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The Honourable GEORGE J. FUREY,
Speaker

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THE SENATE

Friday, May 15, 2020

(Pursuant to rule 3-6(1) the Senate was recalled to sit this date, rather than June 2, 2020, as previously ordered.)

The Senate met at 11 a.m., the Speaker in the chair.

Prayers.

BUSINESS OF THE SENATE

QUESTION OF PRIVILEGE

The Hon. the Speaker: Honourable senators, on May 1, Senator Plett raised a question of privilege concerning a meeting of the Committee of Selection that had taken place earlier that day. I have since received a request from Senator Dalphond to allow further consideration of the matter. Although not common, this is not unprecedented. While normally, I would expect senators to be prepared to argue a question of privilege or a point of order at the time they are raised, two factors cannot be ignored.

First, the question of privilege was, in accordance with our rules, raised without notice pursuant to rule 13-4. Second, the current public health circumstances prevent a significant number of our colleagues from attending our sittings. In light of these circumstances, I will, exceptionally, allow further arguments in the current case.

Therefore, at the start of Orders of the Day on the day the Senate next sits, I will hear further new arguments on the question of privilege. But honourable senators, let me stress that I wish to hear new information only, and I would ask senators to please be brief in their interventions.

SENATE STENOGRAPHERS

The Hon. the Speaker: Honourable senators, you may have noticed that the stenographers who are normally on the floor are not with us today. We have been able to arrange for them to work remotely, thereby facilitating physical distancing here in the Senate Chamber, while also protecting their health.

[*Translation*]

MOTION TO EXTEND TODAY'S SITTING AND AUTHORIZE SENATORS TO SPEAK OR VOTE FROM A SEAT OTHER THAN THEIR ASSIGNED PLACES DURING THE SITTING ADOPTED

Hon. Raymonde Gagné (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 3-4, the sitting continue beyond the ordinary time of adjournment today;

That rule 3-3(1) be suspended today; and

That, notwithstanding rules 6-1 and 9-8(1)(b), senators may speak or vote from a seat other than their assigned places during today's sitting.

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.)

[*English*]

ROUTINE PROCEEDINGS

JUSTICE

CHARTER STATEMENT IN RELATION TO BILL C-16— DOCUMENT TABLED

Hon. Marc Gold (Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, a Charter Statement prepared by the Minister of Justice in relation to Bill C-16, An Act to amend the Canadian Dairy Commission Act.

AUDITOR GENERAL

CERTIFICATE OF NOMINATION TABLED

Hon. Marc Gold (Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the certificate of nomination and biographical notes of Karen Hogan, the nominee for the position of Auditor General of Canada.

[*Translation*]

THE SENATE

MOTION TO RESOLVE INTO COMMITTEE OF THE WHOLE TO
CONSIDER SUBJECT MATTER OF BILL C-16 ADOPTED

Hon. Marc Gold (Government Representative in the Senate): Honourable senators, with leave of the Senate and notwithstanding rule 5-5(j), I move:

That, notwithstanding any provisions of the Rules or usual practice:

1. the Senate resolve itself into a Committee of the Whole at the start of Orders of the Day today to consider the subject matter of Bill C-16, An Act to amend the Canadian Dairy Commission Act;
2. the Committee of the Whole on the subject matter of Bill C-16 receive the Honourable Marie-Claude Bibeau, P.C., M.P., Minister of Agriculture and Agri-Food, accompanied by two officials;
3. the Committee of the Whole on the subject matter of Bill C-16 rise no later than 125 minutes after it begins;
4. the witnesses' introductory remarks last a maximum total of five minutes; and
5. if a senator does not use the entire period of 10 minutes for debate provided under rule 12-32(3)(d), including the responses of the witnesses, that senator may yield the balance of time to another senator.

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.)

MOTION TO RESOLVE INTO COMMITTEE OF THE
WHOLE TO RECEIVE KAREN HOGAN, AUDITOR
GENERAL NOMINEE, ADOPTED

Hon. Marc Gold (Government Representative in the Senate): Honourable senators, with leave of the Senate and notwithstanding rule 5-5(j), I move:

That, at the end of consideration of Government Bills today, the Senate resolve itself into a Committee of the Whole in order to receive Karen Hogan respecting her appointment as Auditor General of Canada;

That the Committee of the Whole report to the Senate no later than 100 minutes after it begins;

That the witness' introductory remarks last a maximum of five minutes; and

That, if a senator does not use the entire period of 10 minutes for debate provided under rule 12-32(3)(d), including the responses of the witness, that senator may yield the balance of time to another senator.

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.)

• (1110)

[*English*]

AUDITOR GENERAL

NOTICE OF MOTION TO APPROVE APPOINTMENT

Hon. Marc Gold (Government Representative in the Senate): Honourable senators, with leave of the Senate and notwithstanding rule 5-5(j), I give notice that, later this day, I will move:

That, in accordance with subsection 3(1) of the *Auditor General Act*, R.S.C. 1985, c. A-17, the Senate approve the appointment of Karen Hogan as Auditor General of Canada.

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

Hon. Senators: Agreed.

[*Translation*]

CANADIAN DAIRY COMMISSION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-16, An Act to amend the Canadian Dairy Commission Act.

(Bill read first time.)

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

Hon. Marc Gold (Government Representative in the Senate): Honourable senators, with leave of the Senate and notwithstanding rule 5-6(1)(f), I move that the bill be placed on the Orders of the Day for second reading later this day.

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

Hon. Senators: Agreed.

(On motion of Senator Gold, bill placed on the Orders of the Day for second reading later this day.)

[English]

QUESTION PERIOD

FINANCE

RECOVERY OF FRAUDULENT COVID-19 SUPPORT PAYMENTS

Hon. Donald Neil Plett (Leader of the Opposition): Honourable senators, my question, as usual, is for the Leader of the Government in the Senate.

Leader, my question concerns the report that federal employees processing emergency benefits have been told to ignore potential cases of fraud and not to send claims for further investigation unless they are urgent.

Two hundred thousand applications have already been red flagged as possibly fraudulent. Yesterday, Liberal MP Wayne Easter told Minister Morneau:

The government has to make it clear that we're not going to accept what is outright fraud and that money will be hauled back in. I think somebody needs to be clear.

He went on to say:

The answer . . . hasn't been clear from the minister or the Prime Minister on that issue.

Leader, we have small businesses that legitimately need help and can't access it, yet your government has no concern over spending taxpayers' dollars in instances where abuse is already suspected. Why won't your government take a stronger stance against fraud, and could you tell us how many of the 200,000 applications received these benefits?

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

The Prime Minister has been very clear, as has this government, that in this extraordinary time the first and foremost obligation and responsibility of the government is to try to get money into the hands of Canadians who need it as quickly as possible.

There will be some cases, whether a fraud or an inadvertence, where people will have received benefits to which they are not in fact entitled. The government actually has been clear in saying that its first priority is to make sure that the processes in place to get the money out the door to Canadians are not held up and slowed down unnecessarily and unduly. There will be time — and the government is committed to ensuring this — when the tax season and taxes are filed in the coming year that all cases where there have been instances where monies were given incorrectly, either mistakenly in good faith or by fraud, will be pursued. Money will be reimbursed. In cases of fraud, appropriate sanctions will be applied.

Senator Plett: To support outright fraud and say we'll deal with it later is unbelievable.

PUBLIC SAFETY AND EMERGENCY PREPAREDNESS

FUNDING FOR VICTIMS OF HUMAN TRAFFICKING AND ABUSED WOMEN

Hon. Donald Neil Plett (Leader of the Opposition): Honourable senators, my next question concerns your government's decision to end funding for a program which helps sexually exploited and trafficked women and girls across Canada. For example, the London Abused Women's Centre says due to the loss of funding they will have to cancel programs that support over 600 women and girls who are victims of human trafficking. This organization has done tremendous work helping thousands of women and girls over the years. This government talks a lot about feminism, yet during our global crisis, when these women and girls are particularly vulnerable, this government cuts them off. I don't see how any government doing this could ever claim to be feminist.

Leader, why did your government choose to end this very important program, especially at this time, and will your government recognize its mistake and restore the funding?

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question. It's a question about an important and very vulnerable sector of our community.

