conduct or surreptitious conduct.

It is very difficult sometimes to know for sure whether one is directed because paper trails by any competent foreign bad actor will not be easily found, if present at all. The “in association with” is a factual question that will have to be examined.

I am confident in the legislation as a whole. I have confidence in the procedures that are set up, with the new commissioner and in good sense and including, by the way, the legal provisions — judicial review and others — that are in the bill.

So it is a legitimate question, but this is designed to have a narrower focus to reduce and mitigate the risk that you’ve pointed out.

**Senator Woo:** In 2021, as you know, the former Conservative Party leader Mr. O’Toole was alleging that certain Chinese Canadians who used an app to discuss political matters were agents of the Chinese state because they accused Mr. O’Toole of being tough on China. To be precise, the words were that Mr. O’Toole “almost wants to break diplomatic relations” with China.

Now, the Conservative Party, the media, the commentariat have latched on to this political view of some Canadians based on the actual statements of Mr. O’Toole, by the way, as evidence of being in association with the Chinese state and, therefore, foreign agents.

Under this law, it would seem to me that they could be prosecuted for acting on behalf of or “in association with” a foreign state surreptitiously or deceptively.

• (1650)

Can you comment on that case, please?

**Senator Gold:** The lawyer in me is very reluctant to comment. I’m not going to duck behind that, Senator Woo, but I think it’s unlikely that it would be caught. That’s not my reading of the legislation. When it’s looked at as a whole and in terms of its overall objectives, with ample evidence on the record, both in the other place and here, this is what the government’s intentions are. Respectfully, I don’t believe that would be captured, and I don’t believe it should be.

**Hon. Denise Batters:** Senator Gold, thank you for your speech on this. I have a few more legal points.

I think it’s actually a good thing that the phrase “in association with” is used in a major federal statute. Senator Woo provided an example of that from the Criminal Code, and you provided a few more. It’s also a good thing there is already federal case law, including the Supreme Court of Canada — as Senator Woo himself referenced — interpreting that phrase, “in association with.” There are likely other federal statutes other than the Criminal Code which probably also use the phrase “in association with.”

So using language which is contained in other statutes and has been well interpreted by courts is a positive thing for federal legislation.

As well, from Senator Woo’s reference, it sounds like the Supreme Court of Canada did not rule the phrase “in association with” to be overbroad in that Criminal Code case that he referenced.

Given all of that, wouldn’t you agree that it lends credence to the same phrase, “in association with” and would not be found to be overbroad for those reasons as well?

**Senator Gold:** Thank you for that. I agree with that, Senator Batters. I won’t elaborate the point; I think you put it very well. I do agree.

**Senator Woo:** Just in relation to the election interference question around Mr. O’Toole and, I would say, also with Mr. Chiu, who has been referenced a number of times here and offered a private member’s bill related to a foreign agent registry.

There was commentary at the time in Chinese social media where Canadians on the app criticized that bill as part of the political delete leading up to the elections of 2021. They had been specifically tagged by our intelligence agencies — the people who will be fielding these investigations as influenced by a foreign state. Would they not then be subject to prosecution under this law that we are putting in place? They have been tagged by our intelligence agencies as being under the influence of a foreign state and participating in Canadian political debate to oppose a particular bill by an MP or to oppose the leader of a party whom they deem to be anti-China.

This is not a debate about whether we should be pro or anti-China. It is a debate about the right of Canadians to hold political views, especially during an election. Will we criminalize that with this bill?

**Senator Gold:** Again, I think it is inappropriate certainly for me, in my capacity as Leader of the Government, to opine on hypothetical situations. Again, I would point you to the language of the clause, which provides that you must be either at the direction of or in association with a foreign entity and engage in surreptitious or deceptive conduct with the intent. That’s point one.

Second, we all might remember the long discussions we had around Bill C-59, which I had the privilege of sponsoring in this place some many years ago now, where the issue of the difference between intelligence and evidence was highlighted as an ongoing issue within our legal system. Again, there is a distinction between an investigation that the Canadian Security Intelligence Service, or CSIS, may undertake and whether or not that ever arises to something around which there would not only be evidence that’s usable, much less evidence that rises to a level of prosecution.

Again, I think your question is a hypothetical one, and I don’t believe that the legislation, as drafted, would support the view that you expressed.

**Hon. Tony Dean:** Honourable senators, I’ll be brief. I’m going to add to comments already made about our colleague Senator Woo: No one can unravel complex and indecipherable statutes as

well as our good friend there, and that's a skill indeed. I'm grateful to Senator Woo for bringing these ideas and this proposal to our attention.

Senator Woo feels that the framing of the language, to put it simply, casts too wide a net. I think, from my reading and intention of this, that a registry is indeed intended to cast a wide net. That is its purpose. I think it has two purposes: to cast a wide net, to see what that net looks like and then to look at actors and individuals who may not have chosen to join the registry. It's an interesting device and tool, and we see it used in other regulatory contexts.

The discussion about scope is critically important, and I'm glad that we're having it. My own concern with this is that the solution to that as proposed by Senator Woo would narrow the scope of this and move too much in the other direction, if I can put it that way, and that we'd end up with a relatively small number of registrants, and one of the purposes of the registry would be defeated.

That's a concern that I have, and for that reason I'm not inclined to support the amendment even though I find it painful to do that, I will admit.

As Senator Woo mentioned, there will be a commissioner. That commissioner, hopefully, will be appointed early, and we'll have a role in that appointment. I suspect that commissioner will deal very quickly with issues like parliamentary travel and what I would call the extraneous group of concerns that have been raised about this, and they should be concerned, but I think they're easily dealt with.

At the end of the day, my concern is what we would be left with if we were to adopt this and how that would operate within this scheme and its relationship with other elements of a complex of instruments that is being contemplated in terms of pushing foreign interference to the ground.

So there it is: it's brief and straightforward, and I'll leave it at that. Thank you, Senator Woo.

**Senator Woo:** Thank you, Senator Dean, for your intervention. Is it your view that MPs and senators participating in parliamentary associations and bilateral and multilateral business associations and councils, of which there are hundreds, for which their mission is to interact with foreign principals and bring ideas back as well as cultural and civic NGOs that have intrinsic links with foreign governments should be part of the registry?

**Senator Dean:** My view is that when we have a commissioner we will engage with the commissioner in the design and framing of regulations and that matters like this will be appropriately addressed there. I think that these are matters too complex for us, frankly. Let me just say that about me; I'm guilty.

I think that's work that is yet to be done. Again, I will say that we will have a role in selecting a commissioner. Selecting the right person is going to be key in all of this. The regulations, approaches and processes that are associated with the actual operation of this provision are going to be paramount.

I will go back to the concerns raised at the committee about the need for us to keep eyes on this because we have a stake in it as parliamentarians. Thank you.

• (1700)

**Senator Woo:** Thank you, Senator Dean.

You know that other countries are looking at how we deal with this foreign influence transparency registry. I think about Georgia, for example, which has been trying to get a foreign agent law implemented. Their threshold is very high. It is 20% of funding from a foreign source to a non-governmental organization, or NGO, to be required to register.

How would you react, Senator Dean, to individuals in another country being forced to register in their counterpart registry — and these are countries that, shall we say, have less regard for the liberal practices of Canada — by using exactly the same phrase we are using in this legislation and the vague and amorphous idea that if you are in association with a Canadian-funded entity, Canadian government or Canadian-connected body, you have to register?

How would you react to that?

**Senator Dean:** Well, I would first say, Senator Woo, that “in association with” is not vague and amorphous. We know what it means. It means, in its plain meaning, doing something together. Doing something together, that is what “association” means.

In saying that, I'm struck, as I was this morning, when we had a conversation about our Charter and freedom to associate, and I think that's important as well.

Beyond that, I would say that hypotheticals about what other countries might do and how it might relate to this are difficult to engage in. I'm not inclined to go there is the answer.

**Hon. Rebecca Patterson:** Senator Dean, will you take a question?

**Senator Dean:** Certainly.

**Senator Patterson:** Thank you.

We are talking about “in association with” in isolation from the rest of the phrase which includes intent. I'm also going to go back to our colleague Senator Boehm's comment about when we engage in parliamentary or diplomatic processes, there are parameters to our actions. Within there comes the context of who we are doing it for.

In our discussions and the debate that transpired within the very abbreviated time we had to study this bill, did we ever hear that people engaging in legitimate engagement in accordance with parameters in the best interests of Canada were going to be captured by this law? Again, I go back to the point, if you take “in association with” in isolation, you cannot do so without the full phrase, “with the intent to.”

Did we hear anything like that in our discussions?

**Senator Dean:** My understanding of the scheme is that yes, people who are operating completely within the bounds of the law would meet some of the criteria and would be expected to register, and that's okay.

The point of the registry is not to entrap those people who are doing things wrong. In many cases, it is asking people who are doing things right to just register. I don't have a problem in an operation like this with people who are following laws and appropriate practices still finding themselves with a relatively light requirement to register in a registry of this kind.

If this process overreaches a little, I would rather it do that than under reach. We might see a lot of under reach if we were to agree with this amendment.

**Senator Woo:** The implication of Senator Patterson's question is that registration would not be required if the intent is to act in the best interests of Canada.

Senator Dean, can you confirm that this is, in fact, a correct interpretation of the bill? If it is, if this is about only registering those who are influencing with bad intent, how do you propose the commissioner come up with those criteria?

This goes back to my speech about deciding on the points of view as to criteria for registration.

**Senator Dean:** I will say that there are criteria for registration that are clear and which will require some people to register who are acting in a manner that would not attract some of the penalties associated with certain activities under the legislation.

Do I have a problem with that? No, I don't.

**Hon. Pierre J. Dalphond:** I will say only a few words. Just to make some additional statements, though I agree with Senator Gold on all he said, including on the very relevant comments that were made by Senator Woo, which I respect very much.

What he said could be true in a different context, but we have to remember here that this bill could not lead to McCarthyism. Joseph McCarthy was running a United States Congress committee that was politically judging people who were charged with being communist, who were close to communism or who were sharing views that were considered to be communist views.

Here we are creating offences that will be dealt with by the Crown office that will have to charge somebody before a court of law. The accused appear before a judge — a woman or a man of certain qualifications who has to act impartially and not in the pursuit of political gains or opposing political enemies or political wins. We should not compare; there is no danger of McCarthyism here. I think this is, unfortunately, an overreach comment.

The second point I want to make is that "in association with" is not a new concept. It is a concept well-known to the criminal law. It is found in many places in the Criminal Code, and it was very useful to have in the fight against gangs, especially in Quebec with the biker gangs.

The term "in association with" is also used in the Security of Information Act, which is the first amendment that is on the list of proposed amendments, where the words "in association with" has been found since 2001. What the bill has been amended is to add intimidation to the provision but not the concept of "in association with." This is not something new. This is something that has been there for 25 years, so far without a problem.

That said, my third and last comment is about the words "in association with." As Senator Woo referred, very properly, the Supreme Court of Canada had to look at this concept in an appeal from the Court of Appeal of Quebec in 2001. The Supreme Court disagreed with the Court of Appeal of Quebec. I was not part of the panel, incidentally, but the court disagreed with the Court of Appeal of Quebec on one point: the definition of "in association with." It was about biker gangs.

Just to summarize, that judgment reached exactly what Senator Patterson was aiming at. At paragraph 43 of the Supreme Court decision in Venneri which was unanimous and written by Justice Fish, a former colleague of the Court of Appeal:

The phrase "in association with" should be interpreted in accordance with its plain meaning and statutory context. It is accompanied here by the terms "at the direction of" and "for the benefit of."

That is exactly the same situation we have here.

These phrases are not mutually exclusive. On the contrary, they have a shared purpose and will often overlap in their application. Their common objective is to suppress organized crime.

• (1710)

Here it is to suppress foreign interference. To this end, they especially target acts that are connected to the activities of foreign organizations and advance their interests. To this end, they especially target offences that are connected with the intent to interfere in the political process in Canada.

In my view, we should trust the system. I trust the courts. I trust what we are trying to do here. It is nothing new. I believe this: When the words "in association with" are read with "under the direction of" and "to the benefit of," in the context of the bill they are clear: it is about foreign interference.

You have to read all these things together. I know Senator Woo doesn't have to believe me all the way, and he is not paying me, so I'm giving free advice. Free advice is always worth the price you pay for it, but I'm giving the advice that I'm not concerned, and I will vote against the amendment and vote for the bill.

**Senator Woo:** Thank you. That was very helpful, Senator Dalphond. I see you believe in the importance of preserving the phrase "in association with" when it comes to the Criminal Code fighting against terrorists, gangs and so on, and you make a good point. I have already mentioned that the new offence of political interference is trickier because it's about surreptitious and deceptive behaviour. It's not about participating in the political process, but the case of Part 4 of the bill is even more egregious

because the FITAA, which also uses the phrase “in association with,” is not about criminal activity. It’s about legitimate activity that people are required to register for. Would you feel differently about removing “in association with” from just Part 4?

**Senator Dalphond:** Are you suggesting I provide a subamendment to your amendment? In your speech, you referred mostly to the Criminal Code and the fact that people will go to jail and will be charged under the Criminal Code of very serious offences, so I’m addressing that concern about criminal law.

Regarding the other part of the bill, which is creating this new registry, if people have any doubts, I understand that the mandate of the commissioner will be to provide information and guidelines. I think this is maybe a new avenue that will have to be explored, and perhaps some people will have to register because they act in association with a foreign state for the benefit of that foreign state. But to visit Taiwan on a paid trip is not to act for the benefit of or in association with Taiwan, as you referred to in your speech. If you go to Israel on one of these paid trips, or to Taiwan — I did last year — you have to report it. It has to be disclosed to the Senate Ethics Officer and put on the website so that it is known to the public, to everybody.

The purpose of the registration in the proposed act is to make public what otherwise would be hidden from public view. It is not to prevent someone from saying, “I believe the French government is absolutely right on this policy, and I want to fight for it and I think it should be in Canadian law.” Yes, I could do that, but if I do it under the direction of or for the benefit of the French government, I should disclose it. It doesn’t prevent me from doing it; it just requires me to make it public.

What is the net and who should register — that’s the second part of your question — is an interesting question, but I won’t opine on that one. I’ll wait for the Supreme Court to give me guidance. Thank you.

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

**Hon. Senators:** Question.

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

**Some Hon. Senators:** No.

**Some Hon. Senators:** Agreed.

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

**Some Hon. Senators:** Yea.

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

**Some Hon. Senators:** Nay.

**The Hon. the Speaker:** In my opinion the “nays” have it.

*And two honourable senators having risen:*

**The Hon. the Speaker:** I see two senators rising. Is there agreement on the length of the bell?

**Senator LaBoucane-Benson:** Fifteen minutes.

**The Hon. the Speaker:** Is leave granted?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** The vote will take place at 5:29 p.m. Call in the senators.

• (1730)

Motion in amendment of the Honourable Senator Woo negated on the following division:

YEAS  
THE HONOURABLE SENATORS

Clement	McPhedran
Coyle	Moodie
Dagenais	Omidvar
Forest	Pate
Galvez	Petitclerc
Harder	Ravalia
Jaffer	Simons
McBean	Woo—17
McCallum	

NAYS  
THE HONOURABLE SENATORS

Anderson	Lankin
Arnot	Loffreda
Ataullahjan	MacAdam
Aucoin	MacDonald
Batters	Manning
Bellemare	Marshall
Black	Martin
Boehm	McNair
Boniface	Osler
Burey	Oudar
Busson	Petten
Carignan	Plett
Cordy	Poirier
Cotter	Quinn
Cuzner	Richards
Dalphond	Ringuette
Deacon ( <i>Nova Scotia</i> )	Ross
Deacon ( <i>Ontario</i> )	Saint-Germain
Dean	Seidman



Downe	Smith
Duncan	Sorensen
Francis	Tannas
Gold	Verner
Housakos	Wallin
Kingston	Wells
Klyne	White
LaBoucane-Benson	Yussuff—54

ABSTENTIONS  
THE HONOURABLE SENATORS

Cormier	Mégie
Hartling	Miville-Dechêne—4

BUSINESS OF THE SENATE

**Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate):** Honourable senators, I ask for leave of the Senate to interrupt the debate on Bill C-70 in order to take Bill C-69 into consideration at second reading now, with the debate on Bill C-70 resuming once the proceedings on Bill C-69 have concluded for the day.

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

**Hon. Senators:** Agreed.

[*Translation*]

BUDGET IMPLEMENTATION BILL, 2024, NO. 1

SECOND READING

**Hon. Tony Loffreda** moved second reading of Bill C-69, An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024.

He said: Honourable senators, I rise today to begin the debate at second reading on Bill C-69, Budget Implementation Bill, 2024, No. 1.

I'd like to thank Senator Gold and Minister Freeland for the trust they put in me by allowing me to sponsor this bill in the Senate.

[*English*]

I know many of you here in this chamber had nightmares regarding a previous iteration of Bill C-69 back in 2019. I promise you that this version will not give you nightmares.

In fact, thanks to many measures in this bill, many Canadians should sleep better at night knowing that their government is working hard to make life easier for them. I'll get into that in due course, but first I want to take a few moments to address a few items.

As you know, the budget was tabled in the other place on April 16, and the budget implementation act, or BIA, was introduced on May 2. At 686 pages, it's the third-largest BIA since 2003. Former Prime Minister Harper's Budget Implementation Act, 2009 was nearly 1,000 pages, so we are not setting any records here with Bill C-69.

This leads me to my first item of business: The omnibus nature of the bill. There is widespread consensus that asking the Senate to pass a bill with hundreds of pages and dozens of measures in little time is no way of governing. I will not defend the practice because, like most of you, I don't agree with it. However, these are the tools that are at the government's disposal.

It's also important to point out that every item in this legislation appears inside the text of this year's budget, in either its chapters or the legislative annex. I agree that some of the measures in the budget implementation act, particularly those that have limited budgetary impact or make significant amendments to various laws, could have been introduced in separate legislation. In fact, most of our committees that reviewed the bill as part of our pre-study raised that very issue. For example, our Social Affairs Committee felt that there was insufficient time available to properly examine the divisions they received and that a budget implementation act should be linked to the costed measures in the budget only.

• (1740)

[*Translation*]

On the other hand, I can't help but wonder how effective the Senate, or Parliament for that matter, would be if a significant number of the measures contained in Bill C-69 were introduced as independent bills. We already complain that our Order Paper and our committees are being inundated with bills. There's a long line of bills awaiting study at the Standing Senate Committee on Social Affairs, Science and Technology, for example. The Standing Senate Committee on Banking, Commerce and the Economy has five bills to examine. The question is, would we have time to look at a number of additional bills in the spring, in the hope of getting them passed before the summer break? It's a rhetorical question.

[*English*]

Call it mismanagement, call it opportunistic — call it what you will — but even though I am the sponsor of Bill C-69, I join senators in calling out the government on including significant measures in this bill that should have been extracted from Bill C-69 and which could have been studied on their own merits.

Despite this criticism, let's be clear here: Our 10 Senate committees stepped up and delivered once again. In total, our committees held 36 meetings and had 239 unique witness appearances as part of our pre-study. We've received dozens and dozens of briefs. We've done great work under the circumstances.

Before I get into the crux of it, it's important that I say a few words about the economy in general and Canada's enviable position in the world. I will begin by quoting our Parliamentary Budget Officer, or PBO, Mr. Yves Giroux. When I questioned the PBO at our National Finance Committee meeting a few weeks ago and asked about Canada's economy, he told us:

We compare rather favourably on a debt-to-GDP ratio with G7 countries. We are probably the least or second least indebted country compared to our GDP. When it comes to other comparator groups such as the G20, we're again in the best quartile, so the low 25 when it comes to the level of debt related relative to the economy. We are in a good position, and that is in large part due to the public pension funds — CPP and QPP — that are partially pre-funded, which most other countries don't have. . . .

Certainly in the couple of front rows.

With respect to the sustainability of the federal debt, he deemed it to be sustainable over the next 75 years under status quo policy assumptions, of course.

If you aren't convinced yet that things are not as bad as some might suggest, consider these facts. Wage growth has outpaced inflation for the past 15 months. The International Monetary Fund, or IMF, and the Organisation for Economic Co-operation and Development, or OECD, project that Canada will have the strongest economic growth in the G7 in 2025, and the lowest debt and deficit in the G7. We've recovered 141% of the jobs lost since the peak of the pandemic compared to just 128% in the United States, which many consider to be the strongest economy in the world at this time.

Canada continues to enjoy a Triple-A credit rating. I don't hear that often enough in this chamber. For example, S&P Global explains:

Our 'AAA' rating on Canada continues to reflect the country's strong institutions; credible monetary policy; sound net external position; and wealthy, export-oriented economy. . . .