This government remains committed to combatting exploitation of women and other vulnerable communities, human trafficking and to better protect victims who are among society's most vulnerable. The program to which the honourable senator is referring was funded under the Measures to Address Prostitution Initiatives, the MAPI fund. It was a five-year program that was set up under the previous government to close at the end of March 2020.

The government is very aware of the impact that the program's sunset, as per its own terms, has had on certain organizations, including but not exclusively the London Abused Women's Centre, who indeed do important work. The government is working diligently to find solutions to enable them to continue the important work that they do.

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

CANADA-CHINA RELATIONS

Hon. Leo Housakos: Honourable senators, my question is for the Leader of the Government in the Senate.

Government leader, you may recall in 2014 that Canada's National Research Council computers were infiltrated by Chinese state-sponsored hacking, costing the Government of Canada at that time hundreds of millions of dollars. Given our experience with China's communist regime's attempted theft of intellectual property, trade secrets and other sensitive property, why have we now, through the very same National Research Council, entered into another agreement to develop a vaccine backed by a Chinese company in partnership with China's Academy of Military Medical Sciences?

Hon. Marc Gold (Government Representative in the Senate): Our relationships with China are very complicated. I thank the honourable senator for raising this question and for his continuing engagement with the important issue of Canada-China relations.

The search for a vaccine to deal with this global pandemic is a global search and a global effort. It would be irresponsible for Canada, or any country, to turn its back at least on the possibility that some other country might have some promising vaccines worth exploring and worth testing.

Our government and the agencies that are responsible for these matters at the federal level work with many labs, many countries and the distinguished research community here in Canada to ensure that the protocols that we put in place for testing and for evaluation are at the highest standards to protect the health of Canadians.

• (1120)

Senator Housakos: Government leader, the Trudeau government constantly says how complicated Canada-Chinese relations are. The reality of the matter is it seems to be very complicated for your government but very simple for Canadians. China doesn't respect democracy, human rights and the rule of law, and we do.

Government leader, your government purports to be very concerned about Chinese Canadians who are the target of racism and bullying in this age of COVID-19. However, you appear less concerned when that bullying and even violence is perpetrated by Beijing's proxies right here in Canada, targeting pro-democracy activists of Chinese descent. Last week we saw the state broadcaster CBC attack independent publisher *The Epoch Times*, which is being run by pro-democracy Canadians of Chinese descent. Will you and your government condemn that?

Senator Gold: Any examples of harassment and intimidation of individuals in Canada is deeply troubling and should be for all Canadians. The government takes very seriously any such acts being carried out by foreign agents in this country.

All representatives in this country, Chinese representatives not exempted, have a responsibility and a duty under international and Canadian law to respect our laws and regulations in Canada. We will use every opportunity as a government to call on China to uphold its international obligations, including respecting the commitment that we as Canadians have to freedom of expression, freedom of association, freedom of religion and freedom of belief.

INDIGENOUS AND NORTHERN AFFAIRS

SUPPORT FOR WOMEN AND CHILDREN EXPERIENCING VIOLENCE

Hon. Mary Coyle: Honourable senators, Senator Boyer and I have a question for the Government Representative.

The violence against Indigenous women in this country was documented in detail in the federally commissioned National Inquiry into Missing and Murdered Indigenous Women and Girls which was released almost a year ago now.

The cycle of generational violence that stems from the residential schools and coercive colonial legislation is well known today. We know the COVID-19 pandemic has made already vulnerable populations more at risk. The government had promised to put in place a national action plan in response to the missing and murdered Indigenous women and girls inquiry by this June.

Senator Gold, in light of the pressures brought on by the COVID-19 pandemic, what extra measures will the government put in place?

Also, can the government respond more rapidly given the gravity of the situation for many Indigenous women and children?

Finally, when will we see the promised action plan? Thank you.

Hon. Marc Gold (Government Representative in the Senate): Again, thank you and your colleague for the question. It's an important one and one that the government takes seriously.

I've been assured by the government that it remains committed to doing what it can to end what is an ongoing national tragedy of missing and murdered Indigenous women and girls. My understanding is that the government, along with Indigenous organizations and provincial and territorial governments, are working together to co-develop the national action plan to which you referred, that will set out a roadmap to end the systematic and systemic causes of violence against Indigenous women, girls, LGBTQ2 and two-spirit peoples.

The work remains a priority for this government. But, as you know and as you alluded to, the focus has shifted in recent weeks to try to slow this spread and halt the spread of COVID-19 in Canada generally, and in particular in Indigenous communities, and to make sure that those communities have the support that

they need because so many, by virtue of their relative isolation from centres, are particularly vulnerable for community spread if it arrives in their neighbourhoods.

As part of that commitment, the government is investing \$50 million to support shelters and sexual assault centres for women and children fleeing violence, and includes targeted funding for facilities serving the Indigenous communities.

With regard to your question as to exactly when, I don't have the answer. I will make inquiries. I don't want to speculate beyond the fact that the focus of the government is, understandably right now, on the impact of the pandemic on those communities.

HEALTH

RACE-BASED DATA COLLECTION— ECONOMIC DISPROPORTIONALITY

Hon. Kim Pate: Honourable senators, my question is a two-part one for the Government Representative in the Senate. The first part is in alliance with Senator Bernard.

African Canadians are seeing a detrimental impact of COVID-19 on their communities due to a higher prevalence of pre-existing health conditions, exposure to the virus in essential workplaces and other disparities in social determinants of health. Community leaders, researchers and organizations such as the United Nations and the Canadian Institute for Health Information have long asked for disaggregated data by race in Canada. Disaggregated data applies to all policies being made including health, employment, housing and education.

Ontario, Manitoba, Quebec and individual health organizations have been collecting race-related data to be able to direct services toward black communities in need, and to fully recognize the detrimental impact this pandemic has had on these communities as we build our country. Failing to mandate collection of race-based data is another form of systemic discrimination.

In addition, this week Minister Hajdu called for collaboration between federal, provincial and territorial governments in order to “move from a place of guidelines to a place of standards” for long-term care of seniors and vulnerable individuals. I commend the government for adopting this position in recognition of the need to remedy decades of evisceration of health, economic and social safety nets.

As we have all experienced during this pandemic, too many in Canada were made immediately vulnerable at so many levels, and too many caregivers were left struggling to survive while simultaneously continuing to provide essential services.

My two questions to you are: Why has the government not mandated race-related data from the beginning of collecting data on health of Canadians during this pandemic, and when will they mandate collection of this information nationally?

Second, what steps will the government be taking to continue the dialogue with provinces and territories to develop the sorts of national standards we all now recognize as necessary to ensure

all vital and under-resourced aspects of our economic health and social well-being — from health care, to housing, to support and care services for children, the elderly and those with disabilities, to adequate wages and benefits — are provided for all? Thank you.

Hon. Marc Gold (Government Representative in the Senate): Thank you for your questions. There's no simple, one-line answer because there's a lot in those questions. Let me start with the latter part of your question.

The Government of Canada has been working regularly, as you know, with provincial and territorial governments in all aspects of the crisis that has befallen us. I'm advised it is engaged in discussions with the provinces and territories with regard to the very tragic situation that seniors find themselves in, in the long-term care facilities. It has a particular salience for all of us, and for me, coming from the province of Quebec which has been so hard hit.

As we know, the Canada Health Act does not include long-term care as part of its definition within its ambit. I have no doubt that is a subject that is of active discussion amongst the federal, provincial and territorial counterparts. But as for what will emerge from these consultations, I really don't know. Frankly, important though the question is, and it's a timely question, it is too early to have the answer as those discussions are ongoing.

With regard to your first question, I've been in touch with Senator Bernard on this issue. It's clear that maintaining an accurate and clear picture of the impact of this on our communities is critical from a public health point of view. The government recognizes that certain populations, including African Canadians and Indigenous communities, may very well be, and appear to be, disproportionately affected by COVID-19.

• (1130)

The government further recognizes the added value that would be provided by accurate disaggregated data to support all communities within Canada. I'm advised that Statistics Canada is coordinating efforts with the provinces and territories to address any data gaps, including these.

My office has been working with the office of Senator Bernard to arrange a meeting with the Minister of Health so that Senator Bernard's important considerations and concerns can be discussed directly with the minister.

[*Translation*]

EMPLOYMENT, WORKFORCE DEVELOPMENT AND LABOUR

EMPLOYMENT LEVELS

Hon. Jean-Guy Dagenais: My question is for the Leader of the Government in the Senate. The number of unemployed workers in Canada reached record levels last week. Since the pandemic began, the number of unemployed Canadians has risen by 1.285 million. Once this crisis is over, the employment

situation in Canada will have completely changed. Besides issuing compensation cheques, any serious government should also have a vision of the labour market for the years ahead that takes into account the disappearance of many businesses and companies.

For many years now, immigration has been an important resource to help fill labour shortages in this country, but going forward, there probably won't be enough jobs for people who want to come here to work. Does your Prime Minister plan to review Canada's immigration programs to give unemployed Canadians a chance to return to the workforce?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question. This country was built by all Canadians, including Indigenous peoples, the founding nations and immigrants, and they are the reason Canada is a prosperous nation today. As we navigate this economic and health crisis, the government is doing everything in its power to help Canadians and Canada's economy. Our country has never experienced anything like this before. It is much too early to predict what structural changes our economy may undergo in the months and years to come. I have no information about whether the government plans to review immigration rates. However, as senators should know, the government regularly reviews its numbers and expectations with respect to immigration while taking into account Canadians' needs and economic and social growth. That is what the government will continue to do.

Senator Dagenais: Senator Gold, are you telling me that the government currently has no vision for the future with respect to jobs for Canadians?

Senator Gold: Respectfully, not quite. Every government faces the challenge of doing what it must to deal with issues and problems of the day by proposing a vision for future. It is not just during a pandemic; it is always the case, and that is what the current government is doing. Nevertheless, we have to recognize that in these unprecedented times, when millions of Canadians are suffering, the government has to focus on what it can do to help them. It has to help businesses, small, medium or large, so that once this crisis is over we can enjoy a healthy and robust economy and society. We have a vision for the future, but I have to say that in the midst of a crisis, the details of that vision are not always easy to glean.

[English]

FAMILIES, CHILDREN AND SOCIAL DEVELOPMENT

HEALTH AND WELL-BEING OF CHILDREN

Hon. Jim Munson: Honourable senators, I thought I was going to follow Senator Moodie on the question dealing with children, but why not? Here we are, Friday. Every second Friday, it's nice to have a gathering of senators, but this is a serious issue and it deals with Canada's children.

Senator Moodie and I have worked very hard in continuing what the Senate has talked about in terms of a report indicating that we should have a children's commissioner, and it seems to go by the wayside. We have had reports from the Senate —

[Senator Dagenais]

Senator Andreychuk and others — and members of Parliament who have been pushing for a children's commissioner. If there was ever a time for a children's commissioner, it is right now during this pandemic. There are serious issues concerning children in terms of domestic abuse.

My question is to the Government Representative in the Senate. Half a million children in this country live in poverty, and the pandemic is likely to increase challenges for families in this situation. Furthermore, there is an interruption in their school routines, and social distancing is having an impact. Many children can't go outside and play normally, so there are also serious mental health issues.

I applaud the government for providing funding to the Kids Help Phone. Anything is helpful, but it certainly doesn't seem to be enough. Many front-line charities, hospitals and organizations find their resources stretched as the need for services is increasing. Does the government intend to fund more groups at this time? I also have a short supplementary question.

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question and your ongoing commitment to this important cause. The government continues to evaluate the programs it has introduced and I think it is revealing itself to be willing to make adjustments when gaps are identified. That said, a number of programs the government has introduced have direct and indirect benefits to children, whether living in difficult economic circumstances or affected by intimate partner or domestic violence. There has been funding to shelters, as you know. Equally important, the funding to individuals who have lost their jobs makes it possible for families to continue to get by, to buy groceries and pay rent, and that is to the benefit of every family and child.

To return to your question, the government continues to look at ways to ensure the most vulnerable in our community and country are taken care of, and continues to carefully examine whatever gaps may be revealed in its programs.

Senator Munson: I have a brief supplementary question. Sara Austin has been a champion for children. She is the founder and CEO Children First Canada. Recently, she said:

For children whose families are already experiencing poverty, we know that a large number of them are being impacted by job losses. The economic stresses that is placing on parents and families is putting kids at risk for food security but also putting significant stresses on children's mental health and well-being.

I think that's the focus we need to have today. In terms of vulnerable children, children with autism or other intellectual disabilities, I was pleased to see that Minister Qualtrough put the autism community on her advisory board after she appeared here. The autism community was not there, and now it is.

Senator Gold, do you know of any specific government plans that may be coming to take care of all of Canada's children during this crisis?

Senator Gold: I'm not aware of any specific programs that are in the pipeline. We benefit, as Canadians, from regular announcements from this government. I repeat that the government remains committed to ensuring that the programs it is putting in place or will put in place take care of the most vulnerable. I will watch with interest to see what further announcements may be made.

[Translation]

JUSTICE

MEDICAL ASSISTANCE IN DYING

Hon. Claude Carignan: My question is for the Leader of the Government in the Senate. The deadline that was given to the government for introducing a new bill following the Superior Court of Quebec ruling in *Truchon* has been extended to July 11. As you know, it is not very likely that Parliament will resume its regular activities before the fall.

• (1140)

My question is the following: Did the government ask the Superior Court for an extension because of the pandemic? If not, how does it plan to proceed?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question. According to the information that I have, the government has not asked for an extension to date. However, I share the honourable senator's opinion that the government will most likely be required to ask the court for an extension, since Parliament is not sitting on a regular basis and the bill must be debated. This is an extremely important, sensitive and controversial issue. As soon as I know the next steps, I will inform honourable senators and the chamber.

Senator Carignan: Thank you for your answer. Obviously, this issue affects many Canadians and pertains to deeply held values. I agree with you that this is important.

Can you assure us that the government will debate this bill before a parliament holding regular sittings and not before a skeleton parliament?

Senator Gold: Canadians and the Parliament of Canada have the duty to deal with this bill in a diligent and serious manner. I would oppose an approach in which this bill is dealt with—

[English]

— any other way than completely.

[Translation]

Sorry. I couldn't think of what I was trying to say in French.

It is important that this issue be diligently discussed, debated and examined in both chambers of Parliament, as we did recently. The Senate met the constitutional expectations and did its job. It must continue to do that.

The Hon. the Speaker: We have one minute left.

FINANCE

COVID-19 ECONOMIC RESPONSE PLAN

Hon. Julie Miville-Dechêne: My question is for the Leader of the Government in the Senate. Before the COVID-19 crisis, the Business Development Bank of Canada's loan program excluded businesses that provided sexual services. Strangely enough, these exclusions just disappeared from the eligibility criteria for the Business Credit Availability Program, which was implemented in response to the COVID-19 crisis. My question is the following: Does this mean that the government programs are authorizing banks to grant loans or even no-interest loans to pornography companies or to massage parlours, in which clients can purchase sexual services? This is at a time when groups, such as the CLES in Montreal, and the London Abused Women's Centre, have suffered budget cuts and cannot offer programs to help women get out of prostitution. That seems counterintuitive to me.

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question. As I already mentioned to Senator Plett, this is a matter of concern to the government. The banks make their own decisions, but that's not what I wanted to say. What I wanted to say is that the government takes this issue seriously and will continue to ensure that the most vulnerable have access to appropriate programs.

[English]

ORDERS OF THE DAY

BUSINESS OF THE SENATE

The Hon. the Speaker: Pursuant to the order of earlier this day, I leave the chair for the Senate to be put into a Committee of the Whole on the subject matter of Bill C-16, An Act to amend the Canadian Dairy Commission Act. The Honourable Senator Ringuette will chair the committee.

CANADIAN DAIRY COMMISSION ACT

CONSIDERATION OF SUBJECT MATTER IN COMMITTEE OF THE WHOLE

On the Order:

The Senate in Committee of the Whole in order to receive the Honourable Marie-Claude Bibeau, P.C., M.P., Minister of Agriculture and Agri-Food, accompanied by two officials, respecting the subject matter of Bill C-16, An Act to amend the Canadian Dairy Commission Act.