We have a gross domestic product, or GDP, per capita of about \$55,400 American. S&P expects that Canada's well-diversified economy will remain resilient through the end of their forecast horizon in 2027, and expects that economic growth will accelerate in the next two years.

The fun thing about numbers is that you can make them say what you want them to say; they'll paint the picture you want or sing the melody you want to hear. I have no doubt the song we'll hear from some soon will be a very different melody.

The point is that things are good; they aren't as bad as some might claim.

I'm not suggesting everything is perfect. Many Canadians — seniors, immigrants, families and young professionals — are struggling to make ends meeting. Housing, food, gas and many essential goods and services are more expensive than ever. Many businesses and corporations are also worried about inflation, labour shortages and the cost of doing business.

Canadians are relying upon us to debate, review and pass legislation that will help them. Bill C-69 is part of the solution.

While I don't agree with everything the government has done in the past nine years, I believe they have always had good intentions and have always been committed to making life better and fairer for all generations of Canadians. With Bill C-69, it's no different. There are many measures in this bill that come at a time when they are most needed.

Many people have asked me if the increase in the capital gains inclusion rate is included in this budget implementation act, Bill C-69. The answer is, "No, it is not."

[*Translation*]

The bill has four parts covering 65 different measures.

Part 1 consists of 16 divisions amending the Income Tax Act. Part 2 enacts a law called the "Global Minimum Tax Act."

Part 3 consists of four divisions dealing mainly with excise duties. Part 4 consists of 44 divisions. These are what I would call the bill's non-financial measures.

As you already know, on May 9, the Senate instructed nine committees to undertake a pre-study of several of the divisions of Part 4, while the Standing Senate Committee on National Finance was authorized to examine the entire bill. Each of those committees has tabled a detailed report on its work. I encourage you to read them if you haven't already done so.

[*English*]

At this point, I would like to highlight some but obviously not all — measures in the bill that I feel will benefit Canadians the most. I will go through them in the order they appear in the bill. I will begin with the measures in Part 1 that amend the Income Tax Act, something I know you are all as passionate about as I am.

Measure C in Part 1 amends the Income Tax Act to exclude from taxation the income of the trusts that were established pursuant to the \$23.3 billion First Nations Child and Family Services, Jordan's Principle and Trout Class Settlement Agreement. Payments received by class members as beneficiaries of the trusts would not be included when computing income for federal income tax purposes. That is good news, makes a lot of sense and is similar to previous settlements of this nature.

Measure D will double the volunteer firefighter and search and rescue tax credits from \$3,000 to \$6,000. The government recognizes the essential role of these volunteers and the sacrifices they make to keep Canadians safe. For example, nearly

44,000 people claimed the firefighters' credit in 2021 at a cost of \$20 million in reduced tax revenues, and 5,800 people claimed the search and rescue credit, which lowered revenues by \$2 million.

We all know about the fragility of Canada's media landscape and journalism in general, so the government is proposing to enhance the Canadian journalism labour tax credit by increasing the cap on labour expenditures per employee to \$85,000 and by temporarily raising the credit rate to 35% for a period of four years, up from 25%. In 2021, 116 corporations claimed this credit.

One measure I welcome, which I raised in the Senate not long ago, is the Canada Carbon Rebate for Small Businesses. About 600,000 small to medium-sized enterprises, or SMES, in provinces where the federal backstop applies will finally receive their share of fuel charge proceeds via a refundable tax credit. The amount is over \$2.5 billion. Companies will not have to apply for it; the Canada Revenue Agency will automatically determine the amount for an eligible company. I'm very happy to see the government make good on its promise to return a portion of those proceeds to SMEs.

I know some of you have been interested in the changes the government first proposed in 2023 on the alternative minimum tax, which received mixed reviews at the time. The government listened to stakeholders, and I think Bill C-69 strikes a good balance. In broad strokes, the reform includes an increase of the minimum tax rate from 15% to 20.5% as well as an increase in the minimum tax exemption amount. Changes have been made to significantly lessen any impact on charitable donations, and donors will now be able to claim 80% of the charitable donation tax credit. This is good news.

Finally, there are a few additional tax credits in Part 1 related to the clean economy. They include the clean hydrogen investment tax credit, the clean technology manufacturing investment tax credit and the Mineral Exploration Tax Credit. These measures reaffirm the government's commitment to attracting investments, to stimulating business activities and to making Canada a top player in the clean economy.

• (1750)

Regarding the Mineral Exploration Tax Credit, for example, I want to add that this measure sends a strong signal to the industry that the government recognizes its vital role in our economy and, in particular, in local economies across the country, especially in northern and remote areas. The government advances that extending the credit would help keep investments flowing and support the earliest stages of mineral exploration.

As mentioned earlier, Part 2 introduces a new stand-alone act called the "Global Minimum Tax Act," or GMTA. This section of the bill represents 41% of the entire bill — nearly 300 pages. Senators may be familiar with the genesis of this tax. In October 2021, an international agreement was reached to implement a global minimum 15% tax on multinational enterprises, or MNEs, with revenues above €750 million.

To date, 142 jurisdictions have signed on to it and agreed to a two-pillar solution that aims to address the tax challenges arising from the globalization and digitalization of the economy. The intention is to reduce the incentive for MNEs to shift profits to low-tax jurisdictions and to set a floor on tax competition.

The GMTA will implement the primary rule for the minimum 15% tax, commonly known as the income inclusion rule, or IIR, and it will also implement a domestic minimum top-up tax. Under the IIR, Canada would generally impose a top-up tax on a large Canadian-based multinational enterprise if its operations are in a foreign country where the effective tax rate is below 15%.

So far, many of our partners have already taken action to implement Pillar 2, including all G7 nations — except the U.S. — the member states of the European Union and several G20 countries like Australia, South Africa and South Korea. As set out in Budget 2024, the government estimates that the implementation of Pillar 2 would increase revenues by \$6.6 billion over three fiscal years, starting in 2026-27.

Based on historical data from 2019, over 220 Canadian multinationals met the revenue threshold for the GMTA, and more than 2,400 non-Canadian multinationals with operations in Canada also met the threshold.

Moving on now to Part 3, which is relatively quick and simple and focuses on taxes outside the Income Tax Act.

First, taxes are increasing for tobacco and vaping products. A carton of cigarettes will increase by \$4, which represents a 12% bump. The government expects this increase to generate over \$1.3 billion in revenue over the next five years. I personally think that the government is doing the right thing in increasing this tax on cigarettes and prioritizing the health of Canadians. The vaping product excise duty rate will also go up by 12%.

Moreover, the government is capping the inflation adjustment on alcohol products at 2% for the next two fiscal years. It is also cutting by half the excise duty rate on beer brewed in Canada to provide craft breweries additional tax relief in 2024-25 and 2025-26. The 2% cap was also extended the Budget Implementation Act, 2023, or BIA, for a one-year period.

Division 3 is proposing changes to the Underused Housing Tax Act, which you may recall we passed in June 2022. The act implemented an annual tax of 1% on the value of vacant or underused residential property directly or indirectly owned by non-resident non-Canadians. Following consultations, the government is proposing changes to the application of the tax that will help facilitate compliance while still serving its purpose. These changes address filing requirements, penalties and introduce a new employee accommodation exemption for residential properties held as a place of residence or lodging for employees in rural or remote sites.

Now let's move on to the part of the bill that probably interests you the most.

Part 4 has 44 divisions that cover mostly social policy or non-financial measures that are not necessarily tax related. Nine of our committees studied 38 of the 44 measures in this section. I will only summarize about a dozen.

*[Translation]*

I will start with Division 1 of Part 4, which will extend the ban on foreign investment in the Canadian housing sector by two years, until January 2027.

The purpose of the ban is to curb foreign demand, based on concerns that non-Canadian buyers may be playing a role in pricing some Canadians out of the housing market.

The government says that extending the ban sends a clear message to foreign investors that homes are for Canadians to live in, not a speculative financial asset class.

This provision is in addition to the measure in Part 1 that aims to crack down on short-term rentals and help resolve Canada's housing crisis.

*[English]*

Division 3 deals with the newly announced national school food program. The government has committed \$1 billion over five years for the program, which will give 400,000 more children per year access to school meals. With Bill C-69, the federal government will be able to sign bilateral agreements and start flowing up to \$70 million in funding as early as the upcoming school year. Research shows that participation in such programs can save families about \$800 a year.

As we heard in committee from the Breakfast Club of Canada, this program:

. . . is an investment in the future of our children . . . . By ensuring that all children have access to the nutrition they need to succeed, we are fostering a generation that is healthier, more educated and better equipped to contribute to society.

Our Social Affairs Committee is urging the government to ensure robust data collection and to adopt a data-driven approach to ensure that resources for school food programs are allocated to communities with the greatest needs.

Honourable colleagues, Bill C-69 would make a major expansion to the reach of the Canada Student Loan forgiveness program to help incentivize more workers in key occupations to move to underserved communities.

First, here is a bit of background: Canada Student Loan forgiveness for family doctors, registered nurses, nurse practitioners and other targeted professions was originally

implemented in 2012-13 to complement existing efforts to address health care worker shortages in rural and remote regions.

Part 4, Division 4 of Bill C-69 would permanently extend the benefit to 10 new occupations to ensure that Canadians who live in these communities can access the health care and social services they need. The new occupations are pharmacists, dentists, dental hygienists, midwives, early childhood educators, teachers, social workers, personal support workers, physiotherapists and psychologists.

After years of consultations, Division 16 introduces new legislation for key components of the consumer-driven banking framework. Canada is the last G7 country to introduce such a framework. The Senate Banking Committee published its seminal report on this subject back in 2019.

This division sets out elements pertaining to the scope and process for designation of the technical standards body. In our report, our Banking Committee underscored “. . . the importance of moving quickly and diligently . . .” with the framework.

The Financial Consumer Agency of Canada, or FCAC, has been chosen by the government and mandated with overseeing the application of the framework. Our Senate Banking Committee raised some concern about this choice. As we wrote:

The committee believes that a strong governance structure will be essential for the regulator so that Canadians can be confident when participating in the consumer-driven banking regime. The committee has serious reservations over the government's decision to designate the . . . (FCAC) as the regulator . . . and questions why a more robust, independent regulator that has expertise in enforcement was not chosen.

I want to underline that other countries like the U.S. also chose the equivalent of the FCAC, and Canada wanted to go in the same direction. The government feels it is important that consumer-driven banking in Canada follows a consistent international approach. The FCAC has a long-standing role as Canada's financial sector market-conduct regulator and is viewed as an effective supervisory and enforcement agency.

I want to be clear: The government is taking an incremental approach to consumer-driven banking. This is step one.

Elements contained in Bill C-69 will give industry more time to build toward implementation readiness while the government continues to engage with stakeholders to refine more complex elements related to the accreditation framework and the rules for privacy, security and liability. These elements should be introduced in BIA 2 later this year. That would be step 2.

To improve labour protections for gig workers, the Canada Labour Code is being amended in Division 21 to address an issue related to the wrongful classification, or misclassification, of independent contractors by employers. Fixing this issue will ensure gig workers in federally regulated private sector positions will no longer be denied some of their labour rights and entitlements under the code.

• (1800)

As explained by the government, misclassifying gig workers could lead to precarious working conditions and economic vulnerability. This measure could impact over 41,000 gig workers, and it could have a financial impact on employers who have previously misclassified their workers. Our Social Affairs Committee also heard that the Canada Revenue Agency could be losing billions of dollars annually due to the tax implications.

In Division 22, the government is implementing its promise to complete the development of a “right to disconnect” policy for the federally regulated private sector. This represents some 19,000 employers and just under 1 million employees in sectors such as banking, telecommunications and interprovincial and international transportation. Employers will be required to issue a policy that includes their expectations for work-related communication outside scheduled hours of work and any opportunity for employees to disconnect.

Announced in Budget 2024, the government is proposing the creation of an Indigenous loan guarantee program that will provide up to \$5 billion in loan guarantees to unlock access to capital for Indigenous communities. This measure will enable Indigenous communities to take advantage of emerging economic opportunities and ensure they share in our nation’s economic growth in a way that works for them.

To set up the program, Division 25 will authorize a newly created subsidiary of the Canada Development Investment Corporation to issue and administer the portfolio. Natural Resources Canada will also play a role in the initial intake and review of applications. Our Indigenous Peoples Committee applauds this initiative and is calling for it to be established quickly, recognizing that:

The program has the potential to ensure that Indigenous governments can generate own-source revenue by investing in natural resource projects and participate equally in the wider Canadian economy. . . .

The committee is calling on the government to ensure that:

The management and operation of the new organization must also be Indigenous-led, and the program should be administered in a manner that reflects the diverse needs of the Indigenous governments it is meant to serve. . . .

In response to a Supreme Court decision from October 2023, the government is making the necessary changes to the Impact Assessment Act, or IAA. This is the previous version of Bill C-69 that I referred to earlier. The proposed amendments to the IAA in Division 28 would narrow the scope of effects within federal jurisdiction that are addressed under the act. Additional amendments would ensure that decision-making functions are clearly driven by the potential for adverse effects within federal jurisdiction.

Naturally, our Committee on Energy, the Environment and Natural Resources was mandated to review this section of the bill. In its report, the committee shared its regret that the Minister of Environment and Climate Change and his officials did not

appear before the committee to explain the government’s proposed amendments and how they comply with the Supreme Court’s majority opinion.

In its pre-study report, our Legal and Constitutional Affairs Committee also recognized the legal ramifications of Division 28.

Division 35 hopes to address a major problem in Canada that has been growing in recent years. Five measures are being proposed in Bill C-69 to help fight motor vehicle theft. Two new motor vehicle theft offences are being created as well as two new offences targeting possession and distribution of certain electronic devices that are suitable for committing motor vehicle theft.

The government is also proposing a new offence of:

. . . laundering the proceeds of crime for the benefit of, at the direction of, or in association with a criminal organization. . . .

Although the Criminal Code already includes a robust framework to address these types of offences, the proposed new measures would strengthen the regime. These measures come after the National Summit on Combatting Auto Theft that was held in January and respond to calls from police for higher penalties.

Some senators have concerns about this measure and argue that the government should target car manufacturers instead of going after criminals with harsher sentences. I hear you, and the minister does as well. In response to a question from Senator Pate at our National Finance Committee, Minister Freeland was clear that she recognizes “. . . that there is a role for car companies to play . . .” and they “. . . are working with them as part of the solution to this problem.”

Our Legal Committee agrees. As they pointed out in their report:

. . . a multifaceted approach is required to address the problem of motor vehicle theft, including anti-theft technology for new motor vehicles produced or sold in Canada . . .

Through Division 37, the government is making changes to the Telecommunications Act to require telecommunications service providers to offer customers a self-service mechanism that allows them to cancel their contract or modify their plan. Companies would also be required to inform subscribers before the expiry of their contract and advise them of other service plans available. Historically, Canada has been home to some of the most expensive phone plans. The government has been making strides in recent years in supporting more affordable plans for consumers, and this current measure will make it easier for Canadians to find better deals on internet, home phone and cell phone plans.

Moving on to Division 39, on immigrant stations, allow me to offer a bit of context. As a result of decisions by provinces to terminate their long-standing immigration detention agreements, the government is now taking steps to build capacity to house

high-risk immigration detainees in federal institutions, including immigration holding centres and federal correctional facilities that will be managed by the Canada Border Services Agency, or CBSA.

Most of us probably agree that immigration detention is a measure of last resort and the use of a correctional facility even more so. However, it is sometimes a necessary step if an individual poses a risk to the safety of Canadians. This measure clearly applies to high-risk immigration detainees. In fact, the definition of “immigration detainee” was clarified via an amendment at the committee stage in the other place.

It goes without saying that these measures do not change who is eligible for immigration detention and therefore do not change the Charter analysis on those provisions. All federal institutions are required to uphold Charter rights in their treatment of detainees.

It’s important to put on the record the views of our Committee on National Security, Defence and Veterans Affairs on this matter. Here’s what senators on the committee had to say about it:

... your committee believes that Parliament has not had sufficient time to undertake proper study of the proposed amendments, which would make significant changes to Canada’s immigration detention regime. Moreover, because the proposed amendments are unrelated to the financial management of Canada, your committee strongly feels that they should not have been included in budget implementation legislation.

As you know, the Minister of Public Safety sent a six-page letter to the members of our National Security Committee, which I circulated to all senators. In it, the minister corrects a number of inaccurate assertions made during the committee’s pre-study. Regarding immigration detention, Minister LeBlanc reminded us that:

... C-69 does not alter the provisions governing it, which have been upheld as constitutional by the courts. This Bill simply allows for the use of a new facility, namely a CBSA-operated section of CSC institution instead of a provincial correctional institution run by provincial correctional staff. ...

Not everyone will be satisfied with the minister’s answer and the government’s approach to this matter, but the provision in Bill C-69 is time limited — thanks to an amendment in the other place — and being done for public safety reasons.

One measure some colleagues may bring up in their remarks is Division 40, which amends the Borrowing Authority Act to increase the maximum borrowing amount permitted under the act. Some of us are probably on the same page on this matter. Canada’s growing debt is a concern, but I think this measure is needed at this time because of Canada’s debt stock and the higher-than-usual cost of borrowing. The amendment is needed to support smooth financing operations for the government and Crown corporations. I agree that governments — at all levels —

need to start reeling in their spending. The pandemic is behind us, and we need to be a bit more conservative with the public purse.

[*Translation*]

The very last division of Part 4, Division 44, seeks to amend the Controlled Drugs and Substances Act to repeal provisions related to the ministerial power to exempt the legal operation of supervised consumption sites.

The government is now proposing amendments that would allow for the creation of a new regulatory system so that supervised consumption and drug checking services can be authorized through a structured system.

The data is rather compelling and obviously convinced the government of the positive impact these sites have on the overdose crisis.

Between 2017 and 2023, supervised consumption sites in Canada saw more than 4.4 million visits, attended to over 53,000 non-fatal overdoses and made over 424,000 referrals to health and social services.

The Standing Senate Committee on Legal and Constitutional Affairs even suggests that “streamlining and simplifying the application and renewal procedures for a SCS would improve the process for applicants.”

• (1810)

[*English*]

Of course, I could have gone on for a little while longer, but I wanted to focus on these specific measures from Part 4.

Without going into details, I’ll simply mention that the other measures included in Part 4 address a wide range of matters, including Employment Insurance benefits, pension plans, engagement to develop a regional red dress alert pilot system in Manitoba, amendments to regulations associated with therapeutic products, criminal interest rate changes, and amendments to the Federal-Provincial Fiscal Arrangements Act to implement the Canada Health Transfer guarantee of 5% announced in 2023.

Honourable colleagues, I wish I had more time to go over all the measures in the bill. Regrettably, I don’t have the luxury of unlimited time like all of our leaders. I’m sure you are all relieved. I know my staff is relieved. Of course, I’m also not encouraging our five leaders to take advantage of that possibility. I am looking forward to some healthy debate and sensible exchanges.

I also hope the bill can be sent to our National Finance Committee as soon as possible so that it can undertake its clause-by-clause consideration of the bill.

As I conclude, I hope my remarks have allowed you to get a better understanding of some key measures included in Bill C-69 that implement important elements of Budget 2024, which the government describes as its plan to build a Canada that works better for every generation, and where everyone has a fair shot at a good middle-class life. It is my hope that you will be assessing the merits of Bill C-69 with these key considerations in mind.

I'm sorry to take so much time so late in the evening and the session. It is an important bill. I want to put what is important on the record. Thank you for listening. I look forward to swift passage of the bill.

Thank you.

**Hon. Denise Batters:** Will Senator Loffreda take a question?

**Senator Loffreda:** Yes.

**Senator Batters:** Thank you.

Senator Loffreda, this Trudeau government's budget implementation act is several hundred pages long; I believe it's around 680 pages. It has many parts in it that have nothing to do with the budget, as you referenced.

You will also recall that many senators from this chamber appeared at the Senate National Finance Committee last week. We told you this impeded our ability to properly study and amend those certain parts.

Two of those parts, which I want to reference, are the new Criminal Code auto theft provisions and the Trudeau government's huge legislative fix to the Impact Assessment Act, which the Supreme Court of Canada found to be largely unconstitutional.

Although you initially joked that we wouldn't have nightmares about Bill C-69 — this one — we clearly recall that old, scary Bill C-69 because it's resurrected in this.

My question to you, Senator Loffreda, is how many times — I think it's a few times, at least, already — have you sponsored budget implementation acts or the implementation of fall economic statements for this government?