(The sitting of the Senate was suspended and put into Committee of the Whole, the Honourable Pierrette Ringuette in the chair.)

The Chair: Honourable senators, the Senate is resolved into a Committee of the Whole on the subject matter of Bill C-16, An Act to amend the Canadian Dairy Commission Act.

Honourable senators, in a Committee of the Whole senators shall address the chair but need not stand. Under the Rules the speaking time is 10 minutes, including questions and answers, but, as ordered earlier today, if a senator does not use all of his or her time, the balance can be yielded to another senator. As ordered by the Senate, the committee will receive the Minister of Agriculture and Agri-Food, and I would now invite her to enter, accompanied by her officials.

(Pursuant to the Order of the Senate, the Honourable Marie-Claude Bibeau and her officials were escorted to seats in the Senate chamber.)

[*Translation*]

The Chair: Minister, welcome to the Senate. I would ask you to introduce your officials and to make your opening remarks of at most five minutes.

Hon. Marie-Claude Bibeau, P.C., M.P., Minister of Agriculture and Agri-Food: Thank you, Madam Chair. I'm joined by Chris Forbes, Deputy Minister of Agriculture and Agri-Food, and France Pégeot, Executive Vice-President of the Canadian Food Inspection Agency.

Honourable senators, thank you for having me here today.

I am pleased to present this bill to amend the Canadian Dairy Commission Act. I urge honourable senators to offer their support as well. The Canadian dairy sector needs this measure. The measure was announced by the Prime Minister as part of a larger package last week to respond to the urgent needs of Canadian farmers and food processors in this challenging time.

The COVID-19 pandemic is having a tremendous impact on our dairy industry, which sustains the vitality of our rural communities. This industry stimulates our economy by generating billions in revenue and supporting tens of thousands of jobs.

In the first two weeks of the crisis, when social distancing measures were being imposed, demand for liquid milk increased suddenly, then dropped just as suddenly when Canadian families finished stocking up. The closure of schools, countless restaurants and the hotel industry added to the decline in demand for dairy products, especially cheese and cream.

Dairy Farmers of Canada says it has never seen such fluctuation in demand from one week to another.

[*English*]

A cow doesn't have a tap that you can turn on and off, so this created logistical problems and bottlenecks throughout the entire supply chain.

• (1150)

The industry pulled out all the stops to align production with consumer demand. Provincial marketing boards implemented measures to reduce production, including quota reductions, and farmers and dairy processors made generous donations of dairy products to food banks across the country.

But despite these efforts, between the end of March and the first half of April, producers were forced to dump surplus milk on the farm.

Honourable senators, we must do our part and bring an effective solution to this difficult situation. The industry reached out to government and asked that the Canadian Dairy Commission expand its dairy storage programs, which it uses to balance supply with fluctuations in demand.

[*Translation*]

The Canadian Dairy Commission purchases dairy products like butter directly from processors to sell them off later in the year, when the demand recovers, during the holiday season, for example.

Under its current borrowing capacity, the CDC has already regained control of the situation, but it needs more room to manoeuvre in order to keep meeting the industry's needs, specifically by also purchasing cheese, as it already does with butter.

I therefore ask you to support this bill to amend the Canadian Dairy Commission Act to increase its borrowing capacity from \$300 million to \$500 million.

[*English*]

I urge honourable senators to support this bill to amend the Canadian Dairy Commission Act to increase its borrowing capacity from \$300 million to \$500 million.

This measure responds directly to the recommendations of the dairy industry to deal with the crisis. Dairy Farmers of Canada has welcomed this measure as an effective way to strengthen the food supply chain. It is one more sign of our government's strong support of our supply management system in Canada — a model of stability that has helped our farm businesses grow and prosper for almost 50 years already.

Over the past few years, many producers have hosted me on their farms, in their cheese plants or in their processing facilities to tell me about their work, their accomplishments and their aspirations for the future.

[*Translation*]

I've admired them for quite some time, and I know we all take their well-being to heart, so let's support them. Let's move forward with this legislation. As we begin taking steps towards our economic recovery, let's continue to work with the industry and with provincial and territorial governments to support agriculture and agri-food businesses across Canada. Thank you.

The Chair: Thank you, minister.

[*English*]

Senator Plett: Thank you, minister, for being here this morning. I want to assure you, minister, that the Conservative Party of Canada, both in the House of Commons as well as here in the Senate, absolutely supports this legislation. We think it is necessary. We think it hasn't gone nearly far enough, but I assure you, you have our support on this legislation.

While I understand that Bill C-16 will help the Dairy Commission temporarily store dairy products, there are other issues facing the sector that deserve your attention. The dairy industry says they were misled by your government about the implementation date of the new NAFTA deal. Your government promised them that it would not come into force until after August 1. Your government broke its word, and the deal will come into force July 1, meaning an estimated \$100 million in losses for Canada's dairy industry.

Minister, we are now told that the Prime Minister has promised to compensate the dairy industry for its early implementation of the agreement. What amount of compensation are you going to provide the dairy industry for breaking your \$100-million promise to them? Are you going to nickel-and-dime them as you did the entire agricultural industry last week and even here with this bill today, or are you going to provide fair compensation?

Ms. Bibeau: Thank you, senator, and I thank you all for supporting the change in this legislation. It's important and I appreciate it.

We have not committed to any date in the implementation of the new NAFTA, and we have worked very hard as a "team Canada" with a lot of partners across the country from the industry and the provinces to get the best deal out of it for the Canadian economy in general, and it will enter into force in July of this year.

In terms of compensation, we have already committed to the dairy sector \$1.75 billion over eight years to compensate them for the free trade agreement with Europe and with the CPTPP, the trans-Pacific zone. This is already ongoing. They have received their first payment, and we will continue the discussion now that CUSMA is about to be ratified.

Senator Plett: Did I understand you to say \$1.75 million or \$1.75 billion?

Ms. Bibeau: Billion.

Senator Plett: Thank you. Minister, I also want to raise with you the issue of tariff rate quotas for dairy farmers and the importance of ensuring those quotas primarily benefit dairy producers and processors who have been harmed more under the recent international trade agreements with retailers or distributors. As you know, minister, Global Affairs Canada's review of the administration and allocation of tariff rate quotas for dairy, poultry and egg producers has been suspended. What will you do to ensure that the tariff rate quotas go to the dairy farmers and processors? And also, minister, has Minister Freeland told you when the review will resume, and have you informed Minister Freeland that it should begin as soon as possible?

Ms. Bibeau: Thank you, senator. For the TRQs, I am in constant discussion with Minister Ng, and I am really making sure that our officials in the department and the stakeholders involved in this issue have the opportunity to speak to the people responsible. You can be assured that we are looking after the interests of our producers in Canada.

Senator Plett: Can you assure Minister Freeland that this is of the utmost urgency?

Ms. Bibeau: Absolutely, both Ministers Ng and Freeland.

Senator Plett: We are dealing today with legislation about a dairy bill, but agriculture has been hurt across our country before and now during the pandemic. Let me turn for a minute to our grain farmers. Our grain farmers have had a lot to contend with over the last year or so: a rail strike, terrible weather conditions in the prairie provinces during the harvest — I think they called it a summer from hell — rail blockades and a punitive increase in the cost of drying grain due to your government's carbon tax.

As insufficient as your government's announcement was last week, it is disgraceful that it made no mention at all of our grain farmers. The COVID-19 pandemic is putting these farms in jeopardy. Grain Farmers of Ontario says that over half of grain farmers are already seeing a reduction in sales, and a quarter of farmers are experiencing cancellation or delays of existing contracts. This organization has begun an advertising campaign to start and to get your government's attention before it is too late.

Minister, can you explain why grain farmers have been ignored by your government? What are you going to do to address their concerns? I would like some specifics, especially with respect to funding the business risk management programs.

Ms. Bibeau: Thank you, senator. Let's talk about the business risk management program. That offers different types of programs. Some are there to provide support in the case of lost revenues. Another one is to support when they have a significant increase in some costs. Another one is there to support when they have to face natural disasters, and another one is meant to help them save money for a difficult year. These programs are all available, and in an average year it gives them \$1.6 billion. These programs are built in a way that they respond to the demand, so it could even increase — and maybe double — this year if it's necessary.