If you don't agree with the common practice of the government continuing to have these budget implementation acts that are several hundred pages long, and that force through major changes that don't have anything to do with the budget — and it also impedes our ability to properly study and amend such changes — why don't you tell the federal government that you won't sponsor another one of their budget implementation acts until they stop doing this?

**Senator Loffreda:** Senator Batters, first of all, thank you for the question.

I will be honest: For someone like me, it's a huge privilege and an honour to sponsor a budget implementation act. When I was looking at the speech, I said, "Could it be?" I had to pinch myself. "Could it be that it is Tony Loffreda doing this? Wow."

For me, as I said, I'm honoured to do this. I agree with 98% or 99% of what is in there. There is no perfect bill. There is 1% or 2% that I don't agree with. There is no perfect person or bill.

This budget implementation act is not the largest; I said it from the start. At 686 pages, it is the third-largest budget implementation act since 2003. Regarding Prime Minister Harper — who I believe was a great prime minister — for the Budget Implementation Act, 2009, it was over 1,000 pages. They're all doing it.

As I mentioned — Senator Housakos, it's my turn to talk.

[*Translation*]

On the other hand, I can't help but wonder how effective the Senate, or Parliament for that matter, would be if many of the measures contained in Bill C-69 were introduced as stand-alone bills.

We already complain that our Order Paper and our committees are inundated with bills. There's a long queue of bills waiting for study at the Standing Senate Committee on Social Affairs, Science and Technology, for example. At the Senate Committee on Banking, Commerce and the Economy, we have five bills to examine.

[*English*]

Our committees are overloaded. This is timely. Auto theft is timely. We have criminal organizations operating in Canada, breaking into homes. We have to put this on the record. We have to vote this bill in as fast as possible. I'm sending a strong message to the government.

I started with that statement because I don't believe in omnibus bills. Some of this legislation could have been studied separately. There is so much of it that is so important, and it has to be put into this bill at this point in time. That is my answer to the question.

**Senator Batters:** You said committee schedules are overloaded, yet government bills — especially government bills like this — certainly take priority.

You will also perhaps recall when we were discussing the auto theft provisions at the National Finance Committee when we were there last week. I was telling you about one particular provision that definitely requires an amendment because there is actually a wording change to the auto theft provision, which is incorrect in French and English.

Since we can't really make such a change because it's part of this 680-page budget implementation act, would you agree that is one of the definite downfalls of having a measure like that in the budget implementation act — a provision that we know already has a flaw in it?

**Senator Loffreda:** In whatever you do in life, you have to weigh the pros and the cons. There is no perfect bill. There is no perfect measure. This is a necessity for Canadians at this point in time.

I go to a gym. I know there are many members at that gym who are waiting to hear that I passed this budget implementation act, and that the auto theft measures are in there because their homes have been broken into in order to get the car keys.

Obviously, Parliament regulation and legislation are not static; it is very dynamic. If there is anything we can do in the future, as I said many times on this bill, let's debate legislation, bring it forward and make life better for Canadians.

**Hon. Leo Housakos:** Will Senator Loffreda take a question?

**Senator Loffreda:** Yes.

**Senator Housakos:** Thank you, Senator Loffreda. I agree with you; Stephen Harper was a great prime minister. Regardless of how big the budget implementation acts were, the important thing is that he balanced budget after budget, except for a couple of years when we were facing an international crisis.

My question, Senator Loffreda, is the following: How do you feel supporting a budget that has \$61 billion of new expenditures at a time when the Governor of the Bank of Canada has said it's not helpful in fighting inflation and it's not helpful in fighting interest rate hikes?

The former governor of the Bank of Canada, David Dodge — you know both of them, as a former banker — calls this the worst budget since 1982 because of these new expenditures.

Don't you agree that, at some point, a fiscally responsible government who cares about future generations of Canadians would put some fiscal anchor in place? They've had nine years to do it. They refuse continuously.

Someone with your background — and I know the success you had as a banker and in business — surely would believe a responsible government would have some fiscal anchor, instead of spending \$61 billion of new expenditures when we already set a record in terms of debt and deficits under Mr. Trudeau.

**Senator Loffreda:** Thank you, Senator Housakos, for your questions. They are always insightful. Thank you for outlining my banking career, which seems to be so far behind me at this point in time. I thought that was difficult, but this is a lot more difficult.

I said it in my speech; I don't think you were in the chamber when I did mention it. I will repeat it for the sake of others, because it is important.

We compare rather favourably on a debt-to-GDP ratio when compared to other G7 countries. By the way, I respect former Bank of Canada Governor Dodge and all the people you mentioned. We all have different opinions. An opinion is important to have, but judgment is what is needed. Judgment is based on facts. I will give you the facts.

In this chamber, I hear all kinds of things thrown out: how awful we're doing financially, and how people are struggling. Maybe you should spend a few weekends with me and see the other 80% of Canadians — how well off they are and how well they are living — or maybe 90% of Canadians.

By the way, I started in a basement. I lived in a basement for 20 years. I can relate to both.

We compare rather favourably on a debt-to-GDP ratio when compared to the G7 countries. We are probably the least or second-least indebted country compared to our GDP.

When it comes to other comparative groups — and this is from the Parliamentary Budget Officer, or PBO, who you respect so highly. The PBO said this when I asked him.

• (1820)

I'm quoting our PBO here. I am not the one saying this:

When it comes to other comparator groups such as the G20, we're again in the best quartile —

— the top two —

— when it comes to the level of debt relative to the economy. We are in a good position . . .

And he goes on and on.

You referenced people whom I highly respect. Well, I reference the IMF, the OECD. These are credible organizations. I'm certain a smart man, a smart senator like yourself agrees.

We have the strongest economic growth in the G7 projected in 2025 and the lowest debt and deficit in the G7. We've recovered 141% of the jobs lost since the peak of the pandemic, compared to just 128% in the United States. The United States economy is the strongest in the world. We've recovered more jobs than the U.S.A. Have we ever heard this in this chamber? We've never heard this, have we? Well, you've heard it here. Now, for the first time, you've heard it today.

Canada continues to enjoy a Triple-A credit rating! Senator Housakos, I'll repeat it again: a Triple-A credit rating.

I'm not making this up. These are credible organizations. Look at the S&P economic outlook. I've got a whole binder of economic data here. I could go on and on here.

**An Hon. Senator:** Please do. It's fun.

**Senator Loffreda:** The S&P continues to give Canada a Triple-A rating. Do you know why we have this Triple-A credit rating?

I always hear people speak against our institutions, all of our big institutions. We are who we are because of our institutions, including the Senate of Canada.



For example, the S&P explains that it continues to give Canada a Triple-A rating because of our strong institutions; credible monetary policy; moderate net government debt; sound net external position; our currency's growing importance and status as actively traded — the Canadian dollar; and a wealthy, exported-oriented economy with a GDP per capita of about US \$55,400.

I'm not making this up. This is from the S&P and everyone else. S&P expects Canada's well-diversified economy will remain resilient through the end of their forecast horizon in 2027 and expects the economic growth will accelerate in the next two years.

It will accelerate in the next two years. I hope — if I do a good job and if the government believes — I could sponsor another few budget implementation acts. I hope I could. And I will tell you in a couple of years, "Remember, Senator Housakos, what I told you two years ago. Look at that." I hope I can do that.

As I said, you can cherry-pick the numbers you want, but these numbers speak for themselves. I hope I answered your question. If I haven't, you can ask me a supplementary one.

**The Hon. the Speaker pro tempore:** We have 45 seconds, so we need a very quick question and a very quick answer.

**Senator Housakos:** We have 45 seconds? I would like Senator Loffreda to explain this to me. Maybe the 80% or 90% of Canadians who are living in this wonderful utopia are living in Westmount, but the Canadians with whom I spend my weekends, Senator Loffreda, are lining up at soup kitchens. They're complaining about getting shoes on their kids' feet.

Tell me how the \$61 billion in new expenditures helps bring down the inflation and the cost of living, which, according to you, is minuscule in this country.

**Senator Loffreda:** I know I will have to ask for more time.

First of all, Senator Housakos, we've been good friends for a long time. Many here don't know that. You spend your weekends like I spend my weekends; let's not make people believe otherwise. I think I'm a workaholic. You're not. So you're probably having much more fun on the weekends than I am, but inflation —

**The Hon. the Speaker pro tempore:** Senator Loffreda, are you asking for more time to answer the question?

**Senator Loffreda:** May I have two minutes?

**An Hon. Senator:** Five.

**The Hon. the Speaker pro tempore:** May he have five minutes?

**Some Hon. Senators:** Yes.

**Some Hon. Senators:** No.

**The Hon. the Speaker pro tempore:** Senator Loffreda, I am afraid a few people said "no."

**Hon. Scott Tannas:** Honourable senators, I always thought bankers had ice water in their veins. It was nice to see the blood running hot.

Senator Loffreda, thank you for a terrific speech and your interesting and informative answers.

I'm speaking today on second reading because that's when we talk about the principle of the bill. I've got a problem with the principle of the bill that I will lay out here.

I abstained on Bill C-59, which I think is also problematic for the same reasons.

My own view, since this new era in the Senate, has always been — as it was for most of the time I was with my friends on the Conservative side — to support the government on financial items. In my view, the role of a senator is to support the government on financial bills. But I can't support budget implementation acts that are loaded with non-budget items anymore.

We're here on June 19, and it's like déjà vu for me. I want to take us back 363 days to June 21, 2023. We were considering Bill C-47, which was a budget implementation act. It contained multiple items that had no connection to the budget of Canada. Some items clearly needed further study, amendments or both.

We had a spirited debate about this whole issue of amending. What do we do? We're up against the wall for time. There is this conventional shield. We decided to vote the bill and go home, and that's what we did.

That was then, and where are we now? We're in the same spot. The budget implementation act arrived a few hours ago. A number of divisions in the bill have no connection to the finances of Canada. We have Criminal Code amendments, which I know our Legal Committee finds deeply problematic.

We've got items in there that have flaws or need more study or were too complicated or had subject matters that should be in stand-alone legislation. In fact, 6 out of the 10 committees that reported to National Finance and then through National Finance to us had concerns about this very issue.

We talked about time pressures being a major problem of budget implementation acts. We talked about this hands-off pressure. We're completely discouraged from amending or dividing the bill in order to take time with the various sections that need our attention and where we could add some value and provide sober second thought.

All those things Senator Loffreda alluded to — we've talked about them before here. We're in the same spot. We're in the same spot such that I believe we will have a nice spirited debate, like we're having here, and we will vote the bill and go home. That's what we're going to do.

It's a little bit of a depressing end to what I think has been a very productive session that we've all put in. Work has been done. We're starting to see a revival of our committees producing exceptional studies that are getting a lot of recognition. We did consequential work on legislation. We spent a lot of time on private members' bills, both from the House and here, and some good bills came through. A lot of them we improved as we studied them.

What have we learned? What have we done? What do we need to do if we are to solve this problem?

I think we learned a couple of things. I certainly did. Number one, governments love the shortcut of using the budget implementation act and putting non-financial items in it. Successive governments have been quite proactive in using this. I think the current government, left unchecked, will continue to use it. I have no doubt that a potential future government will use it extensively in the future. I think it's safe to say that we are living a sentence on these kinds of bills that from time to time will be worse than they are now, and maybe sometimes they'll be better if we do nothing.

• (1830)

The second learning — again, for me, it's a confirmation — is that we in the Senate, by nature and by convention, have an absolute extreme aversion to using our constitutional tools to amend, delay or divide a bill in order to respond to what many of us view as an abuse of process. We just won't do it. It's almost like an abusive relationship that we're stuck in. We have these time-sensitive and hands-off issues that have tied themselves together in these budget implementation acts.

What I think we have learned about ourselves is that, because it's a budget bill, we really are not keen on using our normal legislative powers that we don't hesitate to use on other bills — even though we know that is an absurdity because the stuff we are focused on amending has nothing to do with the finances of the country.

Nonetheless, that is where we are. I think we've checked and double-checked our gut on this over the last couple of years. In my view, this is an issue that we should not think is going to change.

What has happened over the last year? What have we done in terms of trying to grapple with this issue over the last year? We passed a resolution tasking the National Finance Committee to study this specific issue and report back. What can we do? What do they suggest we do in order to maximize the value that we can bring to this process? What changes to our process do we need to consider based on their best judgment, their experience and everything they have heard?

For the consideration — and ultimately the acceptance — of this chamber, a number of us in the leadership crafted the motion together and put it before this chamber. As we started this process, Senator Shugart recommended to me that we try to involve the government. He said that they will probably say, "No, thanks." And they did; they politely said, "No, thanks. We have no interest in changing this. We'll leave it to you to see what you want to do."

However, we have that resolution. We had a date to report back at the end of April. For good reason — I don't think there were any bad reasons — the National Finance Committee has said they need until the end of December to study this. We did that. It's a good first step.

We have to acknowledge that the government is increasingly paying attention to what we're doing over here as we try to grind through 700 pages, look at all the divisions and try to parse what is being done. As we flagged some issues in our pre-study, the government showed that they were listening. They withdrew one of the divisions and made consequential amendments and clarifications to another division. It wasn't everything it should have been, in my opinion, but it was something we had not seen before. We talked about pre-studies as being something that should generate a reaction from the government. It's a good idea, but during my 13 years here, I'd never seen one.

There is some movement towards a solution, and I take heart from that. However, I think we are coming to a crossroads, colleagues. Over the course of the coming year, we have two choices in terms of how we want to deal with this chronic issue of non-financial items being in a budget implementation act.

I take what Senator Loffreda said. There are a number of non-financial items that go into a budget implementation act that are not big enough or important enough to be their own bill. Occasionally, there might be time-sensitive issues, but everything becomes time-sensitive when it's in the government's bailiwick and they're looking to get it passed. The fact is that I think there will always be a Division 4 with a bunch of items in it that are bits and bobs. But I think we have to concern ourselves with consequential, non-financial items.

The crossroads involve two roads. We can do nothing other than complain every June. That is a choice, and we can make that choice. We can say, "That is tradition; it has always been; it is ever thus; it is our lot in life." Fair enough. We can make that choice. If that's what we want to do, let's make that choice, make it clear and eat our cooking for the next decade. If that's what we want to do, let's do that. We can have both hands tied behind our back — time and our legislative powers — and we can just take whatever the House of Commons gives us.

The other road involves supporting and challenging the National Finance Committee as they go through a study process to help us. I think there are a lot of things that they could and should look at — and that I have no doubt they will look at — that can help us get through this and get back on the road to adding maximum value.

I have some ideas. I think the pre-study process could be far more robust. There's a triage at the front end, and it could start with the budget bill. As we know, this government has said that if it's in the budget document, it's going to come in the budget implementation act.

When we see the budget bill, we should pore through not just the numbers but all the annexes where there is the innocuous little sentence that turns into a 12-page piece of the budget at the back, like we had last year. We should be anticipating what

might come to the National Finance Committee, and they should be doing some triage in terms of early signals we see that we might want to flag. That's an idea that I think is worth studying.

We could provide more support. We could demand more for and from our government leader. The government leader should be in cabinet. As the Senate, we could take that position and send the message to future prime ministers to say that the government leader needs to be at the table.

We heard much about the days of government leaders in the Senate and the frank, open conversations that were had around the cabinet in relation to timing, bills and the amount of time we needed to do our work probably. That is just an idea, but we can strengthen the role of the Government Representative in the Senate and, in particular, the mirror role of the Senate representative in the cabinet.

We can work to try to build some trust with the House of Commons on purpose. It is especially important we do that when new governments are around, that they understand where we are, how we will interact with them and that we do that proactively and in good faith.

We should also clearly define the circumstances under which we would consider exercising our rights of amendment, division and delay. Without that, we will always be subject to abuse of process or the temptation.

If our National Finance Committee — together with all of us — can find a better way forward, we'll be advancing Senate reform, adding value for Canadians and fulfilling our duty to provide proper sober second thought.

• (1840)

I know which road I want to take. I hope you do too. I ask that you support and encourage our colleagues on National Finance to do their best for us in the coming months. Thank you.

**Hon. Robert Black:** Honourable colleagues, I rise today to address a matter of profound significance that strikes at the core of our nation's economic resilience, food security and rural vitality: the glaring absence of substantial support for Canadian agriculture and rural Canada in the 2024 federal budget. In fact, the word "agriculture" appears only six times in the budget.

Senators, as the Chair of the Standing Senate Committee on Agriculture and Forestry and a representative from Ontario, a province steeped in agricultural tradition and innovation, I am compelled to voice deep concerns echoed by farmers, industry leaders and rural communities across our great nation. The unveiling of the federal budget in April left a palpable sense of disappointment and apprehension among those who tirelessly toil on our farmlands.

The Canadian Federation of Agriculture, or CFA, and various other agricultural associations have expressed their dismay over what they perceive as a missed opportunity to bolster an industry forming the bedrock of our national prosperity. The CFA, representing approximately 190,000 farm families, said, "CFA disappointed with lack of agriculture in federal budget 2024."

CFA President Keith Currie said:

While we understand there are competing priorities for government funds, with erratic weather and high prices tremendously increasing the risk profile of Canadian agriculture, the government can ill-afford to ignore food production and Canadian farmers.

The headline of a Grain Growers of Canada news release from April 18, 2024, reads, "Budget 2024 Falls Short of Providing Critical Investments for Grain Farmers."

The Wheat Growers Association declared a "Failing Grade for an Out of Touch Federal Budget."

Colleagues, these are just a few of the many news headlines that circulated in the past few months. The message is clear: The 2024 federal budget has missed the mark for Canadian farmers, ranchers, growers and producers.

One of the foremost issues, which has garnered widespread attention, is the lack of meaningful investment to address pressing, ongoing challenges faced by our farmers, ranchers and growers.

The spectre of high interest rates coupled with the imposition of a carbon tax on essential farming activities has cast a shadow of uncertainty over the agricultural landscape. Farmers, who are already grappling with volatile markets and unpredictable weather patterns, find themselves navigating additional financial burdens that have caused many of our Canadian farm families to go out of business.

The imposition of a carbon tax has placed undue strain on the agricultural sector, disproportionately affecting farmers, ranchers, growers and others.

In provinces where the federal fuel charge applies, the average consumer receives a rebate to offset the cost. However, farmers, ranchers and growers are not average consumers.

In many cases, carbon pricing is eroding farmers' ability to sustain their organizations and operations. According to the Grain Farmers of Ontario, they will see an additional \$2.7 billion worth of expenses associated with carbon tax due to the recent increase. Simply put, this is not sustainable.

This tax, often perceived as a punitive measure, fails to consider the unique challenges faced by farmers in reducing their carbon footprint, and it fails to consider measures farmers have already taken to reduce their carbon emissions. Furthermore, the absence of targeted financial assistance to offset these costs reflects a missed opportunity to support farmers in adopting sustainable practices and mitigating the effects of climate change.

This government missed another opportunity to support our farmers, ranchers, growers and producers in Budget 2024. An analysis by the Parliamentary Budget Officer on Bill C-234 — which proposed removing the federal carbon tax from on-farm uses of natural gas and propane, such as grain drying and barn heating — found that farmers would save an additional \$978 million between now and 2030 if the tax were removed.

Imagine the innovations, colleagues, that would be possible if farmers weren't saddled with the high carbon tax and were able to use that \$978 million to invest in innovation. The carbon tax impacts the entire supply chain — from farm to plate — affecting the cost of food production, transportation and retail and ultimately costs for the consumer.

Canadian farm operations face significant financial pressures due to these taxes, alongside record-high inflation, increasing food prices, housing affordability issues and the overall cost of living. These financial burdens take a toll, not only on everyday Canadians but even more so on family farms because of the nature of their business.

Legislation like Bill C-234 is crucial for the industry and would have helped alleviate some of these pressures. It would also have shown support for our agricultural community, something they desperately need now.

Agriculture is a valuable pillar of our nation's heritage and crucial to our economy. By addressing the financial strains faced by farmers, imposed on them through the carbon tax and high interest rates, we would show support for the sector and help ensure the sustainability of Canadian farm families from coast to coast.

Colleagues, the absence of targeted financial assistance to offset these costs reflects a missed opportunity to support farmers in adopting sustainable practices and mitigating the effects of climate change, as I mentioned earlier.

When it comes to agriculture, we all know that the heightened frequency and severity of extreme weather events, exacerbated by climate change, pose significant risks to crop yields, livestock health and overall farm sustainability, not to mention the effects these have on the mental and emotional health of farm families. Events such as prolonged droughts, wildfires, intense heat waves and unpredictable storms are becoming all too common, putting immense pressure on farmers to adapt quickly. These challenges not only threaten the immediate productivity of our agricultural sector but also undermine the long-term resilience and sustainability of farming operations across the country.

This budget's omissions regarding environmental programming, chronic labour shortages and critical infrastructure enhancements for the agriculture sector have raised serious questions about the government's commitment to fostering a vibrant and resilient agricultural sector. Farmers need robust support systems to manage these evolving challenges effectively.

Unfortunately, the lack of targeted investments in these areas highlights a gap in the current policy approach, leaving farmers to shoulder the burdens without adequate assistance.

Investments in climate smart agriculture, such as drought-resistant crops, precision farming technologies and sustainable water management practices, are imperative to ensure the long-term viability of Canadian farms. However, these practices are not being incentivized by our government; where funding is available, I have heard from industry that these programs are well oversubscribed. Long-term strategies are not being developed, and delays have caused recipients to miss growing seasons.

Colleagues, farmers have been innovating for years but want to do more. However, to do so, they need support and direction from government, not more taxes or being saddled with more debt. By investing in innovative and sustainable practices, we can help farmers mitigate the adverse effects of climate change, safeguard food production and strengthen our rural communities.

Additionally, recognizing and rewarding the efforts of farmers who adopt sustainable practices is crucial. As several witnesses stated in their testimony to the Agriculture and Forestry Committee, practices like no-till farming have significantly improved soil quality and reduced emissions. However, the costs associated with adopting precision agriculture and maintaining these practices are substantial.

Support for these ongoing expenses is necessary to encourage widespread adoption and ensure that early adopters are acknowledged for their prior contributions to sustainable farming.

Ensuring that our policies recognize and support the unique challenges faced by farmers will be critical in maintaining the health and productivity of our agricultural lands and securing food for future generations — yet another missed opportunity in the 2024 Budget to support our farmers, ranchers and growers.

The reverberations of the budget's inadequacies extend beyond economic realms; they strike at the heart of rural life, youth empowerment and food security. As a senator with a background in agriculture, leadership development and rural community development, the recent cutbacks — or as the government is framing them, new program funding requirements — for organizations like 4-H Canada and Agriculture in the Classroom are particularly disheartening. These types of youth programs not only cultivate leadership skills among all but also help to foster a deeper appreciation for agriculture and its role in sustaining our way of life.

• (1850)

Programs such as 4-H and Agriculture in the Classroom are pillars for our youth in rural communities and beyond, who are the future of our communities and our country. They play a crucial role in developing our next generation of leaders, teaching valuable life skills such as responsibility, teamwork and community engagement. They provide a platform for young people to connect with their peers, share knowledge and engage in meaningful community service projects, and to learn about the many career opportunities available in the agriculture industry. The experiences these programs provide are invaluable in

fostering a sense of belonging and commitment to rural life, which is essential for the sustainability of our agricultural and rural communities.

The cuts to youth programming offered through organizations like 4-H Canada and Agriculture in the Classroom represent significant setbacks for our agricultural communities and the broader Canadian society. To truly support rural life and ensure the sustainability of our agricultural sector, it is essential to invest in the future by maintaining robust support for youth development and food security programs. By doing so, we can build stronger, healthier communities and cultivate a new generation of leaders who are committed to ensuring success of Canadian agriculture.

Colleagues, despite Budget 2024's shortcomings and the fact that there is virtually nothing for the agricultural sector, there are some positive aspects that warrant acknowledgment. The inclusion of measures to enhance interoperability and digital connectivity in rural areas is a step in the right direction. Access to reliable high-speed internet and digital infrastructure is essential for modernizing agricultural practices, facilitating e-commerce opportunities and bridging the urban-rural divide.

In today's technologically driven world, the ability to connect to the internet is not a luxury; it is a necessity. High-speed internet enables farmers to access real-time data on weather patterns, market prices and advanced farming techniques, allowing them to make informed decisions and improve productivity. It also opens new avenues for direct-to-consumer sales through online platforms, providing farmers with greater market reach and higher profit margins.

Moreover, digital connectivity can enhance precision agriculture practices, which rely on advanced technologies like GPS, sensors and drones to optimize crop management and reduce waste. By investing in digital infrastructure, the government will help to ensure that farmers and rural communities have the tools they need to adopt these innovative practices, ultimately leading to more efficient and sustainable agricultural operations.

Colleagues, in my six years in this chamber, I have heard these same promises and commitments by this government year after year. It is time to act now and stop making promises. While these re-announced measures are commendable, they represent only a fraction of what is needed to address the multi-faceted challenges facing Canadian agriculture.

Comprehensive support for the agricultural sector requires a holistic approach that includes not only financial incentives and technological advancements but also robust policies that address labour shortages, market access and environmental sustainability. Ensuring the future prosperity of Canadian agriculture will necessitate continued investment in infrastructure, research and education, as well as collaborative efforts between the government, industry stakeholders and rural communities. Again, Budget 2024 missed the mark.

I have said it once, and I will continue to say it: Our farmers are not merely producers; they are stewards of the land, custodians of biodiversity and guardians of rural communities' economic prosperity. The agri-food industry generates roughly

\$134.9 billion in GDP and provides 1 in 9 Canadian jobs. Canada's farmers are a strategic pillar in our economy and are integral for our nation's long-term growth and the fight against climate change.

Colleagues, note that farmers, ranchers, producers and growers require robust and sustained support to navigate the complex challenges of modern agriculture while preserving our natural resources for future generations, and they have been asking this government for this support for years. I suppose they will have to continue asking because, again, Budget 2024 missed the mark.

The Grain Growers of Canada, the Canadian Cattle Association and numerous other organizations have voiced their disappointment and underscored the urgent need for substantive action to rectify the budget's deficiencies and inadequacies.

Furthermore, as we navigate the complexities of agricultural policy, we cannot lose sight of broader societal imperatives. Agriculture is not just an economic sector; it is a nexus of interconnected issues ranging from land use planning and sustainable resource management to rural infrastructure development and equitable access to nutritious food for all Canadians.

As senators entrusted with the responsibility of representing the diverse interests of our constituents, we must advocate tirelessly for a budgetary framework that reflects a deep understanding of agriculture's multi-faceted contributions to our nation's well-being. Agriculture needs to be included at all tables and in all conversations.

If we want to increase our production to feed Canadians and the world with an ever-increasing world population, investments need to be made now. Colleagues, let us not forget that our farmers, ranchers, producers and growers are the ones responsible for putting food on our tables, three times a day, 365 days a year. Let's not leave them behind.

Thank you. Meegwetch.

**The Hon. the Speaker pro tempore:** Senator Wallin, you had a question, but we're out of time.

Senator Black, are you asking for two minutes?

Is it agreed, honourable senators?

**Some Hon. Senators:** Yes.

**An Hon. Senator:** No. One.

**The Hon. the Speaker pro tempore:** We have an agreement for one minute, Senator Wallin.

**Hon. Pamela Wallin:** I have a couple of questions for Senator Black. Is it true that you are one of three people in the last 70 years to be awarded the Canadian Society of Soil Science honorary membership, bestowed on those who have rendered valuable or special service to soil science?

Is it true, Senator Black, that you have received this award in recognition of your leadership on the Standing Senate Committee on Agriculture and Forestry and your work to ". . . inspire action,

foster collaboration, and ignite a renewed sense of stewardship towards our precious soils,” and that your strong support led to the successful bid by Canada to host the 24th World Congress of Soil Science?

Is it true the honour was bestowed in Vancouver last week, after your presentation on the Agriculture Committee’s groundbreaking — excuse the pun — soil health study report called *Critical Ground: Why Soil Is Essential to Canada’s Economic, Environmental, Human, and Social Health*?

And are you aware that we are proud and thank you for the recognition and honour you have brought to this chamber?

**The Hon. the Speaker pro tempore:** Senator Black, you have about one second.

**Senator Black:** Yes.

**Hon. Senators:** Hear, hear.

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

**Some Hon. Senators:** Agreed.

**An Hon. Senator:** On division.

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

(Pursuant to the order adopted by the Senate on June 18, 2024, the bill was referred to the Standing Senate Committee on National Finance.)

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

Is it agreed to not see the clock?

**Some Hon. Senators:** Agreed.

**Some Hon. Senators:** No.

**The Hon. the Speaker pro tempore:** I hear a “no.”

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

(The sitting of the Senate was suspended.)

(The sitting of the Senate was resumed.)

• (2000)

## COUNTERING FOREIGN INTERFERENCE BILL

### THIRD READING

On the Order:

Resuming debate on the motion of the Honourable Senator Dean, seconded by the Honourable Senator Cotter, for the third reading of Bill C-70, An Act respecting countering foreign interference.

**Hon. Percy E. Downe:** Honourable senators, I just want to say a very few words on Bill C-70 on foreign interference. Obviously, I’m no expert on foreign interference or intelligence, but over the years I have been involved a bit in this area. When I had the honour to serve as chief of staff to Prime Minister Chrétien, my very first day, two people from the Canadian Security Intelligence Service came in, sat down and gave me the intelligence reports from Five Eyes. They explained how everything would work, how the documents would come to me. Then they said, “Today, we’ll sit here. You read them, and we’ll take the documents back.” And then they explained what would happen in the future.

I must tell you, I found that pretty exciting as a kid who grew up in Charlottetown watching James Bond movies to be reading this intelligence. After I read — it took me about 10 minutes — I handed the documents back, and I said, “Tell me the procedure. How does it work?” They said, “Well, the documents go to the Clerk of the Privy Council and to you, and then you have to decide what you’re briefing the Prime Minister on.”

At that point the fun left the room because I didn’t fall off a turnip truck last week. I knew the questions would be, “What did you know? When did you know? What did you do when you knew?” So I said, “Give me those documents back. I want to read them again.” Since then, I’ve been involved for two years reading those documents. Later, as many of you know, I had the honour to serve on the National Security and Intelligence Committee of Parliamentarians, the first committee, with Senator Lankin, who is still on it, and David McGuinty, who is the chair.

I just want to say a few words, given my questions to Senator Gold. The National Security and Intelligence Committee of Parliamentarians is an outstanding committee. They have one of the best professional staffs I ever encountered in Ottawa. I’m sure they would have considered every word and every sentence in that report, and they would be extremely careful. I think they serve Canadians well.

Having said that, I decided not to go back on the committee. I did not request to go on the committee when my term was up because I found there were two problems: I was concerned about how much the government was redacting when they released the reports. What we submitted and what they edited out I thought was a step too far. And, quite frankly, having been chief of staff to the Prime Minister, they weren’t getting all the intelligence they should have been getting. They were getting enough to

satisfy their responsibilities, but the government wasn't generous in sharing additional intelligence that I think they would have found helpful.

Having said all that, I'm particularly concerned that we address any erroneous information in the study of Bill C-70, on foreign interference. To that end, I want to speak about what Senator Woo said on Monday. I'm going to quote what he said, and then I'm going to quote the judgment of the case in Australia. I think colleagues can determine if there is a difference between what was stated and what the judge in the case said.

I say this because I've always been interested in what the Australians have done in foreign interference. I thought they were the leaders on that file. And I thought they had a bigger problem than we did, they had it earlier, and they addressed it quicker. Having said that, they also have an ongoing problem, and I was intrigued when I heard that someone was actually convicted and sent to jail under the act. That's why I read the court judgment. For those of you who were around when Senator Baker was here, I do not read court judgments as a hobby. This is one of about half a dozen that I've read over the years.

I'll start with what Senator Woo said on Monday. Here is what he said:

A Vietnamese Australian has been sentenced to two years in jail for the act of preparing or planning an act of foreign interference. What was that act? He organized a fundraiser during COVID, raising money from Vietnamese and Indo-Chinese-Australian communities to buy personal protective equipment and other medical supplies, and he donated that money to a hospital. At the ceremony where the donation was made, he invited a politician — I think he was a sitting minister at the time — to stand with him on the stage holding one of these fake cheques for \$25,000 Australian. That was used as evidence that this Vietnamese Australian person was cultivating the minister for a future act of foreign interference.

Just think about that. The Australian system is the Australian system, and they have the right to conduct themselves in the way that they want to. But are we going down the road where someone who develops a relationship with a politician or a public official who may have the potential to rise up the ladder sometime in the near or distant future, that that act in itself is a crime of planning or preparing an act of foreign interference? It drives shivers down the spine.

This is what Senator Woo said on Monday.

Colleagues, I want to compare that to what happened in Australia. This person was tried by a judge and jury. I think it was a five-week trial. I'm only going to quote part of the judgment, but here is what the judge said about this situation. This is Australia, and this is the judge in Australia. He said:

As a prominent and long-serving member of the Liberal Party —

— by that he means, of course, the Australian Liberal Party —

— you had previously met with Minister Tudge on 26 July 2018, at his invitation, to discuss immigration policy. Consistent with the jury's verdict, I am satisfied beyond reasonable doubt that you sought deliberately to use your previous meeting with Minister Tudge as a means of attracting his interest in becoming involved in the donation to the Royal Melbourne Hospital. I am equally satisfied that, on 30 April 2020, you deliberately selected Minister Tudge as a target of the future foreign influence offence precisely because of Minister Tudge's political power as a Minister in the Australian Federal Government, and because you believed that he could potentially be persuaded to influence Australian Government policy in a manner favourable to the Chinese Communist Party. On your assessment, the attraction of this potential benefit was enhanced by your stated belief that Minister Tudge would, in the future, become the Prime Minister of Australia.

Later he said:

In representing your purposes for the donation as being purely altruistic and genuine, you deceived the intended target, Minister Tudge, as well as members of Minister Tudge's office staff, members of the Royal Melbourne Hospital associated with the donation, and members of the Oceania Federation who donated funds with no ulterior motive. The prosecution submits that this aspect of your conduct involved a significant breach of the trust of members of the Oceania Federation and of the Liberal Party by using your longstanding affiliation with those bodies as a form of cover in prosecuting the agenda of the Chinese Communist Party. Indeed, as the evidence at the trial amply demonstrated, such covert methodology was a feature of what is known as the United Front Work System, which is employed worldwide by the so-called United Front Work Department which operates under the direction and control of the Chinese Communist Party. I accept those submissions and find the facts that underpin them proved beyond reasonable doubt.

The judge then goes on to say:

I also find to that same standard that you maintained contact prior to and during the offending period with Chinese Communist Party officials both in Australia and overseas. You communicated with them over the encrypted WeChat application, including with officials whom you knew or believed were operatives of the Chinese Government Ministry of State Security. The extent to which you were trusted by the Chinese Communist Party was evidenced by your relationship with the Chinese consulate and was reflected in your invitation from the Chinese Communist Party to attend the 70th Anniversary National Day Celebrations in Beijing. You duly attended those celebrations in Beijing on 1 October 2019.

The evidence led at the trial supports the conclusion that the United Front Work System, as operated by the United Front Work Department, is a sophisticated, far-reaching and pervasive foreign influence program. The Prosecution submits that your offending, and your conduct both before

and after the period of the offence, suggests that you were an adept exponent of the methodology of that System. You demonstrated an aptitude and enthusiasm for developing relationships with persons of influence in Australia and overseas and for hiding your connections with the Chinese Communist Party behind your roles in apparently innocuous community organisations. The prosecution submits that, in these respects, your offending may be regarded as sophisticated. I accept that submission and find the underlying facts proved beyond reasonable doubt.

• (2010)

The prosecution argued that the accused had been in contact with Chinese state officials. There were various wiretapped phone calls played in court, including one where he was heard telling an associate, “When I do things it never gets reported in the newspaper, but Beijing will know what I’m doing.” They convicted him, and that’s the other side of the story.

Thank you, colleagues.

**Hon. Yuen Pau Woo:** May I ask a question of Senator Downe?

**Senator Downe:** Please do.

**Senator Woo:** Thank you. I came in midway, but I get the gist of your speech.

You have basically confirmed what I said yesterday. This man was charged and convicted on exactly the items that you described.

What advice would you give to Chinese Canadians who want to build good ties with their motherland — build good ties with the People’s Republic of China — and who want to participate in charitable activities in Canada for the benefit of Canadians, and who want to be in good relations and contact with Canadian politicians, because it’s important for Chinese Canadians to show civic participation in the political process?

These very Chinese Canadians will be in regular contact with Chinese officials at the embassy or the consulate or the trade office, because they are connected to China. Indeed, these Chinese Canadians may also be members of associations that are deemed to be United Front Work Department organizations, and, in fact, they may have it on their business card, as Mr. Duong did. He did not hide his affiliations to organizations related to the Chinese Communist Party.

What advice would you give to Chinese Canadians who seek to do these good things for their fellow Canadians?

**Senator Downe:** Thank you.

Obviously, the first comment I would have is that I know many Canadians of Chinese descent who consider Canada the motherland, not China, and their loyalty is to Canada, not to China. That’s what we expect from all our citizens.

I’m sorry, Senator Woo; that’s what you said. You talked about the motherland. I heard it.

In this case, the court has found that he concealed his involvement with the Chinese Communist Party. He was using the encrypted WeChat to communicate with them. He was picked up on wiretaps.

I think that’s completely different. I in no way call into question the loyalty of Canadians of Chinese descent. But if somebody wants to work for a foreign government — for India, for China, for Russia or for whomever — that’s totally unacceptable to Canadians.

**Senator Woo:** Senator Downe, you probably don’t know that WeChat, by definition, is encrypted — so is WhatsApp, so is Signal and so is Telegram. That doesn’t tell you very much.

But you did not answer my question. There are many Chinese Canadians who want to maintain good ties with the People’s Republic of China, and who want to do good works here in Canada. They feel it is their right and, indeed, obligation to be in touch with the Canadian political process, and to meet you from time to time to tell you about the good things they’re doing — perhaps because you are a rising star in the Senate; I don’t know.

What advice would you give to them? How should they conduct themselves such that they do not fall into the trap of being stigmatized, targeted and outed falsely as some kind of a foreign agent?

**Senator Downe:** It’s self-evident to me that your loyalty is to Canada. That answers all of your questions.

This particular person, contrary to what you said in your speech on Monday — where, in my opinion, you put a spin on it that wasn’t correct, and that’s why I tried to address it tonight with the actual court ruling from the judge.

Australia has a very similar judicial system to Canada. It has a judge and jury, reasonable doubt, fairness, a trial that lasted many weeks — I think it was five weeks — and a conclusion by the jury and the judge ruling.

That could happen to anybody in Canada. If they were an agent for Russia or whatever country, that should not be allowed. We want people to be loyal to Canada.

The advice to everybody in Canada — regardless of where in the world your ancestors or you came from — is that your first loyalty and responsibility is to the country that you’re now living in, which you have citizenship in, and that’s what we all should strive to do.

**Senator Woo:** Can you, then, just clarify? I take it that your point is that a Chinese-Canadian person, who believes in the importance of good relations with the People’s Republic of China, and who wants to do good work and make donations to a hospital, or some other charity, and who is in touch with politicians, should be considered suspect, which is exactly the case we have in Australia. Is that your position?

**The Hon. the Speaker:** Senator Downe, the time for debate has expired.

**Senator Downe:** I would like five more minutes, if possible.



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

**Hon. Senators:** Agreed.

**Senator Downe:** What you're talking about there is wrong. This case was very different. This person was caught on wiretaps working on behalf of the Chinese Communist Party, and that's what foreign interference is. That's what the bill before us is, and it is long overdue in Canada. Finally, we have it.

There are problems with the bill that will be addressed overall. Senator Dean, the sponsor of the bill, has indicated some of the areas of concern. Others, such as Senator Marty Deacon, indicated that the committee should look at different areas and study it more in the fall. There are many things that can be done to make it even better.

The foundational principle has to be this: As in this case with this person who was convicted of being a front for the Chinese Communist Party, and went to jail because of it, the same position should be held by the Canadian government. We have to fight foreign interference.

There are all kinds of Canadians of Chinese descent who work with Chinese organizations in China that are not a problem at all. That, obviously, can continue. But if you're working on behalf of the foreign government, that should not be allowed.

**Hon. Hassan Yussuff:** Honourable senators, I rise today to speak, of course, to Bill C-70, the countering foreign interference act.

We have spent the past years watching and reading in real time about foreign countries meddling in our elections, threatening the diaspora community on Canadian soil and targeting, of course, our members of Parliament. We have read public reports detailing the scope and breadth of this ongoing interference, and it has shaken us. It has reminded us of the paramount importance of protecting the security we so often take for granted. Bill C-70, while imperfect, takes an important first step in addressing these concerns.

By now, you have heard colleagues describe the various provisions of Bill C-70 in depth: the important and necessary changes that it makes to the Canadian Security Intelligence Service Act, the Security of Information Act, and the Criminal Code, as well as the proposed enactment of the foreign influence transparency and accountability act, which would create a foreign agent registry.