We are working hard on these programs with my provincial counterparts, because, as you know, these programs are cost-shared so that 60% is being paid by the federal government and 40% is being paid by the provinces. Since the program changed in 2013 under the previous government — and the cuts were about \$400 million at that time — it's more difficult now, during a crisis, to get the support of all of the provinces to make significant changes to these programs.

• (1200)

But they are there, they are working, and we are ready and willing to increase and contribute to some specific ad hoc programs to support sectors that will be hurt the most by the COVID-19 crisis. This is what we have recently announced.

I'll offer the example of the amount of money that the grain sector has in their AgriInvest account. This is the most significant one. I think the average is over \$100,000. That is significant for grain businesses. I would strongly encourage them to use this money, of which 50% has been provided by the government through the years for difficult times. They also have access to the advance payment programs and they all have access to a loan of up to \$1 million based on their production. The first \$100,000 is free of interest; for canola producers, the first \$400,000 is free of interest.

They are also eligible for AgriStability. To help them, we have moved the application deadline to July 3. Where the provinces have agreed, they can quickly get an advance payment of up to 75%; it is either 50% or 75%, depending on the province. We have put a calculator, an estimator online. Before saying that it doesn't work, I invite them to try it, because some have been quite surprised that the program is working. I understand they wish it was more generous, but they can get money reasonably quickly through these programs right now.

[Translation]

Senator Saint-Germain: Welcome, minister. In your presentation, you indicated that increasing the Canadian Dairy Commission's borrowing capacity from \$300 million to \$500 million gives it more room to manoeuvre, which is a good thing under the circumstances.

I have a two-part question. First, I'd like to know if borrowing terms and conditions will be more flexible. Giving the commission more room to manoeuvre is good, but will the terms and conditions be more flexible for borrowers given the circumstances?

The second part of my question is about consultation with the provinces. You and I are from Quebec. Quebec is Canada's largest dairy producer, so the interests of its dairy industry are front and centre. How did the government consult the provinces? What did you learn from that process?

Ms. Bibeau: Thank you for your question, senator. The Canadian Dairy Commission has to borrow money so it can buy. It has done so for butter, and now it will be able to buy more butter and cheese, store those products, and then sell them back to whomever they bought them from. That will give processors more room to manoeuvre and more liquidity. That's how

fluctuations are managed. The borrowing conditions don't include interest. Products are purchased and then sold back to the processors for the same price. That's how the agreement works.

Senator Saint-Germain: What about the consultations with the provinces?

Ms. Bibeau: It all went well. The Canadian Dairy Commission's request was unanimously supported. The commission, the provinces and the industry all agreed that this was what they needed.

Senator Saint-Germain: I asked questions that would be quick to answer because I want to yield the rest of my time to Senator Boehm.

Ms. Bibeau: Thank you.

[English]

Senator Boehm: Thank you very much, minister. It is a pleasure to see you. Thank you for bringing your talented deputies with you as well.

I'm wondering about the aid for dairy farmers during the pandemic, as well as how this relates to the larger issue of international trade agreements.

Three major deals in a row, CETA, CPTPP and CUSMA, otherwise known as the new NAFTA, have granted moderate access to our domestic market to foreign producers, all while maintaining our supply management system. That's good, on the one hand and, of course, a concern on the other. For Canadian dairy producers, this is compounded both by their concerns over the implementation date of CUSMA and the overarching situation of reduced demand and oversupply brought on by the current COVID-19 crisis.

Under the Dairy Direct Payment Program, as part of the government's \$1.75 billion aid package, the government promised to compensate our 11,000 supply-managed cow's milk producers to offset market access losses from CETA and CPTPP, and the ones they will incur under CUSMA once it is implemented. All cow's milk producers who applied by December 13 last year for compensation received their payments before December 31 out of the first round of \$345 million. That is helpful, specifically in the trade deal context. The amendment to the Canadian Dairy Commission Act to increase borrowing authority from \$300 million to \$500 million is supported by the CDC and the dairy industry as a way to help specifically with the consequences of the pandemic.

[Ms. Bibeau]

Is the next round of compensation promised under the Dairy Direct Payment Program still on track despite the current crisis? If so, what is the timeline and what further support, if any, is coming for our beleaguered dairy industry?

Ms. Bibeau: As you said so well, our commitment to them is very clear in terms of compensating them for CETA and CPTPP; \$1.75 billion, of which \$340 million has already been distributed.

Right now, we are focusing on emergency support to all sectors in agriculture and more widely, but our commitment to dairy, poultry and ag producers to compensate them for the three free trade agreements is still very strong. It's a bit too soon for me to give you more details, but the commitment is still strong.

[Translation]

Senator Miville-Dechêne: Minister, thank you for being here today. From what I understand, this bill will enable the Canadian Dairy Commission to subsidize processors so they can store surplus milk in the form of cheese. Isn't that a very short-term solution, though? Once the crisis is over, there will still be just as much milk on the market. Like you said, you can't turn a cow off like a tap. We'll have all that cheese on our hands. As you know, most of that cheese is made in Quebec, and sales of fine cheeses are falling. What are we going to do with all that extra cheese and milk, while farms continue to produce just as much? I think the surplus will be unmanageable.

Ms. Bibeau: Thank you, senator. We're not really talking about subsidies but about enabling businesses to better manage their inventory and cash flow because the products will be purchased at the same price at which they will be resold at a later date. Dairy production cannot be increased or decreased overnight. This sort of adjustment must be made over several weeks depending on the herd. That is the beauty of the supply management system. Since the Canadian Dairy Commission is a strong, organized, structured and experienced organization, it will be able to restructure and ensure that supply meets demand in the coming months. The greater availability of funds will give the commission time to adjust its production to reflect the new reality.

• (1210)

Senator Miville-Dechêne: I have a supplementary question to that of Senator Boehm. The Quebec dairy farmers that I spoke to are worried. They're mainly living off their line of credit and some of them are worried about contracting COVID-19 because they don't have anyone who can replace them on the farm. They are getting hit with a double whammy: COVID-19 and the coming into force of CUSMA on July 1.

Can you tell them when they will receive the second round of financial aid related to the free trade agreements? They asked me to ask you that question, and I'm asking it to you because farmers need certainty right now.

Ms. Bibeau: I understand what you're saying and I too am in constant contact with these producers. I live in a riding with nearly 500 dairy producers. I understand their anxiety, and the mental health of our producers across the sector is of concern to

me. Assistance in health matters is a provincial jurisdiction, but by way of Farm Credit Canada, we have put certain programs in place to try to help them manage this stress.

To respond specifically to your question, I have no date to give you for now. As I said to Senator Boehm we are currently focusing all of our efforts on emergency programs. We are trying to bring in very broad programs that might help the maximum number of people who have lost their job or their income, programs that will help the maximum number of small, medium and large businesses. Then we will proceed by sector. The agriculture sector already has risk management programs and we are prepared to extend and enhance as needed.

My message to producers is to recommend that they use existing programs like AgriInvest that I was talking about earlier, as much as possible. The dairy sector is lucky to have an organization as solid as the Canadian Dairy Commission to help it deal with the challenges and adjust production.

Senator Miville-Dechêne: Thank you, minister.

[English]

Senator R. Black: I will share my time with Senator Dagenais and Senator White if time permits.

Minister, as I mentioned in the chamber in recent weeks, many small towns and rural communities that would normally be holding agricultural fairs and exhibitions will be unable to do so this year. My own agricultural society in Fergus, Ontario, with a 183-year history, will not be holding a fair in 2020. The Canadian Association of Fairs and Exhibitions anticipates that the financial strain of missing this year will mean that 1 in 10 agriculture fairs will not be able to reopen at all, and 5 in 10 are uncertain about their future.

These events are major economic drivers in rural and agricultural communities and contribute \$2.9 billion annually to Canada's GDP. Is the government considering supporting this industry, such as providing stabilization funding for agricultural fairs, exhibitions and agricultural societies?

Ms. Bibeau: Thank you, senator. I also have quite a number of fairs in my riding, with 36 municipalities. Hatley was supposed to have a big fair this year for its one hundred and fiftieth anniversary.