I intend to focus my remarks on three concerns that have arisen during the National Security, Defence and Veterans Affairs Committee's study of this very important bill.

First and foremost, foreign interference in our domestic process is unacceptable and needs to be addressed immediately, particularly in the context of a looming federal election. While I admit that Bill C-70 is imperfect and will require ongoing study, we must pass it now to ensure it can be implemented in time for the next federal election.

• (2020)

At the same time, we must also balance our security needs with the protection of our Charter rights of expression and association. Concerns about the broad scope of certain definitions concerning protest in Bill C-70 must be addressed.

Finally, we must also ensure that our national security and the integrity of our elections remain a non-partisan issue. It is imperative that all parties and groups come together to create the best national security regime we can with the tools we have available in the moment, which — I believe — Bill C-70 accomplishes. The need for compromise is a feature — not a bug — of Canadian democracy. It is essential if we are to combat threats posed by countries that do not hold our regard for democracy.

As Canadians, we face a wide range of security threats: threats to our economy, infrastructure, research, cybersecurity, the integrity of our electoral processes and the very functioning of our government.

The first concern I want to raise is the urgency of passing Bill C-70.

In the context of such wide-ranging threats, it is important that we get the timing right. I have heard the frustrations of my colleagues that more could and should have been done sooner to combat the threat of foreign interference. I share many of their frustrations and have said so publicly and also at the committee hearings.

No matter what should have been done in the past, we must deal with the solutions we have in front of us now. I believe Bill C-70 is an important first step of that solution and that we must pass it with the urgency it requires. Canadians demand it, demand no more.

Last week, our committee heard from many witnesses across political lines and in various corners of government and civil society about the need for the swift passage of this bill.

Activists from Hong Kong Watch and the Canada Tibet Committee, facing considerable risk just by testifying publicly to the transnational repression they face daily, urged for the speedy passage of Bill C-70.

Richard Fadden, former director of CSIS and National Security and Intelligence Advisor to Prime Minister Harper and Prime Minister Trudeau at one time, urged the rapid passage of the bill, stating in his committee appearance:

To delay Bill C-70 to the point that it will not be in place before the next election would be a gift to our adversaries. . . .

I'm inclined to agree with him.

The government has told us that if the bill is passed now, they will work to implement the foreign agent registry in time for the next election.

Following the appointment of a new foreign influence transparency commissioner to administer the act, Canadians can have faith that malicious foreign actors can and will be held responsible for violating Canadian law. Canadians can have faith that the integrity of our democratic processes will be protected.

Senators, it is possible to support the swift passage of this bill and to acknowledge that its implementation will require ongoing oversight. This is my second concern.

Our committee heard from the Canadian Civil Liberties Association, or CCLA, who shared concerns that the sabotage provisions outlined in proposed section 52.1(1) of the Criminal Code, as outlined in Bill C-70, are too broad as written and will require clarification.

As it currently stands, the provision only concerns the sabotage of essential infrastructure and does not, according to the CCLA, “. . . have a foreign interference element and can apply to wholly domestic matters.”

Senators, this is deeply concerning, as we want to ensure distinctions are made between legitimate domestic protests and nefarious foreign obstruction of our critical infrastructure. The government has acknowledged these concerns and has stressed that targeting domestic protesters is not the goal of this bill.

True as that may be, I am concerned that future governments are likely to take advantage of this lack of clarity and that legitimate protesters like union members — I used to be involved in union protests — or First Nations members could find themselves in the crosshairs.

There is a need to clearly define what constitutes a threat to the “safety, security or defence of Canada” and what the government considers “essential infrastructure.” I fear that without this clarity, this section of the law will be ripe for potential abuse by future governments at any level.

The Canadian Civil Liberties Association are not the only ones concerned with this proposed section of the bill. Our committee also heard from the University of Ottawa professor Michael Kempa, who suggested, “Underlining the language around the necessity for foreign involvement or interference driving that activity would safeguard domestic protest.”

I’m inclined to agree, senators. I think the section in its current form is too broadly encompassing. Having said that, I still believe we should pass this bill to ensure the foreign agent registry has a fighting chance of being implemented before the next federal election.

Does that mean we simply drop these issues? I am confident that senators in this chamber and in committees will continue to study the implementation of this bill to ensure that our fundamental rights are protected alongside our national security.

Senators, my final concern is that election integrity and national security should be consensus-based and non-partisan issues.

Our committee heard from witnesses who are members of the other place and who are satisfied that Bill C-70 takes a balanced, substantive approach to national security that is supported by all parties in the other place.

Both the Conservative MP Michael Chong and the Liberal Minister of Justice Arif Virani called attention to the rare nature of the all-party support for Bill C-70 in the other place. Minister Virani told our committee that this is because “. . . all parties in the House of Commons feel the necessity of proceeding with pace in respect to this legislation.” Mr. Chong echoed his sentiments, telling us that this consensus is the result of “. . . how serious members of the House of Commons see the threats to the elected house and to our elections.”

Colleagues, we must continue to work on this issue from a consensus standpoint on the substance of the issue. Many of the anti-democratic countries interfering with our national security do not hold regular elections and are thus not making major policy changes every four years. To successfully combat foreign interference, a non-partisan approach requiring deliberation, mutual agreement and some compromise on all sides is the path forward.

Senators, in conclusion, as you have heard me and others say in this chamber, Bill C-70 has many strengths and some weaknesses. It is not a perfect bill, but it is an important step toward addressing the threat of foreign interference in Canada.

I want to thank Minister Virani and Minister LeBlanc for appearing before the Standing Committee on National Security, Defence and Veterans Affairs to testify on this issue. I also want to thank our dear colleague Senator Dean for his skilled sponsorship of this bill and my dear friend Senator Dagenais for his sound management of the committee as we heard witnesses testify to the impacts of Bill C-70.

Honourable colleagues, if I can digress for a minute, I have a name, Hassan Yussuff. After 9/11 happened, our country — like many other countries around the world — acted to bring forth laws that were necessary based on what we witnessed after 9/11. The unintended consequence of that law was that when I went to the airport, I was always selected to be scrutinized.

I can tell you that in my past life, in my past job, I went through airports 10 to 20 times a week. That was my job. I travelled the country to meet with my members and talk with them. I understood that it was the consequence of that law and that prejudice is hard to overcome. How do you train people when you pass a law that says that you should not do that because the person looks like the person you may think? This is a reality of human behaviour, and we need to acknowledge it because if we don’t, we don’t understand the complexity of our country and how we build unity.

My second point is that Maher Arar did not rendition himself in Syria to be tortured. He was renditioned by the officials in our security system who targeted him because they believed he was a threat to our security. He did survive that interrogation and subsequently called home. As you may recall, there was a national inquiry that looked into it, and cautioned and guided us

about how not to do the same thing again. I understand that, because for many, if we forget that, we forget our own history and how we can do better.

• (2030)

Third, many Muslim families had nothing to do with the security risks to our country but found the names of their children on a watch list. These were kids who had nothing to do with terrorism but could not get themselves off that list. It took a significant amount of time for our country to finally do the right thing, because we didn't create the list.

My point is that good intentions are good intentions. However, we are a country that is very diverse, as is this chamber. We all want to do the right thing — to protect our great, wonderful country — but in doing so, we should also be conscious of how some people can at times be targeted just because of how they look and what they say.

It is an imperfect bill in some ways. However, I believe this chamber can do what it is famous for, which is to continue to do its work in examining the implementation of the legislation and regulations, as well as bringing the commissioner before our committee to testify in regard to how they will do their job in enforcing the law. If we see the flaws early enough, we should not hesitate to act collectively, because our national security cannot be protected if we divide our country.

Colleagues, I will conclude. I want to thank the countless activists and brave ordinary citizens working to combat the threat of foreign interference. We have had the pleasure of hearing from some of them. As we continue our work studying the issue, we hope to hear from many more.

This bill is trying to address some of their concerns because of what they face every single day. However, this bill is also for Canadians collectively and the nation we represent. We will do the right thing when we pass it, but let me be clear: I want to thank my colleague Senator Woo for what he said in this chamber; it took courage to do so. We should not be so quick to judge, because people have accused him of things that I don't believe he —

[*Translation*]

**Hon. Marilou McPhedran:** Colleagues, I'd like to begin by saying that I support the principle and purpose of this bill. There's no doubt that foreign influence on our democratic institutions is a grave threat that must be taken seriously.

[*English*]

However, I welcome this opportunity to place on the parliamentary record some grave concerns about the application, scope and means of this rushed bill, entitled "Countering Foreign Interference Act."

First, a compelling case has not been made for rushing to a vote on this bill when we are in the midst of an independent public inquiry into foreign interference in federal electoral processes and democratic institutions being conducted by an independent commissioner, Justice Marie-Josée Hogue. She has accepted responsibility to address the National Security and

Intelligence Committee of Parliamentarians, or NSICOP, report as part of her ongoing inquiry and to report by the end of this year, in ample time for development and scrutiny of new legislation.

It is deeply ironic that if we as senators choose to truncate our task as the chamber of sober second thought without ensuring the time for proper study and amendment, it will be civil society that will take on this task, but with fewer resources and far less authority than we have. For example, today, seeing the Senate rushing this bill through in less time than the time taken for the Anti-terrorism Bill in 2001, post 9/11, the Centre for Free Expression, working with the International Civil Liberties Monitoring Group — a coalition of 46 Canadian organizations — announced their plan to create a rights risk-monitoring mechanism. The new law created by this bill needs to be monitored, because implementation is going to impact internationally protected and Charter rights, such as freedom of expression, freedom of assembly and freedom of association.

Civil liberties that are supposed to be protected by our Canadian Charter of Rights and Freedoms, entrenched in the Constitution of Canada, are endangered by this bill, which is being rushed through Parliament to appease political expediency. In doing so, we are denying Canadians a more thorough and careful study of this bill, which is, after all, our primary role.

It is worth noting the "abuse of process" referenced by Senator Tannas today with respect to rushing the budget bill. It was given about five times more time than we have given the bill on foreign interference now before us.

So, what are we facing this evening? My speaking time is short, but sadly, my list of concerns is quite long. I have been troubled by signs of foreign interference for years now, and I am one of the parliamentarians for whom foreign interference is real and present. To give just one example, earlier this year, media reported that a number of parliamentarians in a number of countries were targeted by the Chinese state-sponsored hacking group APT31 in January 2021. I was among those politicians targeted due to my work — mark these words, please, for their vagueness — "in association with" pro-democracy groups in Hong Kong.

Following those revelations, I contacted the Senate cybersecurity team, which conducted an in-depth analysis. The Information Services Directorate, or ISD, confirmed that my office was targeted by malicious malware and other hacking attempts. However, those incursions were identified promptly by our IT team as potentially malicious, quarantined and deleted from our system without compromising our internal networks. I commend the vigilance and quick action of the Senate IT security team.

However, I remain deeply concerned that I was not informed that I was, among other parliamentarians, a deliberate target of foreign-backed hacking attempts. My experience as a target does not occlude my concern that Bill C-70 will prove to be harmful to innocent Canadians, because it is unnecessarily and likely unconstitutionally vague and overly broad.

Clause 53 would criminalize several acts made — here are these words again — “. . . in association with . . .” foreign entities that would prejudice Canada’s interests. To my eye, this wording does not sufficiently delineate between criminal activity and innocent, well-intentioned cooperation or communication with international partners. Allow me to remind us about the Supreme Court of Canada on the doctrine of vagueness:

It is a fundamental requirement of the rule of law that a person should be able to predict whether a particular act constitutes a crime at the time he commits the act. . . .

That is from *R. v. Mabior* in 2012.

The following year, the Supreme Court ruled in *R. v. Levkovic* in 2013:

It is not enough for laws to provide guidance to legal experts; laws, as judicially interpreted, must be sufficiently intelligible to guide ordinary citizens on how to conduct themselves within legal boundaries. . . .

• (2040)

Furthermore, I believe the scope of activities this bill would render illegal is substantially disproportionate to its objectives. Unlike comparable anti-terrorism legislation, these new crimes do not require the intent to support other illegal activities. Bill C-70 only requires the knowledge of a risk of prejudice to Canada’s interests, a term that is not defined and is overly broad.

The creation of these new crimes in addition to the proposed foreign influence registry will impact freedom of expression and freedom of association for academics, members of civil society, broadcasters and business leaders, who could soon find their research, advocacy, journalism or business dealings deemed illegal under this bill as a new law.

There is a high probability that the proposed registry will also undermine individual privacy rights. Good faith actors who register run the risk of seeing themselves profiled on discriminatory grounds or “doxxed” for their political positions. Definition and protection of the information collected and published through the registry created in this bill are left to regulation — details completely unknown to us as we face this vote.

Honourable colleagues, in light of constitutional protections this bill engages and the importance of the democratic institutions it aims to protect, Bill C-70 should be studied with thorough scrutiny, a process that cannot be rushed through in less than two weeks. It is clear that this horse of a bill has the bit in its mouth and is galloping to a “yea” majority.

As the place of sober second thought, we have a duty to scrutinize such important legislation. We should be ensuring that its means will indeed attain its ends, considering evolving

regulations. We should be closely examining if any compromise on fundamental freedoms is necessary, rational, minimal and proportionate.

Earlier in this debate, Senator MacDonald affirmed that national security is not a partisan issue, and I agree. I would add that protection of constitutional rights and freedoms is not a partisan issue either. Further, the two are not mutually exclusive. May I remind you of the supreme constitutional protections of privacy, freedom of the press, freedom of peaceful assembly, freedom of expression and freedom of association?

What we as parliamentarians are engaged in right now is a textbook example of the “shock doctrine,” defined by Naomi Klein in her prescient book of that name, that documents the exploitation of national crises or upheavals to establish laws and measures that can be used to undermine rights and freedoms while citizens are too distracted by, for example, a financial crisis to engage and develop an adequate response and resist effectively. I might add that for us as senators charged with careful review of bills that come to us from the other house — whenever those bills may come — an adequate and effective response takes time, and parliamentarians have a duty not to become distracted from scrutinizing bills that can be used to undermine rights and freedoms.

Parliamentarians should not be distracted when changes to sabotage laws — including amendments passed by the House of Commons to extend the coverage of infrastructure still under construction — threaten the right to protest, including the rights of Indigenous land defenders and their allies. I agree with civil society concerns that the protective exceptions in this bill for protest do not go far enough and could still be used to stifle legitimate acts of civil disobedience or dissent.

I believe we are seeing here what Naomi Klein observed in several countries that she studied, which is, “Democracy and human rights are often trampled upon under the guise of emergency measures.”

In closing, while I support the policy intent of this bill and I believe that we do need new laws that address foreign interference effectively, I also believe that the risks in this bill should be heard as a clarion call for a more thorough study, such as we typically do with major bills — except, perhaps, when we are hearing the siren call of summer adjournment.

In light of the imminent choice for a scrutiny-light approach to this bill, I urge that our next step be to refer these issues for further Senate committee study than has been undertaken on this hugely consequential bill.

Thank you. *Meegwetch.*

**Hon. Andrew Cardozo:** Honourable senators, I have a few comments I’d like to share.

First, I want to be clear that I believe this is an important bill. I think the timing is very important because, certainly, Canada and many countries around the world are facing a real and growing threat of interference that is more serious and more dangerous

than it has ever been before — in part because we live in a more dangerous world and in part because of everything that can be done through the internet.

The comments I want to make are about the issues of loyalty and the motherland that came up a few minutes ago. It's not just about how we discussed it here; it's how we think about these terms in society.

We live in a country where the population is approximately 95% immigrants and descendants of immigrants. Currently about 30% of the population are themselves — ourselves — immigrants. Loyalty is not easy to define and should not be enforced in a draconian way, saying that you're either loyal or you're not.

I want to differentiate the comments I'm making from the issues of sabotage or acts against the state. There is no question that we should not tolerate sabotage against the Canadian state or the Canadian people — or any acts of sabotage. I'm talking about how we converse among ourselves and how we regard each other.

As immigrants, people develop a sense of loyalty over a period of time. That is determined by a complex set of issues, starting with when they came here, why they came here, why they left their country of origin, whether they still have family there, whether they were the majority, whether they were chased out and whether they are refugees. All of these different issues will determine how much feeling they have toward their country of origin. They may have come from another country but were never considered part of that country, so they may not see that country as their motherland. They may see Canada as the motherland they have been looking for all their lives.

However, these things change over time, and they change with a person's age. At a certain age, a person may be more interested in school, in girls, in boys and all sorts of things. At another time they may be more conscious about politics and the nature of the country they came from.

It also depends on what's happening in their country of origin. A person of Ukrainian origin may have been proud of their origin five years ago but today they are feeling their "Ukrainianness" very strongly because their homeland — their motherland — is under attack. For the first time, they feel more Ukrainian than they've ever felt before. Are they suddenly being disloyal to Canada? No; we live in a diverse country, and we can have loyalties to more than one country.

We talk about someone from China or Russia, but let's look at somebody of French origin, like a former leader of the Liberal Party who was a dual citizen of Canada and France. Was he disloyal? Some people thought he was. I don't think he was, but that's the nature of dual citizenship.

Andrew Scheer is also a dual citizen. I don't think that makes him less loyal.

• (2050)

We have these various concepts in this democratic free society of ours where we try to ensure that people are loyal, but I want to — and, again, I don't want to be pointing fingers and just looking at our debate here this evening, but it's about — as we move ahead with this law and we talk about foreign interference and foreign others, understand that there are people among us who are at various stages of loyalty to Canada. It's sort of that thing about love. It grows, and sometimes you're more in love and sometimes you're less in love, and it changes over time depending on a whole lot of reasons. I won't go further down that road.

I should end here by saying this: This is a complex society we live in. This is a complex world we're living in that's becoming more complex, and, indeed, we've got a complex bill that tries to deal with a lot of the different things that a law of this kind has to.

Overall, I think it strikes the right balance, and it's for that reason I am proud to support the bill. Thank you.

**Hon. Leo Housakos:** Honourable colleagues, I have shared my view on foreign interference for a very long time, both in this chamber and elsewhere, and I'm pleased in the last couple of weeks there has been a surge on the part of the government and all colleagues to start dealing with this existential crisis that we're facing.

Unlike Senator Cardozo, I don't think this is a very complicated issue. This is a very simple issue. Unfortunately, there are various elements for a variety of reasons that complicate a very simple issue.

I also don't agree with my good friend Senator McPhedran that we're rushing this for political expediency reasons. We are rushing this because what's at stake is the credibility of our electoral process and the reputation of our democracy, which has been blemished because of foreign interference over at least the last two elections that we know of based on tangible reports — from the preliminary report from the public inquiry, from a report from the National Security and Intelligence Committee of Parliamentarians, or NSICOP, that dates back as far as 2018 from our colleagues that were raising red flags as well as, of course, from reports that started as far back as 2013, which highlighted foreign interference in our democracy and our Parliament.

I can easily say that probably it was political expediency that has taken so long for us to deal with this existential crisis because I agree with you that we should have been dealing with this in thorough debate and discussion at various committees, particularly in the Senate. The Senate, if there is a place where we can have an added value, is to take these types of issues out of the political arena, take a step back, take a deep breath, in conjunction with our national security agencies, with our Five Eyes allies, with our members at NSICOP who have a particular experience and figure out, number one, what is wrong with the structure we have in place with regard to national security and foreign interference. Unfortunately, for many years — and it's not the fault of this government; it is many governments — all roads that deal with national security lead to one person only, and

that's in the Prime Minister's Office. That opens the door, of course, for partisanship, particularly when it comes to the interference of the electoral process.

I'm not saying I have the solution in one swoop, and I don't think this bill has the solution to the problem either. It's one giant step forward because it does put on guard various nefarious actors around the world who think that Canada is very porous — and we have been very porous. When we read the preliminary report from Justice Hogue vis-à-vis the public inquiry, she makes it clear. We don't need to wait until the end of the year to read the rest of the report. If you read the preliminary report, it's frightening what comes out of that report.

When we hear what has leaked out of the reports from NSICOP that has gone to the Prime Minister, it's frightening. It calls into question this very institution, the lower chamber and our electoral process.

Now the government finds itself behind the eight ball, racing to put into place a bill that will at least hopefully be in place in the next 12 or 14 months, before the next election, to give Elections Canada, the RCMP and political parties the flexibility they need to make sure that our democratic process withstands the test of time.

As you all know, I'm rather partisan and involved in political organizations, and I can tell you that there is no doubt there has been foreign interference in our elections. We fight it within our party ranks. We see all parties dealing with it. I don't think it had, thank God, enough of an impact to affect the overall results of the last two elections. There is no doubt about that. But we have to make sure that if we don't take the necessary steps to protect future elections, it might have a greater impact in the future.

Regardless of which political parties win or lose elections, one thing that distinguishes us as a democracy is we come to this place, we have robust and vigorous debates about left-wing policies, right-wing policies, being Liberal, being Conservative and we have acrimonious discussions very often, but the beauty of all this is every few years, when the general public speaks and makes decisions, we all respect those decisions. We go back home, we have a beer, we have our dinner and we go back at it a week later. That's the beauty of a democracy.

We don't take our opponents and put them in prison. We don't take our opponents and execute them in public executions. We aren't so dogmatic about our political views that when we disagree with people, we throw them off rooftops and murder them. That is what is happening in various places around the world. There are a lot of nefarious regimes around the world that don't afford their citizens the same privileges and rights that we have in this country.

We sometimes take it for granted. All of us who follow foreign affairs a little bit, we should all recognize that over the last two decades, democracy is in decline. If you look at Democracy Watch and other organizations — I know, Senator McPhedran, that you're very active on foreign affairs — democracy is weaker today than it was 25 years ago. It's weaker today than it was

15 years ago. If we're not vigilant, we have seen, through the history of time, that most democracies don't get attacked and defeated from the outside. They wither away from the inside.

The real forces of evil and enemies are trying to infiltrate the Western democracies that have afforded us and billions of people around the world the best quality of life, and Canada is an example of that. Where I do agree with Senator Cardozo is that Canada has been a magnet because of that for people from all over the world.

You look at this chamber. I don't think there is any other democratic parliamentary chamber as diverse as this chamber and as representative of this country — there is no other country in the world. Why have we achieved that? Because of one thing we all agree upon. We might disagree about you being independent. We might disagree about me not being too independent enough and so on and so forth, but what we all agree on is that our freedom, our democracy, human rights and the rule of law are not negotiable.

**An Hon. Senator:** Hear, hear.

**Senator Housakos:** That's not a complicated concept. We all understand what those values are. And I think, Senator Downe, those are even more important than loyalty to Canada. Loyalty to those values is what distinguishes us as Canadians. It is that democracy which has been hurt — the underbelly has been under attack, and we need to race to put something into place that allows the forces and agencies in this country in the next 12 months to ensure that we start putting an end to this type of infiltration and these types of attacks.

I also believe this is a first step forward. National security is a complicated process, and it will require the input of the RCMP, police forces across the country and other agencies.

Again, if you look at this chamber, you look at our democracy, you look at our history, you look at our Charter, you look at where we all come from — there is no one in this room that doesn't believe that civil rights is the most important thing.

My parents were immigrants who came to this country — like all of your parents — or many of you, and the most important thing to them was their freedom, their ability to leave a country where their freedom was in jeopardy. Every dictatorship around the world, if you look at it historically — the Nazis, Mussolini, Salazar, the dictatorship in my parents' homeland in the early 1970s in Greece — they work with fear and intimidation, and they have no lines they're not willing to cross. And do you know what they all have in common? During the time when they were in power, the citizens in their country followed them blindly, but they didn't follow them out of loyalty. They followed them out of fear, and that's a reality.

• (2100)

Today, we have regimes around the world like Beijing, Iran, Russia and Cuba. Make no mistake about it: These are regimes that imprison people who don't toe the party line. They murder people who step out of line. They do not have robust discussions.

The discussions that we tolerate in this chamber, in our institution, where somebody can get up and even defend regimes like that, you can't do that in those countries.

Rights like the LGBTQ rights we have in this country are not afforded in places like Iran. But these countries come onto our shores. They invest in our institutions, in our universities and in various associations. They put money behind religious groups. If you think they're doing that because they want to better and strengthen our democracy, then you're naive.

Are we conflating in any way, shape or form these regimes? It has been done now for many years by various governments. Prime Minister Chrétien and Prime Minister Harper would go to Beijing. They were convinced that if we built better economic and commercial ties with them, they and we would have a better standard of living. We would cooperate with each other and, in due time, they'd change their ways; they would see the merits of freedom and democracy. The only thing they saw was a chance to be emboldened because they became richer off our markets. They're continuing with their nice dictatorial ways. They are now so emboldened that they think they can operate on our shores because they have the dollars and the commercial connections to do so.

**Senator MacDonald:** With impunity.

**Senator Housakos:** And the impunity.

We need to take measures more than ever before to protect our democracy at all possible costs. Again, I support this bill.

Colleagues, I think we can't lose the opportunity to put it in place as quickly as possible, but I also want to say this: I hope the same enthusiasm on this important issue that has been shown over the last few days will continue when we come back after the summer break. I hope our various committees will use the various tools in our toolbox in a non-partisan, objective fashion to make sure we strengthen our capacity in terms of national security, to make sure that our democracy and our freedom are protected because they deserve to be protected. These are the number-one things we've inherited as Canadians, and we have an obligation to pass them down to our children.

I want you to understand something. I am doing this — and I believe the government is doing this and I believe all political parties on the other side are doing this — not to support loyalty to Canada. We have an obligation to every single Canadian. Chinese Canadians are being intimidated right now by a regime overseas because they have the capacity to intimidate — it stops. Persian Canadians have families being intimidated back in Tehran. They're using those Canadians and their families back there as hostages. It has to stop. Cuban Canadians are fighting for freedom and celebrating their freedom here and Cuban agents are intimidating them, and that has to stop.

This bill is not about Canadian loyalty. This is about Canadians of various diaspora who deserve to live in this country with freedom, with dignity and with security. Thank you, colleagues.

**Hon. Rebecca Patterson:** Will the Honourable Senator Housakos take a quick question?

**Senator Housakos:** Yes.

**Senator Patterson:** Thank you very much. It's often said there's nothing so strong and yet so fragile as democracy because it's about the will of the people to maintain the democracy. Would you say that what we are actually looking at here is something we must always work hard to protect? This is not a "one and done" process. This is an evergreen process we must go through. We must protect these rights and privileges that we continue to talk about. It is our obligation as citizens to continue to protect democracy. We have to make these hard decisions. Is that what this bill is trying to achieve and must we remain vigilant?

**Senator Housakos:** I absolutely couldn't agree with you more. I think this is a giant step forward because, like I said, it puts people on notice. It finally brings us slowly up to speed with similar things that have been put in place by other great democracies around the world — our close allies — but it's a work-in-progress. We need to sit down and bring all political parties around the table. We need to have a discussion with them in terms of how we conduct our leadership campaigns and the way we choose candidates.

We need to sit down with Elections Canada to see what tools they need to better serve our democratic process.

We need to sit down with our secret service agents like CSIS. Our provincial police forces have been complaining for years of a lack of information amongst our security forces.

There also has to be the political will to tackle this problem, while also being very cognizant of the fact that we can't go too far either. The argument isn't lost on me that in the pursuit of fighting freedom and democracy, we must not trample it. But there are ways to do that. We've been doing it now for over 160 years. Now it's a little bit more challenging, but we need to rise up to that challenge.

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

**Hon. Senators:** Question.

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

**Some Hon. Senators:** Agreed.

**An Hon. Senator:** On division.

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

## APPROPRIATION BILL NO. 2, 2024-25

### SECOND READING

**Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate)** moved second reading of Bill C-74, An Act for granting to His Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2025.

She said: Honourable senators, before I start, I just want to say to all the two-spirited, gay, lesbian, gender-fluid and trans people in Canada — and every drag queen who taught me how to apply foundation on YouTube or who has lip-synced for their lives — I just want to say I see you, I love you and I support you. Happy Pride.

They're very good at foundation. I highly recommend watching.

Honourable senators, I rise to speak briefly as the sponsor of Bill C-74, the Appropriation Act No. 2, 2024-25. With this bill, the government is completing its request for Parliament's approval of the planned spending in the Main Estimates for the current fiscal year.

Senators will remember that, in March, we approved \$74 billion in interim supply. As usual, with that legislation, Parliament gave federal departments and agencies the resources they needed to begin the fiscal year, while giving us time to study the estimates in full. That's how our Finance Committee spent much of the spring, and I thank the committee dearly for the work that they've done.

Now, the government is seeking the Senate's approval of the rest of the Main Estimates for 2024-25. For the sake of people following at home — at nine o'clock at night — and for anyone who needs a refresher about the supply process, the budget is the government's economic plan. It's an important document, but it's simply a statement of intent; in itself, it doesn't confer the authority to do anything. For that, the government presents prospective spending estimates which are approved by Parliament through a series of appropriations bills like this one.

The Main Estimates, which are those reflected in Bill C-74, are generally prepared before the budget is introduced. That means they typically exclude new items announced in the budget. Those items come to us in the form of supplementary estimates, along with additional spending that was either not sufficiently developed in time to be included in the Main Estimates or is being adjusted to account for unforeseen developments. We'll be dealing with this year's first batch of supplementary estimates in Bill C-75 shortly.

For now, I'll turn to the content of Bill C-74 and the Main Estimates for 2024-25. These Main Estimates present a total of \$449.2 billion in budgetary spending. Much of that is statutory spending, meaning expenditures that have already been approved in previous legislation. These include \$81.1 billion in benefits for seniors, \$52.1 billion for the Canada Health Transfer, \$46.5 billion in public debt charges, \$25.3 billion for fiscal equalization, \$16.9 billion for the Canada Social Transfer and \$11.4 billion for the Canada Carbon Rebate. The voted amounts are the ones that require our approval, and they total \$191.6 billion.

As I mentioned, we approved \$74 billion in March as a kind of advance, so Bill C-74 seeks approval of the remaining \$117.6 billion.

• (2110)

Some of the larger voted amounts in the Main Estimates include the following: There is \$28.8 billion for the Department of National Defence, including support for Ukraine; a renewed and scaled-up Operation REASSURANCE, which is the Canadian Armed Forces NATO mission in Latvia; and the Canadian Multi-Mission Aircraft project, which involves the procurement of new long-range aircraft for our military. There is \$20.9 billion for Indigenous Services Canada for legal settlements, as well as programs for Indigenous communities, such as the ongoing work to improve and stabilize access to safe drinking water, and the reform of the First Nations Child and Family Services program. There is \$8.4 billion for Health Canada for priorities, including bilateral agreements with provinces and territories, improving long-term care, and expanding the Canadian Dental Care Plan, which is ultimately expected to help around 9 million Canadians. There is \$5.6 billion for the Canada Mortgage and Housing Corporation, notably to build new affordable housing, renew existing affordable housing and build capacity in the community housing sector.

These are just a few examples. Together, the investments presented in the Main Estimates will allow the government to provide a wide variety of programs and services to Canadians, and to support other levels of government, organizations and individuals through transfer payments.

More information about what each department and agency plans to do with the money is included in the Departmental Plans, which were tabled on the same day as the Main Estimates and are available on the Treasury Board website.

Departmental Plans provide a three-year overview of an organization's mandate, commitments and priorities. They serve as a benchmark for tracking and reporting year-end performance through the Departmental Results Reports, and they allow parliamentarians and Canadians to monitor the government's progress and hold the government to account.

The Main Estimates and Departmental Plans also include information about the Refocusing Government Spending initiative, which was first announced in Budget 2023. As part of this initiative, ministers have been tasked with submitting proposals for reducing duplication, getting better value for money and better aligning spending with the government's priorities. That exercise has resulted in \$10.5 billion over the next three years being refocused from departmental budgets toward priorities such as health care and housing. This is in addition to the \$500 million reported in the Supplementary Estimates (B), 2023-24 tabled last fall. The government is, therefore, on track to achieve its objective of refocusing \$15.8 billion over five years and \$4.8 billion every year thereafter.

In short, this appropriation bill and the Main Estimates provide important insight into how public funds will be used. They show that the government is both responding to immediate needs and making investments to benefit Canadians in the long term, and, at the same time, the Main Estimates show how the government is strengthening fiscal prudence and accountability.

I urge all senators to support Bill C-74. Thank you. *Hiy hiy.*



**Hon. Denise Batters:** Senator LaBoucane-Benson, you just spoke briefly about the \$10.5 billion over the next three years that you said is being “refocused.” Usually, the government speaks in terms of saving money for the taxpayers. This is termed as refocused. Can you give us some examples? Since it’s \$10.5 billion, I’m curious what that actually is, and if you can give us some examples of some of the major parts of that.

**Senator LaBoucane-Benson:** I would love to. The Refocusing Government Spending initiative is not about cutting services or programs that Canadians rely on. It’s about applying a careful systematic process to ensuring that public funds are focused on key priorities like health care, housing and building Canada’s clean economy. The objective of this exercise is to find areas of duplication, low value for money or better ways to align spending with government priorities, for example, by reducing spending on professional services, travel and operations.

I can give you one example right now. As a part of meeting this commitment, the Department of Fisheries and Oceans Canada, or DFO, and the Canadian Coast Guard is planning the following spending reductions: \$85.4 million in 2024-25; \$105 million in 2025-26; and \$135.3 million in 2026-27 and after.

DFO will achieve these reductions by doing the following: reducing travel and professional services through effective planning and use of the hybrid work model, as well as leveraging efficiencies in internal management and enabling functions, including the use of virtual technology, digital transformation, rationalizing real property and vehicle fleet management activities. That’s a good example of how they’re doing it.

**Senator Batters:** Just doing a quick calculation, that was maybe less than \$300 million out of that \$10.5 billion. Are you saying there are similar examples from each of those departments in the same sorts of things? What are the major refocusing steps — as you were saying, it’s not savings and not cutting services or anything like that? What are the major ones?

**Senator LaBoucane-Benson:** Senator Batters, I anticipated this question from you in particular.

I have two more examples. Let’s talk about the Department of Agriculture and Agri-Food Canada. In agriculture, for the first year, it is \$17 million, and then \$26 million, and then \$39 million in 2026-27 and every year after, so it’s also cumulative as the years go by.

In the Department of National Defence, in 2024, it’s \$810 million. In 2025-26, it’s \$851 million. In 2026-27 and after, it’s \$907 million. You can see how many different departments are making changes. I think the Department of National Defence might be one of the biggest ones because it’s looking at over \$800 million and \$900 million in cost savings. I hope that helps.

**Senator Batters:** It helps somewhat, although when speaking about defence, we’ve heard so many news stories about Canadian soldiers in very terrible housing situations, and they’re really having trouble with recruiting and things like that. Of course, we hear ongoing stories about the lack of proper equipment.

What does refocusing \$810 million for defence mean in that one year?

**Senator LaBoucane-Benson:** Thank you for the question. What I have here is the following, for example: Savings measure No. 1 is regarding travel, reducing spending on travel by over \$58 million in 2024-25 and ongoing. Measure No. 2 is regarding professional services, reducing spending on professional services by \$200 million in 2024-25 and ongoing. Measure No. 3 is regarding general operating funds, reducing spending by \$354 million in 2024-25 and \$264 million in 2025-26. Measure No. 4 is fiscal framework, reducing spending to initiatives yet to be started and earmarked in the fiscal framework.

This isn’t about housing. They’re finding the internal administrative savings that they can, and, in the information that I have, it certainly doesn’t look like it’s decreasing the funds that go to the actual work, housing and well-being of our military.

**Hon. Elizabeth Marshall:** Thank you, Senator LaBoucane-Benson, for your remarks.

Honourable senators, I rise as the critic of Bill C-74, the second appropriation bill for the 2024-25 fiscal year. This bill is based on the Main Estimates, which was tabled by the Minister of the Treasury Board on February 29 of this year. The Main Estimates outline spending of \$192 billion which requires parliamentary approval. Of this \$192 billion, \$74 billion has already been approved by Bill C-68 in March of this year. As a result, this appropriation bill — Bill C-74 — is requesting the remainder of the \$192 billion or about \$118 billion.

In addition to the \$192 billion requiring parliamentary approval through appropriation bills, government already has authority under other legislation to spend another \$259 billion.

These two amounts — the \$192 billion in the appropriation bills and the \$259 billion in statutory spending — total \$451 billion, and it is this \$451 billion which is detailed in the Main Estimates document.

Last year, the Main Estimates outlined spending of \$433 billion, or \$18 billion less than the amount included in this year’s Main Estimates. However, it is premature to compare this year’s Main Estimates to last year’s Main Estimates because new spending will be approved in subsequent fiscal documents, including the budget, the fall economic statement and other appropriation bills.

• (2120)

While last year's Main Estimates indicated spending of \$433 billion, actual expenditures are expected to be \$497 billion for the year just ended. That's an extra \$64 billion.

The government has yet to table its financial statements for last year, so even this \$497-billion estimate may change.

It is a similar situation for this year. While this year's Main Estimates indicate spending of \$450 billion, the budget tabled in April estimates that expenditures this year will be \$534 billion. That's an increase of \$85 billion, which is an additional 20%.

We are only three months into the fiscal year, so there will be additional spending in other legislation, including appropriation bills and the Fall Economic Statement.

Colleagues, Canada has reached three unenviable milestones this year: Expenditures will exceed more than half a trillion dollars, debt servicing costs will exceed \$50 billion and the government will have authority to increase our debt to over \$2 trillion.

The Department of Finance is requesting \$145 million. In addition to this amount, the department already has the authority to spend \$143 billion, which has been approved by legislation other than this appropriation bill.

Of all the organizations included in the Main Estimates, the Department of Finance has disclosed the highest expenditures so far this year, as well as the highest increase compared to the expenditures disclosed in the Main Estimates last year, at 11%.

The \$143 billion in statutory funding includes \$52 billion for the Canada Health Transfer, which is authorized by the Federal-Provincial Fiscal Arrangements Act, and \$42 billion for interest on unmatured debt, which is authorized by the Financial Administration Act.

The Federal-Provincial Fiscal Arrangements Act is also authorizing the Department of Finance to pay \$25 billion in equalization payments, \$17 billion for the Canada Social Transfer and \$5.1 billion in territorial financing payments.

The \$52 billion for the Canada Health Transfer is the total amount expected to be paid this year to provinces and territories. It has increased from \$49.4 billion last year, and from \$47.1 billion the preceding year, which is 2022-23. The government has disclosed this information in its budget document.

The \$42 billion in interest on unmatured debt, which is disclosed in the Main Estimates, is only part of the government's public debt charges, which are expected to increase to \$54 billion

this year, compared to \$47 billion last year and \$35 billion the preceding year.

The Bank of Canada recently reduced its policy rate by a quarter of a percentage point. It is unknown at this time what the impact will be on this year's estimated public debt charges of \$54 billion.

It is worth noting that the total cost of the four programs I mentioned as being authorized by the Federal-Provincial Fiscal Arrangements Act for this year are disclosed in the Main Estimates and have increased only marginally compared to last year.

However, the \$42 billion in interest on unmatured debt is only part of the government's debt-servicing costs of \$54 billion. When compared with last year's debt-servicing costs, this year's reflect an increase of 15%.

The Department of National Defence is requesting \$28.8 billion in this bill, compared to the \$24.8 billion requested last year. The department already has the authority to spend \$1.8 billion, which has been authorized by other legislation.

While funding for the Department of National Defence has increased over the past several years, the funding in Main Estimates is significant in that it represents an increase of 15%.

One of the challenges faced by the department in the past was utilizing funding which had been approved, including the funding provided for capital acquisitions such as aircraft, ships, ammunition and other projects. The government's 2017 defence policy laid out a capital expenditure plan of \$164 billion over 20 years, from 2017 to 2037, for capital projects; that was a \$164-billion plan, and it was subsequently increased to \$215 billion.

However, the Parliamentary Budget Officer, in a report released earlier this year, indicated that between 2017 and 2023, there was a cumulative shortfall of almost \$12 billion between what the government actually spent and what was originally planned in the government's 2017 defence policy.

The government's new defence policy, released in April of this year, indicates that the government will spend an additional \$73 billion on capital projects up to 2044.

The new defence policy also projects defence spending to be 1.76% of GDP in 2029-30, compared to the NATO policy goal of annual defence spending of at least 2% of GDP.

Given the challenges faced by the department in the past to obtain approval of the funding laid out in the 2017 defence policy, the difficulty in spending the funds provided and the delay in meeting timelines, it is difficult to determine whether the department will be able to meet its new targets. The government's commitment to reducing departmental spending in certain areas may also impact the department's ability to meet its targets.

The department's \$30 billion reflected in the Main Estimates includes funding of \$7.2 billion for several major projects, the largest being \$1.3 billion for the Canadian Surface Combatants. This project will deliver 15 ships for the Royal Canadian Navy and is said to be the largest shipbuilding project in Canada since the Second World War.