The support for fairs comes a bit more through the Heritage department, through either Tourism or, eventually, Culture, depending on the opportunity they have when they celebrate such an anniversary. For the time being, I would refer them to the general support we are offering to NGOs mainly. Some specific programs coming from Heritage might eventually support them.

For those who were supposed to have funds this year, they have had the flexibility to use the funds to cover some exceptional costs caused by COVID-19.

Senator R. Black: Grain Farmers have conducted a survey recently and indicated that 61% are worried about making it through this crisis; 55% say they will either make no profit or, in fact, lose money; and 84% believe they will have a lower profit margin.

Is the government going to make changes to the risk management suite of programs to provide a backstop that they're looking for as they are planting their crops, and they're not sure whether they will have a market to sell to?

Ms. Bibeau: Thank you. The business risk management programs are there and ready to help. I know they would like it to be more generous, but I strongly encourage farmers to apply. They can go online, try the estimator — with some effort still — and they can find out how much they could get from the AgriStability program. They don't need to have their final numbers for 2019. They can put their best estimation and then find out how much they could get. They can try different scenarios as well and ask for an advance payment, which could go up to 75%, depending on their province.

I would say this is the first step. Obviously, if they have funds in their AgriInvest, I would encourage them to use these funds. Right now, there is about \$2.3 billion available in AgriInvest across the country. Half of these funds come from the government and have been gathered for when they have to face a bad year.

Senator R. Black: Thank you. My next question is on behalf of Senator Paula Simons: According to the union which represents CFIA meat inspectors, as of this week, 40 federal inspectors had contracted COVID-19, including 21 in Alberta alone. Because so many inspectors are off sick or under quarantine, there is now a shortage of trained people to do the work, and the union says people without the necessary training or experience are being asked to step in. What guarantees can you give us that inspectors have the necessary skills, training and backgrounds to do their job effectively, and what steps are you taking to ensure that all CFIA staff are protected? Thank you.

Ms. Bibeau: Thank you. I would say three weeks or maybe a month ago — we lose track of time these days — we announced an increase of \$20 million to CFIA's budget. The objective was to specifically give them the capacity to hire more resources. Up until now, they have hired 70 more inspectors and 20 more *vétérinaires*. This is new personnel available to do the inspections.

We have also entered into agreements with some provinces. It's already done informally. We have good collaboration. We can train even provincial inspectors, so we can share resources and be more flexible. If you wish to ask for more details, I can also turn to the vice-president of CFIA, if needed. Thank you.

[Translation]

Senator Dagenais: Good afternoon, minister. I'm still astonished by your government's lack of vision with respect to the agriculture industry.

All we have heard since you became minister is that the government will compensate producers and farmers for the losses they incur as a result of the international agreements that have been signed.

Today, we have before us a bill that I intend to support because farmers really need this assistance, as lacking as it may be. However, a strong agricultural industry cannot be built with financial assistance and six-month payment deferrals.

I bring to your attention the fact that the U.S. government will provide \$19 billion in aid to its farmers. The Canadian Federation of Agriculture is asking for \$2.6 billion and your Prime Minister has introduced a bill that provides barely 10% of that, or \$252 million.

I'd like you to do more than repeat the Prime Minister's daily announcements. Tell us the total envelope that your government will set aside for the agriculture, food and fishery sectors to help them get through the current crisis.

• (1220)

Ms. Bibeau: It's always difficult to compare ourselves to the United States, because our approach is completely different. We have risk management plans that were approved in response to demand.

Over the past five years, the average was \$1.6 billion. We can safely assume that this year will be much more, perhaps even double that.

Furthermore, there are programs, such as AgriInvest, that allow producers to deposit \$10,000 into a bank account to which the government also contributes \$10,000. The purpose is to create a cushion for difficult years. There is currently \$2.3 billion sitting in these accounts, and we've noticed that producers are not using that money. My message to producers is that they must absolutely participate. Unlike the Americans, who must react when issues arise, we already have in place four different programs to address four different types of risk. These programs need to be used, and we're prepared to look at doing more.

You mentioned the \$252-million announcement. In past years, an average of \$15 million has been allocated to the AgriRecovery program, for example. We've already announced that will go up to \$125 million. That shows how much more we are prepared to do in these extraordinary times. We upped the amount from \$15 million to \$125 million, and I'm sure the program won't stop there. We have been talking to the provinces about this a lot because AgriRecovery is essentially a program designed to meet the provinces' needs, not, in a direct way, the producers' needs. This is just one example that shows we want to do more.

The \$77.5 million we announced for processors has nothing to do with the risk management programs because it's separate from those measures. The \$50 million for buying surplus food to send to our food banks and northern communities, for example, is additional money as well. There's also \$20 million for the Canadian Food Inspection Agency, plus \$5 billion in additional loans through Farm Credit Canada.

The Chair: Thank you, minister.

[English]

Senator Loffreda: Minister, thank you for being here.

Can you please elaborate on the rationale behind the government's decision to increase the Canadian Dairy Commission's loan capacity by \$200 million instead of awarding the dairy industry's farmers an aid package, as we have done for many other industries? You have talked about and discussed programs, but there is some concern that many of the farmers are still not eligible for any of the support that has been put forward. Thank you.

Ms. Bibeau: Thank you, senator. Well, the rationale is that it is exactly what has been asked for by the dairy sector and the Canadian Dairy Commission. They have asked us. With the commission, the dairy sector is very well organized and experienced. They know how to manage their stock and they have started to do so with the previous \$300 million they had access to. Because this is an extraordinary situation, they are asking us to increase it with the confidence that they will be able to manage their stock with this additional \$200 million.

In terms of the eligibility of the farmers for the different programs that we have announced, one important situation that we have heard was for the smaller producers who were not necessarily incorporated, so they were not eligible for the wage subsidy or the loan of \$40,000. Now they will have access to a similar kind of money through the local development agencies.

[Translation]

In Quebec and other places, they're known as community futures development corporations, or CFDCs.

[English]

This is making a big difference for the small producers.

If I can explain, one of the reasons is there are so many businesses under this category and they are not all producing. Many of them have been created for, let's say, administrative purposes. We couldn't support and give a \$10,000 grant for a business that is not really in business but just doing administrative kind of support. Working with the local development agencies, we will have this direct contact with the businesses and with the farmers so we know that we are helping those who really need it.

Senator Loffreda: Thank you for that.

It has been very disturbing for many of us to read stories about milk being spilled or dumped, as you can imagine, so thank you for putting this legislation together. It has been spilled and dumped because of capacity limitations, processing backlogs and other challenges.

In your opinion, will this bill solve this issue and eliminate spoilage at all levels, including the additional cheese and butter that's being fabricated or manufactured or put forward?

Ms. Bibeau: Yes, I'm confident that it will. Actually, no milk has been dumped since the middle of April because the Canadian Dairy Commission, with the producers, had the time to reorganize and manage the stock with the \$300-million borrowing capacity that they already had. That's why I'm confident that they will be able to go further in the coming months with this additional capacity.

Senator Loffreda: On a timing basis, while awaiting all the details coming into place, have you been working with the industry to put together an aggressive market distribution plan that could include food banks across the country? What have you done? Could you please elaborate on that?

Ms. Bibeau: I would say that the dairy sector is already very well organized to promote their products, and I would encourage all Canadians to look for the blue cow on their products.

Through the food policy, we have a program that is called the Buy Canadian Campaign, and one of the objectives is to promote Canadian producers, obviously. I must admit that right now we are focusing on emergency programs, but different channels of the food policy will also be moving forward in the near future.

Senator Loffreda: Is there any concern over our food sovereignty, given what my colleague Senator Boehm was referring to? Senator Boehm was referring to the USMCA, and given that international aid has been much greater than the Canadian aid to many in the agricultural industry, is there any concern over our food sovereignty? Are the farmers satisfied that their current needs are fully met?

Ms. Bibeau: I don't have a concern about our food sovereignty. We are being very careful to protect and to make sure that we have good collaboration with our international trade partners, starting with the United States, obviously.