The new defence policy says that construction of these new ships will begin this year. This project has been the subject of much attention and its cost has been the subject of several reports by the Parliamentary Budget Officer.

Also included in the \$7.2 billion is \$553 million for the joint support ships, \$250 million for the 88 new F-35 fighter jets and \$240 million for the Arctic and offshore patrol vessels.

Colleagues, you may recall that Supplementary Estimates (C) in March included \$590 million for the Canadian Multi-Mission Aircraft and \$509 million for the Strategic Tanker Transport Capability project.

The department is also experiencing a shortfall of personnel in the ranks of the Canadian Armed Forces. Canada's Chief of the Defence Staff recently indicated there are currently 16,500 vacant positions in the Canadian Armed Forces combined regular and reserve authorized strength of 101,000 positions, a combination of a failure to attract new recruits and a failure to retain trained personnel.

The vacant positions are of concern. While the department and government address the issue of capital equipment, such as the purchase of aircraft and construction of ships, they still need personnel to fly and service those new planes and operate the new ships. It is imperative that the government address the shortage of personnel.

The Department of Innovation, Science and Economic Development is requesting \$5.9 billion in this appropriation bill, in addition to the \$196 million which has already been approved by other legislation. Almost 90% of the money requested by the department is for grants and contributions, with almost half of that, or \$2.4 billion, allocated to the Strategic Innovation Fund.

Funding provided to the Department of Innovation, Science and Economic Development through Main Estimates has increased more than fourfold over the past nine years, from just over \$1 billion in 2015-16 to \$6 billion this year.

In addition to the Strategic Innovation Fund, there are a number of other funds within the department, including the Canada Foundation for Innovation, the Universal Broadband Fund and the Global Innovation Clusters.

During testimony at our National Finance Committee last month, departmental officials told us these programs were subject to audit by departmental auditors as well as the Auditor General of Canada.

However, there was only one internal audit of the Strategic Innovation Fund, and that was in 2021, and no recent audits by the Office of the Auditor General until the report released last month by the Commissioner of the Environment and Sustainable Development on the Strategic Innovation Fund.

The Strategic Innovation Fund was established in 2017. A 2023 impact report on the fund indicated that total grants and contributions up to 2023 were \$18.5 billion, of which \$8 billion was for the Net Zero Accelerator fund.

• (2130)

The objective of the \$8 billion fund is to reduce greenhouse gas emissions and contribute to meeting Canada's 2030 and 2050 climate goals by incentivizing manufacturing companies to reduce their emissions. In April of this year, the Commissioner of the Environment and Sustainable Development released a very critical report on the government's management of the \$8 billion Net Zero Accelerator fund.

The commissioner said that the department was unable to attract the largest-emitting manufacturing industries to decarbonize their operations through its Net Zero Accelerator initiative. In addition, it did not always follow international and government standards to estimate emission reductions, and it did not consistently apply its assessment methodology across all projects. As a result, the Commissioner of the Environment and Sustainable Development said that the department did not always know the reductions that could be achieved through the funding received by each company, which was the primary objective of the fund.

Since almost 90% of the department's funding is disbursed as grants or contributions in the billions of dollars, these programs should be vigorously audited and evaluated regularly to ensure they are meeting the objectives of the government.

The Parliamentary Budget Officer testified at our National Finance Committee to discuss his report on the Main Estimates, and during his testimony he raised several issues. He discussed the government's commitment to refocus and reduce government spending as announced in Budget 2023 and in the *2023 Fall Economic Statement*.

In its 2023 budget, the government announced the refocusing of government expenditures of \$14.1 billion over five years from 2023 to 2028, and \$4.1 billion annually thereafter. In its Fall Economic Statement, the government announced further reductions of \$345 million next fiscal year, and \$691 million annually thereafter. It is interesting to note that the larger reductions are in future years, and after the election in 2025.

The \$14.1 billion announced in Budget 2023 included \$500 million last year and includes reductions of \$2.3 billion this year. Commencing next year, in 2025-26, the reductions increase to \$3 billion in 2025-26 and to \$4 billion in subsequent years. Similarly, the reductions announced in the Fall Economic Statement will not commence this year, but rather next year in 2025-26.

The government has provided on its website the refocusing allocations by department and organization. The Main Estimates state that the reallocations of \$2.3 billion for this year have been reflected in the Main Estimates. However, these reallocations are not separately disclosed or discernable in the Main Estimates document; therefore, we cannot determine which expenditures have been affected.

During testimony, the Parliamentary Budget Officer acknowledged that the government has committed to refocusing spending. However, he said:

. . . they're not really spending reductions; they're very targeted reductions in certain programs to better fund certain other spending. . . .

He concluded by saying that, "there are no government-wide spending cuts."

Throughout his testimony, the Parliamentary Budget Officer reminded us that the Main Estimates paint a very partial picture of government spending. He went on to say that:

. . . the Main Estimates were drafted well before the content of the budget was known. When we tallied the totality of estimates spending, mains and supplementary estimates, we will probably find that the government spending increased at a solid pace.

He also commented on the cost and sustainability of benefits to the elderly, estimated to surpass \$80 billion this year, and according to his estimates, will cost almost \$100 billion by 2029.

In responding to the increase in debt servicing costs, the Parliamentary Budget Officer expressed concerns about the debt-to-GDP ratio, which determines the capacity of a country to ultimately assume the cost of its debt. He said that the government made a commitment to maintain a declining debt-to-GDP ratio. His concern, he said, is not with the level of the debt-to-GDP ratio:

. . . rather, it's the tendency of successive budgets and Fall economic statements to postpone a decline. . . . the government, rather than having a steady decline, seems to be content with having a humble decline year after year, rather than a straight slope. . . .

When you look at the budget documents this year, you will see that in the first year that they are reporting, it goes up a little bit and then it comes down a little bit. They are very small declines.

He continued to say:

We see that with the government using the room to maneuver that is generated by better-than-expected economic growth; it tends to spend it, rather than use it to reduce the deficit . . . .

The concern with debt-servicing costs is . . . if there were to be economic shocks that push interest rates up . . . debt charges would go up significantly. . . .

And he said:

That's the concern that many have expressed with a stock of debt that has grown significantly and the debt-servicing costs that are growing significantly as well.

Honourable senators, one of the challenges in reviewing Main Estimates, Supplementary Estimates (A), (B) and (C), along with Bill C-59, which we just voted on and which will implement the Fall Economic Statement — and now Bill C-69, which we are debating and which will implement the budget — is the impossible task of tracking government spending.

*The Hill Times* recently included a three-part series on the estimates process and the federal budget. The Fall Economic Statement and Bill C-59, as well as the 2024 Budget and Bill C-69, are an integral part of this process. Part one of the series maintains that it is difficult to follow the money.

Actually, it is impossible to follow the money. I know because I have been trying to track government's spending for years. A contributing factor is the government's spending plan, which changes throughout the year, and the insufficient information it provides on these changes.

The Main Estimates, which proposes to be the government's spending plan for each fiscal year, are tabled in March, along with departmental plans, just prior to the beginning of the new fiscal year. Before we finish reviewing the Main Estimates, which I'm discussing now, the government tables its budget — we'll talk about that tomorrow — which details new spending and a new spending plan. So begins the challenge of matching the new budget initiatives with the spending outlined in subsequent estimates documents.

The budget is followed by Supplementary Estimates (A), which I will discuss later tonight, and outlines new spending and the implementation some budget initiatives, but not all. This is followed by Supplementary Estimates (B), which includes some new spending, and the implementation of more budget initiatives, but again, not all. Supplementary Estimates (B) is followed by the Fall Economic Statement, which includes another spending plan. The Fall Economic Statement is followed by Supplementary Estimates (C), which includes more new spending, some budget initiatives, but not all, and some initiatives of the Fall Economic Statement, but not all.

Many difficulties arise as we track spending from one document to the next. One of the challenges is to identify where the funding is for budget initiatives. It could be in Supplementary Estimates (A), (B) or (C) or maybe not. The government may or may not identify budget initiatives in the three supplementary estimates documents. The Parliamentary Budget Officer, two years ago, began to provide a reconciliation of budget initiatives to the supplementary estimates document, but this is still a challenge for parliamentarians and for the Parliamentary Budget Officer.

Intertwined with these problems is the government's reluctance — or sometimes I say refusal — to provide details as to what is included in some of these transactions. For example, a \$500 million expenditure announced in the Fall Economic Statement is for non-announced measures. No further information could be provided. The government also states that a \$300 million reduction in the cost of new initiatives is already included in the fiscal framework, but no one can tell us where exactly it is in the fiscal framework.

The Parliamentary Budget Officer, in a podcast with *The Hill Times*, summed up the estimates process. He said, "It's a complete mess."

I will leave my comments there and not discuss the challenges of reviewing the Public Accounts of Canada, which includes the audited financial statements of the government. Suffice to say, there are challenges trying to compare the budget and the estimates documents to the actual financial results.

These conclude my comments on Bill C-74. Thank you.

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

**Some Hon. Senators:** Agreed.

**An Hon. Senator:** On division.

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

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

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

• (2140)

### APPROPRIATION BILL NO. 3, 2024-25

#### SECOND READING

**Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate)** moved second reading of Bill C-75, An Act for granting to His Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2025.

She said: Honourable senators, thank you for this opportunity to speak as sponsor of Bill C-75, which seeks approval of the spending outlined in Supplementary Estimates (A), 2024-25. These estimates were tabled in the other place by the President of the Treasury Board on May 23 and in the Senate later that day.

As per customary practice, once tabled in the Senate, the Supplementary Estimates (A) were referred to the Committee on National Finance for examination and report.

I know that we all would like to thank the National Finance Committee for the work they have done on Supplementary Estimates (A) and Senator Carignan for his able chairmanship of

that committee. I also want to thank Senator Marshall, who is the critic for Bill C-74, Bill C-75 and the budget implementation act this year. She has been working overtime and double time. She asks very good questions in committee, and I learn a lot. I am grateful to her.

As I discussed in my earlier remarks on Bill C-74, the supplementary estimates generally contain spending that was not ready to be included in the Main Estimates, such as most items announced in the budget, as well as spending adjustments and other items that were unforeseen when the Main Estimates were prepared.

Bill C-75 seeks approval of the first of three supplementary estimates packages. Supplementary Estimates (B) will be tabled in the fall, and Supplementary Estimates (C) in the winter.

If approved, Supplementary Estimates (A) would increase voted budgetary spending by \$11.2 billion, or 5.8%, over the Main Estimates, for a total of \$202.8 billion. This includes \$1.6 billion related to items announced in the most recent budget.

As a reminder, the numbers in the estimates are ceilings. It is possible that these amounts may not be fully spent over the course of the year. The actual expenditures are published in quarterly financial reports, with the total expenditures listed in the public accounts tabled each fall.

Much of the new voted spending in Bill C-75 is requested by the Department of Crown-Indigenous Relations and Northern Affairs for settlements with Indigenous peoples. This includes \$1.8 billion for agricultural benefits claims. These funds would support the negotiation and settlement of agricultural benefits claims related to Treaties 4, 5, 6 and 10.

Senators, in my community, this is known as "cows and plows." These are unresolved issues from the time that treaties were signed over a hundred years ago. This government is working to fulfill the treaty promises, and that is what this is about. "Cows and plows" is very important in my community.

There is also \$1.5 billion for Federal Indian Day Schools and Indian Residential Schools Day Scholars settlements. This will be used for compensation, as well as administrative costs and legal services relating to these two settlements.

There is \$1 billion to replenish the Specific Claims Settlement Fund, based on anticipated payments for negotiated settlements and tribunal awards up to \$150 million. Specific claims are grievances against the federal government regarding alleged failures to fulfill historic treaty obligations or mismanagement of Indigenous lands and assets.

Again, these are very important ongoing negotiations by the government, settling issues that are long outstanding.

The supplementary estimates also include \$447.9 million to settle historical claims. The federal government is involved in active discussions related to several such claims. This funding would ensure that the Department of Crown-Indigenous Relations and Northern Affairs is in a position to quickly implement negotiated settlements should agreements be reached.

Finally, there is \$393.1 million for land-related claims and litigation, and another \$303.6 million for a settlement providing compensation for individuals placed in Federal Indian Boarding Homes.

The Supplementary Estimates (A) also include additional spending for Indigenous Services Canada. For example, there is \$769.7 million for water and waste water treatment. This includes the construction of new water and waste water infrastructure on reserves, repairs and upgrades to existing systems, facility operations and maintenance, training of system operators, water monitoring and testing, and development of local governance capacity.

Indigenous Services Canada is also requesting \$633.5 million to improve services that impact the availability of safe and adequate housing for children on-reserve. This is part of the ongoing reform of First Nations Child and Family Services.

Immigration, Refugees and Citizenship Canada is seeking funding for support and services for migrants. This includes \$411.2 million for the Interim Federal Health Program, which provides limited, temporary health care coverage to specific groups of foreign nationals, including asylum claimants and refugees, who are not yet eligible for provincial or territorial health insurance.

There is also \$314.5 million for the Interim Housing Assistance Program, through which the government provides funding to provincial and municipal governments to address housing pressures resulting from increased volumes of asylum claimants.

Transport Canada is requesting \$604.9 million to provide purchase incentives of up to \$5,000 for eligible zero-emission vehicles. This will help make zero-emission vehicles more affordable for Canadians as we work toward meeting Canada's 2030 emissions reduction target and reaching net zero by 2050.

Veterans Affairs Canada is requesting \$471.4 million for compensation and administrative costs relating to a settlement with veterans. This is part of the *Manuge* class action settlement about the underpayment of benefits to disabled veterans for a 20-year period beginning in 2003.

Colleagues, as I said earlier, \$1.6 billion of the voted amounts in these estimates relates to funding announced in Budget 2024. This includes a couple of items that I have already mentioned, namely, the ones about zero-emission vehicles and health care for asylum claimants.

Some of the other items from the budget included in these estimates are as follows: \$141.2 million for temporary accommodation and support services for asylum claimants; \$121.3 million for the Inuit Child First Initiative, which provides a range of services to Inuit children, from medical and therapeutic services to accessibility infrastructure such as wheelchair ramps, to tutoring and summer camp; and

\$100.5 million for the Inuvialuit Regional Corporation in the Yukon and Northwest Territories to support the implementation of child and family services laws.

Honourable senators, as I've outlined, the programs and services to be funded by the proposed expenditures in Supplementary Estimates (A) will make tangible positive impacts in the lives of people throughout Canada.

I invite you to join me in approving these proposed investments by adopting Bill C-75. Thank you.

**Hon. Elizabeth Marshall:** Thank you, Senator LaBoucane-Benson, for your remarks.

Honourable senators, Bill C-75 is the third appropriation bill for this year and is supported by Supplementary Estimates (A). The government is requesting parliamentary authority to spend \$11 billion and has indicated that it already has statutory approval to spend \$1.4 billion in budgetary expenditures, as well as \$1.2 billion for non-budgetary expenditures.

The \$1.4 billion in statutory budgetary expenditures will increase the government's deficit, while the \$1.2 billion in statutory non-budgetary expenditures will be recorded as assets or investment.

Last year, Supplementary Estimates (A) outlined \$454.8 billion in spending for 2023-24, compared to \$490 billion in Budget 2023.

This year, Supplementary Estimates (A) outlines \$461.8 billion in spending for 2024-25, compared to \$534.6 billion in Budget 2024. I expect the \$534.6 billion in expenditures for this year to increase with the release of the Fall Economic Statement, so it is premature to estimate the final expenditure for this year.

• (2150)

We are not quite three months into the fiscal year, and we expect to see many more funding requests in Supplementary Estimates (B) and Supplementary Estimates (C), as well as the fall economic statement.

Expenditures have been on an upward trajectory for the past several years, increasing from \$272 billion in 2014-15 to \$497 billion last year and to \$534 billion estimated for this year. However, as I have just indicated, the \$534 billion is a preliminary amount because there are still nine and a half months left in this fiscal year.

Debt servicing costs have also increased, from \$24 billion in 2014-15 to \$47 billion last year and again to \$54 billion this year. Department of Finance officials estimate that debt servicing costs will continue to increase into the future, with \$64 billion in debt servicing costs estimated for 2028-29.

Since there are not enough revenues to pay for all of the government's expenditures the government borrows each year, which has increased the debt. Total borrowing has increased from \$967 billion in 2016-17 to \$1.7 trillion as of March 31, 2024, as indicated in the government's borrowing authority report, which was released last month. Increased borrowing, along with an increase in interest rates, results in increasing debt servicing costs.

The Department of Crown-Indigenous Relations and Northern Affairs Canada is requesting half of the \$11 billion in Bill C-75. Almost all of the money requested by the department will be used to support claims and settlements, with the major ones being as follows: \$1.8 billion will be used to support the negotiation and settlement of agricultural benefits claims related to Treaties 4, 5, 6 and 10. These numbered treaties are part of a series of 11 treaties made between the Crown and First Nations from 1871 to 1921.

A total of \$1.5 billion will be used for the compensation, administration costs and legal services relating to two settlements: the Federal Indian Day School settlement, known as the McLean settlement; and the Indian Residential Schools Scholars settlement, known as the Gottfriedson Band class settlement agreement.

The figure of \$1 billion is for the replenishment of the Specific Claims Settlement Fund. This fund will pay for specific claims resulting from grievances against the federal government regarding alleged failures to fulfill historic treaty obligations or mismanagement of Indigenous lands and assets. Specific claims settlements and tribunal awards valued at up to \$150 million are paid from the Specific Claims Settlement Fund, and the \$1 billion requested in Bill C-75 is based on anticipated payments for negotiated settlements and tribunal awards.

Funding is also being requested for other claims and settlements, but the three I just mentioned are the ones requesting a billion dollars or more.

In reviewing funding requests for specific claims and settlement agreements, there are a number of challenges in tracking these expenditures. It is not transparent. Funding for specific claims or settlement agreements may be requested in several supply bills over a number of years. As a result, we have to identify these amounts in a number of documents over several years. Funding for specific claims or settlement agreements may be requested in one or more fiscal years in an appropriation bill, but the expenditure may be recorded in a different fiscal year.

Some claims or settlements are recorded in the Public Accounts — that is, the financial statements of the government — as a “provision for contingent liabilities.” Last year, this account was increased by \$22.5 billion, to \$76 billion, yet we do not know which claims or settlements these are. This makes it impossible to track the funding requests in the appropriation bills for claims and settlements to the financial statements of the government.

Funding requests for claims and settlements are significant and, as a result, are frequently discussed in our committee meetings. The Parliamentary Budget Officer, in discussing claims and settlements with the committee, told us that it is a bit concerning that the claims and settlements have increased so much. He said it raises the question as to how firmly in control the government is with respect to these claims. He went on to say that the specific claims comprehensive claims process is very complex. Claims and settlements represent significant amounts requested in many appropriation bills. In addition, some claims are recorded as contingent liabilities, while others are included as a liability in the “provision for contingent liabilities.” As a result, it is difficult to obtain a complete picture of these expenditures.

The Department of Finance is forecasting an additional \$1.9 billion in statutory budgetary expenditures relating to public debt service costs. These expenditures are authorized by the Financial Administration Act and are therefore not included in this bill, since the department already has spending authority.

Of the \$1.9 billion, \$764 million is for interest on unmatured debt, and just over \$1 billion is for other interest costs. As a result of these additional amounts, the Department of Finance is indicating that interest on unmatured debt so far this year is \$42.7 billion, while other interest costs are \$5.6 billion. The recent budget indicates that public debt charges this year are estimated at \$54 billion, so I expect Supplementary Estimates (B) and (C) will provide updated amounts for debt service costs for this fiscal year.

During our meeting with the Parliamentary Budget Officer, senators raised the possibility of debt service charges being reduced this year as a result of the recent decision of the Bank of Canada. Mr. Giroux indicated his office had not recalculated the government's debt service charges for this year.

At our meeting with officials from the Department of Finance, we were told that the impact of the recent decision of the Bank of Canada to reduce the interest rate by a quarter of a percentage point has yet to be determined and will likely be disclosed in the Fall Economic Statement.

To clarify the relationship between the numbers in Budget 2024 and the estimates to date in Supplementary Estimates (A), Treasury Board has provided a chart entitled “Comparison of Budget 2024 and Estimates” because the numbers do not match. I have commented on this item previously.

While some of the information in the chart is helpful, the chart itself is misleading. While Treasury Board has included the Main Estimates and the Supplementary Estimates (A) in their calculation to show how government expenditures will reach the \$534 billion in the budget, they have not included the funding amounts that will be included in Supplementary Estimates (B) or (C). Treasury Board needs to review this financial information, as it is not accurate.