They have the same interests as we have to keep the borders open to trade in different sectors, including the food sector, because our agri-food sector is so integrated. We have so many products that are being grown or raised in Canada, transformed in the U.S. and are then coming back here to our tables, and the other way around. As well, I'm having regular conversations with Secretary Perdue to make sure that we protect the flow of food supplies through the border.

As I explained a bit earlier, it's really hard to compare with the United States in terms of support. Historically, we have preferred to put business risk management programs in place so that when a shock happens these programs are already up and rolling. I understand the farmers would like it to be more generous, but

they are there, ready to help, and we are trying to make it simpler and we are willing and ready and we have already started to add some programs to fill the gaps.

Senator Loffreda: So the farmers would like you to be more generous. Is there more aid coming or do you foresee any more aid to the farmers?

Ms. Bibeau: Yes, I see more aid coming, and this is why I'm asking them to use the actual programs so we can identify where the needs are, where the gaps are; we want to focus our emergency support on those who need it most.

• (1230)

Senator Loffreda: So Canadians need not worry about food sovereignty, spoilage, and our farmers are currently satisfied, thank you.

Senator Smith: Thank you for being here, minister.

The government's reserved about \$50 million of the \$252 million to buy surplus quantities of food that would otherwise have been destroyed, and they will be distributing it into areas of the country where food insecurity is prevalent. The U.S., of course, is committed to buy \$3 billion in surplus food, and I recognize the economy of scale is tremendously different.

Could you speak on how our government came to the \$50 million figure and how this food be distributed across the country? What about the North? It's so expensive for citizens in northern Canada to buy food because of the cost of distribution and transportation, which really hurts them at the counter.

Ms. Bibeau: Thank you. It started with the first \$100 million distributed to food banks across the country through five main partners, and more recently last week we have added \$50 million, dedicated to buy surpluses and channel it through food banks across the country, also including our northern communities.

I should have said that with the \$100 million in the beginning, there was also a specific fund of \$25 million in addition for northern and Indigenous communities.

What we are doing right now is to identify the agriculture sectors who have surpluses — how is it available — the quantities, the format, the packaging, where it is, and also talking with our northern communities and our food bank networks to see their capacity: how much they can get, how much they can distribute, how much they can store. Where are the challenges around transportation or around packaging, for example?

So it's not only a matter of buying food, but also a matter of making the right connections to deal with all these logistical challenges as well.

Senator Smith: Do you feel that there's enough qualified information for you to be able to create a strategic plan to really address the North? There are stories and reports about the cost of food and the quality of food, and making sure that the right food is sent up to service the needs of the communities. I'm not sure you really stated anything that was concrete. Do you have a sense

of a plan that people working for you will be able to execute? Will that be executed immediately or in the near term so that people will have some benefit and relief from exorbitant prices?

Ms. Bibeau: I don't pretend to be an expert on the North, but I'm working closely with Minister Vandal on this. I'm having weekly conversations with my provincial and territorial counterparts, and this is an issue that is being raised every week. I know it has been confirmed to me directly, yesterday, that conversations are ongoing with the government of the territories as well, to find the best way to utilize this \$50 million to meet their needs.

I'm working with people who know the issue better than I do.

Senator Smith: Thank you.

Senator Ngo: Thank you for coming, minister.

The new financial measures announced last week by the government for the agriculture and agri-food sectors were received with mixed reaction, and rightfully so. We have learned some of those measures are not even new. More troublesome is the fact that some of them are not even related to COVID-19, as they were already budgeted and/or were a campaign commitment from the government. I'm talking about the re-announcement of \$125 million that was already provided for in the AgriRecovery program, as was the \$5 billion in funding to Farm Credit Canada, which is a campaign commitment.

Could you explain to our farmers, Canadians, businesses, Canadians working in the agriculture and agri-food sectors who are struggling, why the government is re-announcing measures it already committed to put in place before this pandemic even began?

Ms. Bibeau: Thank you, senator. As I said earlier, in Canada we decided years ago to put in place business risk management so these programs will be ready when our farmers face a difficult situation and a difficult year. This is the way we have decided to do it, and I think it's the right way. Producers and farmers know what they can count on if it ever happens.

There are four main programs under the BRM: AgriStability is meant to support farmers when they have a significant loss in revenues; AgriInvest is meant to build a savings account in a bad year; AgriInsurance is meant to support farmers when there is a natural disaster; AgriRecovery is meant to support when they have to face exceptional costs. For the last five years or so, the average amount of money that was out to support the producers through AgriRecovery was \$15 million.

We have announced \$125 million, and it's only the beginning under this program. I expect more requests to come from the provinces. I wouldn't agree that it's not new money. It's a significant commitment from the government and we have moved forward first, because normally under AgriStability we wait for provinces to come to us and ask for the program.

We are moving forward saying that everywhere across the country, whether the province decides to put its 40% or not, we are moving forward with our 60% contribution. Normally the level of eligible expenses is limited to 70%. We have raised it to 90%.

Senator Ngo: Thank you for the answer. I would like to follow up on the question from Senator Dagenais.

The government asked the agriculture and agri-food sectors, what would be the financial aid that they actually need to get through this crisis. They say it is \$2.6 billion, and the government announced only \$252 million, which falls very short of what they are asking and what they desperately need. You asked them and then you simply did not follow or listen to what they say?

Ms. Bibeau: I listen to farmers every day. Once again, we cannot turn our back to the business risk management. In an average year, it's \$1.6 billion. I expect it to be much more this year. There is \$2.3 billion already available in the AgriInvest account. We have increased the financing for pork producers and beef producers by \$100 million last week. We have put \$77.5 million for food processors as well, so we are moving forward in different ways.

Once again, I will encourage our producers to use these programs so we can identify where the gaps are and who are those most in need.

The Chair: You have 30 seconds.

Senator Ngo: I yield my time then.

Senator Munson: Thank you, minister. Thank you for what you do. It's difficult sometimes being an agriculture minister. I was just thinking back to 1976 when I was a young, 30-year-old reporter on the Hill and seeing the face of former minister of agriculture Eugene Whelan when milk was being poured over the top of his head. He seemed to enjoy the taste of it. That was a big story about the angry Quebec dairy farmers. It's a tough job, but you have to have the personality and, I guess, a commitment to get through it.

• (1240)

The question about dumping raw milk was alluded to. No one likes to see that, but you seem to be stressing the fact that you don't expect to ever see that again during the time of this pandemic.

You also talked about money for distribution through food banks. There are half a million children in this country in poverty. Can you tell us in specific terms about how milk, butter, cheese — the simple things that we take for granted in our lives — will be distributed to people in poverty, besides food banks?

Ms. Bibeau: Thank you, senator. I want to thank the milk and dairy producers and processors because they have made significant donations to food banks when they were facing the obligation to dump milk. So a big thank you to them.

Our food banks are limited in terms of the capacity they can take, and I think they benefited from it very much. We have put in place two different funds to support our food banks. The first one was the \$100 million that has been distributed mainly through five important partners: Food Banks Canada, the Salvation Army, Second Harvest, Breakfast Club of Canada and the Federation of Community Organizations. We have worked very closely with them to make sure they were able to reach every part of the country, and we have put aside an amount of \$30 million to have this flexibility to fill the gaps.

Then we added \$50 million to buy surplus. It's not only to buy surplus, but we want to be sure that the connection is made, so if there are challenges in terms of transportation or packaging, it's being taken care of and we find the right partners; that what we are buying is really meeting the needs of the people we want to support in the different areas. We are also working closely with the northern communities.

Senator Munson: Thank you for that. If I could pivot to temporary foreign workers, we had our first Social Affairs Committee meeting yesterday, and we had people speaking to us from Agriculture Canada. It is stuck in my head that the New Brunswick premier said foreign workers are not coming and they're not going to come. We had gone through this and I have seen this over and over again where there is always a shortage of foreign workers.

I noticed when your deputy was here, Mr. Forbes, he talked about this. Also at the Agriculture and Agri-Food Committee on May 5, just a few days ago, he talked about foreign workers coming here. Is there any guarantee that this country can fill that void? Is there any guarantee during this particular time, with the money that has been distributed to young people across the country, of others replacing those foreign workers temporarily to get a taste of working in their own country, and giving them that motivation with sort of an on-the-ground program? The United States had the Peace Corps doing things all around the world, but doing something within your country to give value to who you are as a young Canadian, to sit and work, albeit temporarily, because I don't know how that void is going to be filled.