Supplementary Estimates (A) is the first estimates document to be released since the tabling of Budget 2024. There are no new budget initiatives in the Main Estimates because the Main Estimates were tabled prior to the tabling of the budget.

Last year, Supplementary Estimates (A) had included \$7.2 billion for 17 budget initiatives out of a total of 170. This year, Supplementary Estimates (A) includes just \$1.6 billion for only 11 budget initiatives out of 200 initiatives for this year. This raises the question about why government is so slow in implementing its budget initiatives. While the PBO could suggest possible reasons, the government has not yet indicated why the implementation of budget initiatives is slower than in previous years.

In Budget 2023, the government made a commitment to reduce spending on consulting, professional services and travel by \$500 million in 2023-24 and by \$1.65 billion in 2024-25. It is too early to tell if the \$500 million was saved last year. We may be able to determine this when the Public Accounts are tabled, but it is possible that the reduction of \$500 million will not be discernible to parliamentarians.

However, for the \$1.65 billion to be reduced this year on consulting, professional services and travel, funding approved for professional and special services for last year at this point in time was just over \$20 billion, while \$19.8 billion will have been approved at this point in time once this bill is approved. This is a reduction of about half a million dollars but, as I said, it's too early in the fiscal year to determine whether spending for professional and special services has been reduced, as we still have nine and a half months left in this fiscal year.

Honourable senators, I conclude my comments on Bill C-75 by cautioning that we are only partway through the fiscal year, and this bill and Bill C-74, which I spoke to earlier, reflect partial and not complete expenditures for this fiscal year. There will be more requests for funding.

In addition, our Finance Committee is continuing its study of Supplementary Estimates (A), which forms the basis for this bill. This concludes my comments.

**Hon. Pamela Wallin:** I have a question for Senator Marshall. You've been looking at these numbers, and you certainly do so in a more in-depth manner than most of us. How concerned are you?

• (2200)

**Senator Marshall:** I have lots of concerns. I'm very concerned about the debt. I know that Senator Loffreda talked about it earlier tonight when he spoke to Bill C-69, but the debt keeps increasing, and it's increasing at a fairly rapid pace, so, of course, our debt servicing costs are going up.

I do look at the details of what's in the budget document, and I have noticed — and I raised this with the Department of Finance officials yesterday — if you look at what they think they're going to borrow in the next five years, and if you look at Budget 2023 and the numbers of what they're going to borrow in each year,

and then look at the same in Budget 2024, the numbers go up quite significantly. It makes me wonder whether government has control of the debt.

With regard to expenditures, I mentioned in one of my speeches that expenditures have gone up quite significantly. What I notice in the budget document is that for the expenditures that they're projecting to run the public service, I think it may be \$150 billion, but what they're showing is it has been on such an upward trajectory. This year, it's going to go up again, but then, all of a sudden, next year it's going to go down by about \$8 billion and then it's going to flatline. I looked at the numbers and thought, "I don't think so because the government is spending at an annualized rate of 8%, and now they're going to stop dead centre."

The other concern I have is that — I can go on all night with the concerns.

**Senator Batters:** More, more.

**Senator Marshall:** The other concern I have is this: For the capital gains tax — I'm not getting into the merit of the capital gains tax — a lot hinges on collecting that \$6.9 billion this year. If they don't collect that, there's going to be a big hole in the budget, and they're also expecting more revenue from that in future years, so that money better materialize.

All the numbers just seem to be moving like that — everything increases. There is no decrease. They may say in the future that they're going to do something, but, when the time comes, it doesn't pan out. I don't know if that's a start. The next time you ask me that question, I can fill you in some more.

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

**Some Hon. Senators:** Agreed.

**An Hon. Senator:** On division.

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

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

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

[*Translation*]

## BUDGET IMPLEMENTATION BILL, 2024, NO. 1

NINETEENTH REPORT OF NATIONAL FINANCE  
COMMITTEE PRESENTED

(Pursuant to the order adopted by the Senate on June 18, 2024, the Standing Senate Committee on National Finance was authorised to present its report.)



**Hon. Claude Carignan**, Chair of the Standing Senate Committee on National Finance, presented the following report:

Wednesday, June 19, 2024

The Standing Senate Committee on National Finance has the honour to present its

#### NINETEENTH REPORT

Your committee, to which was referred Bill C-69, An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024, has, in obedience to the order of reference of June 19, 2024, examined the said bill and now reports the same without amendment but with certain observations, which are appended to this report.

Respectfully submitted,

CLAUDE CARIGNAN

*Chair*

(For text of observations, see today's Journals of the Senate, p. 2966.)

(Pursuant to the order adopted by the Senate on June 18, 2024, the bill was placed on the Orders of the Day for third reading forthwith.)

On the Order:

Third reading of Bill C-69, An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024.

(Debate postponed until the next sitting of the Senate.)

[English]

#### MISCELLANEOUS STATUTE LAW AMENDMENT ACT, 2023

##### THIRD READING

**Hon. Brent Cotter** moved third reading of Bill S-17, An Act to correct certain anomalies, inconsistencies, outdated terminology and errors and to deal with other matters of a non-controversial and uncomplicated nature in the Statutes and Regulations of Canada and to repeal certain provisions that have expired, lapsed or otherwise ceased to have effect, as amended.

He said: Honourable senators, I rise to speak to Bill S-17. I realize and I appreciate so many of you staying here this late in the evening, struggling through a series of minor bills — \$500 billion-plus in spending; some budget implementation bill, I think; and some minor issue regarding foreign interference — as you waited breathlessly to consider the miscellaneous statute law amendment act, 2023.

As you will remember — acutely, I hope — when I spoke to this bill a few months ago, I noted that the bill makes 543 amendments to federal legislation. I spoke to 43 of them at

that time, and I have 500 to go. I'm not sure of the protocol, Your Honour, as to whether I should ask now for extra time, or begin my 45 minutes and ask at the end.

More seriously, I want to thank Senator Carignan, the bill's critic, and my colleagues on the Legal and Constitutional Affairs Committee for all the work they've done during the study of this bill, both when it was at the proposal stage in October 2023 and then more recently when studying the text of the bill in June 2024.

This Miscellaneous Statute Law Amendment Program allows for the use of a special legislative process for expeditious consideration of bills of a corrective nature without putting undue pressure on Parliament's time. The bill is significant in its technical nature. It is important that Canada's legislation meet not only high standards of legislative drafting, but also high standards of bilingualism, equity, fairness and respect for the rule of law.

In this regard, the bill ensures certain anomalies, inconsistencies, outdated terminology and errors are removed from the statute book. This results in a statute book that is clear, precise and up to date, and benefits Canadians and their access to justice.

The bill before us is the thirteenth of a series of bills introduced through this program, which first began in 1975 with the approval of cabinet and led by then-Minister of Justice Otto Lang — the predecessor Minister of Justice and former Dean of Law at the University of Saskatchewan, for those of you who might be interested.

The program was designed to correct with a series of minor, non-controversial amendments; it's an all-in-one bill, hence the 543 amendments in one bill. Without the program, there would have to be a series of separate bills with all of these minor changes — a burden to the other place and to here in the correction of minor errors in federal statutes.

With respect to this bill, in order to be included in the Miscellaneous Statute Law Amendment Program and subsequently, therefore, in this bill, a proposed amendment must meet five criteria. First, it must not be controversial. Second, it must not involve the spending of public funds. Third, it must not prejudicially affect the rights of persons. Fourth, it must not create new offences or subject a new class of person to an existing offence. Fifth, despite a groundswell of support, it must not amend the Constitution of Canada to raise the Senate retirement age to 80. I keep trying.

• (2210)

The proposed amendments are then consolidated into one document known as a proposals document, which is what happened last fall. It's tabled in the Senate and the other place.

The proposed amendments must then pass the scrutiny of the Standing Senate Committee on Legal and Constitutional Affairs and the Standing Committee on Justice and Human Rights in the other place. Both study the proposals document. The approval

of the proposed amendments requires the consensus of both committees in order to ensure that the bill is non-controversial and meets those other criteria.

In the course of this, if any member of either of those committees objects to a proposed amendment, it is removed and the proposals document proceeds from there.

I want to thank the members of the Senate committee for their perseverance in this work, particularly Senator Dalphond — who appears not to have stayed for my speech — for proposing a very disciplined approach to our study, and also the many officials from many government departments who attended our meetings and assisted us in our deliberations. When I say “many,” I mean dozens. I should also say that our clerk had to make so many of those little white name cards for the witnesses that our committee budget has been ruined and we won’t be able to have coffee for another couple of years.

More seriously, though, the contents of the bill before us today have followed this process to ensure that the proposed amendments meet those non-controversial criteria.

They then appeared in a proposals document that the Department of Justice considered and placed into the actual piece of legislation that was tabled in the other place on June 16, 2023, and in the Senate on June 20, 2023. It was then, as I said, referred to the committees.

We’ve gone through this study. In that exercise, four proposed amendments were withdrawn by the committees. Three others were withdrawn as they were contained in other legislative initiatives. None of those appear in the proposals today.

During the most recent study of the bill, conducted by our committee after second reading, two other clauses were removed as they are contained in another legislative initiative, more specifically, the budget implementation bill, which overtook two of the amendments and, to the credit of the officials, those were identified. Indeed, Senator Carignan noted these changes in his very wise celebration of the bill returning to the committee. These two clauses were essentially, as I say, overtaken, and officials had wisely noted the redundancies.

I should also say that further consideration by the committee in recent weeks enabled Senator Carignan and Senator Oudar to examine a series of provisions that they wanted to discuss with officials, and I think it produced a healthy debate and consideration of even modest amendments.

[ Senator Cotter ]

In total, 57 acts are amended — 543 provisions — most of them as a result of the quality of the process I have described. I previously described various categories of amendments; I’ll just highlight a couple. You’ll see how minor but not insignificant the changes are. There was a change to the name of the Canada Agricultural Review Tribunal, which appeared in a number of locations in statutes. Others relate to the official names of superior courts. For example, Newfoundland and Labrador and Prince Edward Island changed the names of their most senior courts. Those are often referenced in federal laws, so it was necessary to realign the federal laws with those renamed courts. There were also some changes to update the gendered references in our laws.

[*Translation*]

The bill also contains some changes having to do with the terminology used in French in some of the acts. For example, several provisions replace the words “vérificateur” and “vérification” with “auditeur” and “audit”. The objective here is to standardize references in federal legislation to reflect international standards.

[*English*]

All the amendments, as I said, align with the four criteria identified in the program. I would say the bill is not life changing, but it is a necessary exercise. We will undertake, under any parliamentary regime, a similar exercise over a number of years to come. For those of you who won’t be over the age of 80 by then, you’ll be here to give further consideration to a bill in the coming years.

As I say, we’re a country governed by laws and the rule of law, so it’s exceedingly helpful that the laws are correct, clear, up to date and align with the French and English versions, as parliamentarians and Canadians expect.

Honourable senators, thank you for the opportunity to speak to this bill. I urge colleagues to support the legislation. It seems that I won’t need to ask for extra time after all. Thank you. *Hiy hiy*.

[*Translation*]

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

**Hon. Senators:** Agreed.

(Motion agreed to and bill, as amended, read third time and passed.)

**THE SENATE**

MOTION TO PHOTOGRAPH ROYAL ASSENT CEREMONY ADOPTED

**Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate)**, pursuant to notice of June 18, 2024, moved:

That authorized photographers be allowed in the Senate Chamber to photograph the next Royal Assent ceremony, with the least possible disruption of the proceedings.

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

**Some Hon. Senators:** Agreed.

**An Hon. Senator:** On division.

(Motion agreed to, on division.)

*(At 10:19 p.m., pursuant to the order adopted by the Senate on June 5, 2024, the Senate adjourned until noon tomorrow.)*

---

## CONTENTS

Wednesday, June 19, 2024

	PAGE	PAGE
<b>SENATORS' STATEMENTS</b>		
<b>National Sickle Cell Awareness Day</b>		
Hon. Jane Cordy . . . . .	6776	
<b>Oil Tanker Moratorium Act</b>		
Fifth Anniversary		
Hon. Peter Harder . . . . .	6776	
<b>Mennonite Migration to Manitoba</b>		
One Hundred and Fiftieth Anniversary		
Hon. Donald Neil Plett . . . . .	6777	
<b>Visitors in the Gallery</b>		
The Hon. the Speaker . . . . .	6777	
<b>National Sickle Cell Awareness Day</b>		
Hon. Marie-Françoise Mégie . . . . .	6777	
<b>Visitors in the Gallery</b>		
The Hon. the Speaker . . . . .	6778	
<b>Indigenous Survivors</b>		
Hon. Brian Francis . . . . .	6778	
<b>Visitors in the Gallery</b>		
The Hon. the Speaker . . . . .	6778	
<b>Pride Month</b>		
Hon. Mary Coyle . . . . .	6778	
<b>Visitors in the Gallery</b>		
The Hon. the Speaker . . . . .	6779	
<hr/>		
<b>ROUTINE PROCEEDINGS</b>		
<b>Federal Ombudsperson for Victims of Crime</b>		
2021-22 Annual Report Tabled		
Hon. Patti LaBoucane-Benson . . . . .	6779	
2022-23 Annual Report Tabled		
Hon. Patti LaBoucane-Benson . . . . .	6779	
<b>Justice</b>		
Law Commission—2023-24 Departmental Plan Tabled		
Hon. Patti LaBoucane-Benson . . . . .	6779	
<b>Adjournment</b>		
Motion Adopted		
Hon. Patti LaBoucane-Benson . . . . .	6780	
<b>National Immigration Month Bill (Bill S-286)</b>		
First Reading		
Hon. Amina Gerba . . . . .	6780	
<b>Canada-United States Inter-Parliamentary Group</b>		
National Conference of State Legislatures, August 13-16, 2023—Report Tabled		
Hon. Michael L. MacDonald . . . . .	6780	
		Council of State Governments East's Annual Meeting and Regional Policy Forum, August 20-23, 2023—Report Tabled
		Hon. Michael L. MacDonald . . . . . 6780
		Congressional Visit, November 13-16, 2023—Report Tabled
		Hon. Michael L. MacDonald . . . . . 6780
		Council of State Governments National Conference, December 6-9, 2023—Report Tabled
		Hon. Michael L. MacDonald . . . . . 6780
		"Canada Day in Albany" hosted by the New York Consulate General of Canada, February 27-28, 2024—Report Tabled
		Hon. Michael L. MacDonald . . . . . 6780
		<b>Mental Health, Substance Abuse and Addictions Parity</b>
		Notice of Inquiry
		Hon. Sharon Burey . . . . . 6780
		<b>National Framework on Sickle Cell Disease Bill (Bill S-280)</b>
		Petition Tabled
		Hon. Marie-Françoise Mégie . . . . . 6781
<hr/>		
<b>QUESTION PERIOD</b>		
<b>Finance</b>		
Capital Gains Inclusion Rate		
		Hon. Donald Neil Plett . . . . . 6781
		Hon. Marc Gold . . . . . 6781
Government Spending		
		Hon. Leo Housakos . . . . . 6781
		Hon. Marc Gold . . . . . 6781
<b>Canadian Heritage</b>		
Action Plan on Combatting Hate		
		Hon. Mary Coyle . . . . . 6782
		Hon. Marc Gold . . . . . 6782
<b>Infrastructure and Communities</b>		
Affordable Housing		
		Hon. Éric Forest . . . . . 6782
		Hon. Marc Gold . . . . . 6783
<b>Public Safety</b>		
National Security and Intelligence Committee of Parliamentarians		
		Hon. Scott Tannas . . . . . 6783
		Hon. Marc Gold . . . . . 6783
<b>Employment and Social Development</b>		
Inclusivity for Seniors		
		Hon. Wanda Thomas Bernard . . . . . 6783
		Hon. Marc Gold . . . . . 6783
<b>Public Services and Procurement</b>		
Procurement Process		
		Hon. Yonah Martin . . . . . 6784
		Hon. Marc Gold . . . . . 6784

# CONTENTS

Wednesday, June 19, 2024

	PAGE		PAGE
<b>Indigenous Services</b>		<b>Miscarriage of Justice Review Commission Bill (David and Joyce Milgaard's Law) (Bill C-40)</b>	
Indigenous Businesses		Bill to Amend—First Reading . . . . .	6798
Hon. Claude Carignan . . . . .	6784		
Hon. Marc Gold . . . . .	6784		
<b>Agriculture and Agri-Food</b>		<b>Countering Foreign Interference Bill (Bill C-70)</b>	
Recommendations of Committee		Third Reading—Motion in Amendment Negatived	
Hon. Paula Simons . . . . .	6785	Hon. Yuen Pau Woo . . . . .	6798
Hon. Marc Gold . . . . .	6785	Hon. Marc Gold . . . . .	6798
		Hon. Denise Batters . . . . .	6801
<b>Public Safety</b>		Hon. Tony Dean . . . . .	6801
National Security and Intelligence Committee of Parliamentarians		Hon. Rebecca Patterson . . . . .	6802
Hon. Percy E. Downe . . . . .	6785	Hon. Pierre J. Dalphond . . . . .	6803
Hon. Marc Gold . . . . .	6785		
		<b>Business of the Senate</b>	
<b>Prime Minister's Office</b>		Hon. Patti LaBoucane-Benson . . . . .	6805
Prime Minister's Travel			
Hon. Donald Neil Plett . . . . .	6786	<b>Budget Implementation Bill, 2024, No. 1 (Bill C-69)</b>	
Hon. Marc Gold . . . . .	6786	Second Reading	
		Hon. Tony Loffreda . . . . .	6805
		Hon. Denise Batters . . . . .	6811
		Hon. Leo Housakos . . . . .	6812
		Hon. Scott Tannas . . . . .	6813
		Hon. Robert Black . . . . .	6815
		Hon. Pamela Wallin . . . . .	6817
<b>ORDERS OF THE DAY</b>		<b>Countering Foreign Interference Bill (Bill C-70)</b>	
		Third Reading	
<b>Business of the Senate</b>		Hon. Percy E. Downe . . . . .	6818
Hon. Patti LaBoucane-Benson . . . . .	6786	Hon. Yuen Pau Woo . . . . .	6820
		Hon. Hassan Yussuff . . . . .	6821
<b>Countering Foreign Interference Bill (Bill C-70)</b>		Hon. Marilou McPhedran . . . . .	6823
Third Reading—Debate		Hon. Andrew Cardozo . . . . .	6824
Hon. Tony Dean . . . . .	6786	Hon. Leo Housakos . . . . .	6825
Hon. Marty Deacon . . . . .	6789	Hon. Rebecca Patterson . . . . .	6827
Hon. Andrew Cardozo . . . . .	6790		
Hon. Leo Housakos . . . . .	6790	<b>Appropriation Bill No. 2, 2024-25 (Bill C-74)</b>	
Hon. Michael L. MacDonald . . . . .	6790	Second Reading	
Hon. Peter M. Boehm . . . . .	6791	Hon. Patti LaBoucane-Benson . . . . .	6827
Hon. Yuen Pau Woo . . . . .	6794	Hon. Denise Batters . . . . .	6829
Motion in Amendment—Debate		Hon. Elizabeth Marshall . . . . .	6829
Hon. Yuen Pau Woo . . . . .	6796		
		<b>Appropriation Bill No. 3, 2024-25 (Bill C-75)</b>	
<b>Business of the Senate</b> . . . . .	6796	Second Reading	
		Hon. Patti LaBoucane-Benson . . . . .	6833
<b>Fall Economic Statement Implementation Bill, 2023 (Bill C-59)</b>		Hon. Elizabeth Marshall . . . . .	6834
Third Reading . . . . .	6796	Hon. Pamela Wallin . . . . .	6836
<b>Budget Implementation Bill, 2024, No. 1 (Bill C-69)</b>		<b>Budget Implementation Bill, 2024, No. 1 (Bill C-69)</b>	
First Reading . . . . .	6797	Nineteenth Report of National Finance Committee Presented	
		Hon. Claude Carignan . . . . .	6837
<b>Chemical Weapons Convention Implementation Act (Bill S-9)</b>			
Bill to Amend—Message from Commons . . . . .	6797	<b>Miscellaneous Statute Law Amendment Act, 2023 (Bill S-17)</b>	
		Third Reading	
<b>Bill Respecting Cyber Security, Amending the Telecommunications Act and Making Consequential Amendments to Other Acts (Bill C-26)</b>		Hon. Brent Cotter . . . . .	6837
Bill to Amend—First Reading . . . . .	6797		
		<b>The Senate</b>	
		Motion to Photograph Royal Assent Ceremony Adopted	
		Hon. Patti LaBoucane-Benson . . . . .	6839