Ms. Bibeau: Labour shortage is definitely a huge challenge. It was already a challenge before the COVID-19 crisis. We normally welcome 60,000 temporary foreign workers, and even with all of them, we used to have 15,000 or so vacant jobs. So this is definitely a challenge.

That is why we are working very hard with the Minister of Immigration and with the Minister of Foreign Affairs to try to simplify the process as much as we can, so we can get as many temporary workers as we can. In April it actually went well; better than what we expected. We were able to receive 11,200 workers, while last year it was 13,000. So we are hopeful that we will be better than we thought a month ago.

Maybe just to complement this part, we are offering \$1,500 to employers — mainly farmers but also food processors — who have temporary foreign workers. So \$1,500 per worker to help them support the extra costs related to the 14-day isolation period.

We have also put in place the initiative Step Up to the Plate, which is a portal where you can find all the agriculture jobs offered across the country. We are trying to promote these jobs differently with all the stakeholders.

Through the Canada Summer Jobs program, we have also made the agriculture and food sector essential. Now farmers can get workers through this program — not necessarily students, but young people — and have 100% of their salaries paid.

Maybe I can also remind everyone that we have agreed to transfer \$3 billion to the provinces so they can top up the wage of essential workers, including agriculture and food workers.

Senator Munson: What would you say to young people today to encourage them to go to work on a farm or in the dairy industry, to get their hands a bit dirty at this particular time, pick up a reasonable paycheque and be part of their country in the rebuilding process? What would you say to young Canadians?

Ms. Bibeau: I have three at home, not all mine but still, three young people at home, and this is a conversation we are having. I think it's a conversation many parents are having.

I've heard a lot about the emergency benefit for students, that people are afraid students might prefer to stay home rather than go to work. They will have to prove they have looked for a job, but I think this is really the time to teach our young people our values; the importance of supporting our communities, especially in times of need like this.

Talking about what the experience would be like working on a farm, they would learn something that many of them would probably never learn in a regular summer. What do they want to be able to tell their kids when their kids ask, "How was it?" Do they want to say, "I took advantage of the system" or "I learned to garden"? Then when they talk about 2020, they can say, "It's because of COVID-19 that I now know how to grow food." I think it's a matter of education in each family.

Senator Munson: Minister, I appreciate those comments very much. We do have these questions, with figures, stats, deadlines and so on, but I think there has to be a sense of humanity put in place when we're dealing with this and we see all of these announcements. Behind every statistic, there is a human being or somebody who has passed on. I think in terms of families and how we're dealing with this thing, there is an opportunity for regrowth in this country. I really believe that we can learn so much, and that's why I was emphasizing that there is no better place than working on a farm. Thank you very much.

• (1250)

Ms. Bibeau: Thank you.

Senator Dean: Minister, first of all, thank you for joining us. I want to thank you for all the work that you do. I know you work very hard to support our agricultural community in this country.

I will also take this opportunity to thank those who support you, both your political staff and Canada's public servants. Both groups have stepped up to the plate over the last number of months in this emergency situation to help Canadians, and they've done that very well. That is particularly true for Canada's food inspectors and especially meat inspectors.

I have two questions for you. First, we're satisfied in this room that today's legislative amendment is responsive to what dairy producers and processors have asked for. It will deal with the issue of spillage and waste. In my first question to you, I will focus on what the government is doing and has done as opposed to what it isn't doing. Could you tell us briefly about both new and existing programs that are also supporting dairy producers and processors as we move through this challenging time?

The second question takes us back to meat inspectors. I will follow up on Senator R. Black's question about those 40 inspectors who have been affected by COVID-19. It's helpful that our colleague from the inspection agency is here with us today. You dealt adequately with the employment supply chain issue. I know we have very capable resources at the provincial level and they were able to step up. I want to go back to health and safety, though. I would like to know specifically what is being done in addition to the measures already taken — because we're talking about a good, professional employer here — to ensure that we can maximize the health and well-being of our food inspectors across this country, particularly those who work in inspecting meat plants.

Ms. Bibeau: Thank you. I will start with the programs and the business risk management. I will always come back to this because those are the most important ones. I could go through a wider list, but let's focus on the business risk management. The programs already exist, but that doesn't mean that the money will go out. The money will go out only if there is a need. It can depend; it can be more on one program for a year and a different program for the other year.

The best example of that is AgriRecovery. In an average year, we use \$15 million in this program. Now we have already committed \$125 million. I am convinced that it will be more because we are having discussions right now with the provinces around this specific program.

In terms of new programs, we have the \$77.5 million for processors mainly, the \$50 million for the surpluses, the \$20 million for CFIA. These are additional measures. We have all the additional lending capacity and flexibility in terms of criteria that we have given to Farm Credit Canada.

You're right that our food inspectors are doing an amazing job in a very difficult environment right now. Many Canadians will realize what it means to be an essential worker. It's obvious for the health sector, but they are realizing that the food system is a critical infrastructure. It is our food workers, from the inspectors to the scientific, but it also includes all the workers in the plants, our farmers in the field, the young person working in the grocery store and the trucker. They are all essential workers and we have to take care of them. Obviously, you've seen the efforts we are making to provide personal protective equipment to the medical sector. We are now putting in place — and I'm a member of that committee — resources to support the other essential sectors, including food and transportation, to help them find the right channels to procure PPEs.

I will go back specifically to food plants for an example. The way it works is that the provincial or local public health authorities are responsible for giving directions to the owners of the plants on measures that should put in place to protect their employees and create a safe environment. While we at CFIA are there to ensure food safety, we work very closely with the local public health departments and businesses to make sure we protect the workers, including our inspectors.

If you want more specific information, I will turn to Ms. Pégeot.

Senator Dean: Perhaps briefly, if you wouldn't mind.

France Pégeot, Executive Vice-President, Canadian Food Inspection Agency: Thank you very much, senator, for your question. And thank you for recognizing the work that is being done by our meat inspectors. I certainly agree that the overall agency has worked very hard to advance its mandate since the beginning of the crisis, and particularly our meat inspectors. Given the challenges that they face, they have really stepped up. We need to honour and thank them for their contributions. Thank you very much for doing that. I want to add my voice to yours.

Since the beginning, the health and safety of our inspectors have been our top priority as the leaders and managers of this organization. We have made no compromise for that. From the outset, we have been working with the plant managers. We're taking an approach where, essentially, each plant is different, and each plant needs its own local solutions. So we have been working with plant managers, with unions, with our own staff, of course, and with public health experts to make sure that there are preventive plans in each establishment. We want to provide guidance on how to report and how to ensure that we know when COVID-19 cases come up in the plants, and how to go about addressing the situation to make sure there is a safe working environment. So we've done that. We've made sure that various steps and actions were taken to provide a safe environment to our inspectors, but also to ensure they feel safe to work there, feel comfortable contributing to the economy and putting food on the tables of Canadians.

Again, thank you very much, senator.

Senator Pate: Welcome. Thank you very much for the work that you and your colleagues are doing. I also want to thank our colleagues Senator Griffin and Senator Lankin for helping to inspire this question.

Bill C-16 reminds us that difficulties associated with food supply chains for industry also have serious ramifications for individual Canadians both in terms of increasing food insecurity and rising food costs. In the context of the COVID-19 pandemic, those in our communities who have the least are disproportionately experiencing these consequences and are therefore experiencing greater vulnerability and need. Although some provinces are moving toward reopening their economies, the responses are not necessarily consistent. As a result, issues related to labour and food supply remain. What steps are or will your government be taking to maintain and expand direct income support to individuals, such as the CERB or some other iteration of that income assistance, during this period of economic recovery?

The Chair: The 10-minute block is over.

[*Translation*]

Senator Carignan: My question is for the minister. Minister, there are a lot of maple syrup producers in my district. It seems like they are being totally shut out of all the aid your government is offering. Let me describe what maple syrup producers are going through. They've been affected in three ways. They're affected because they're also running a business. The pandemic hit at the beginning of the season, and they had to shut down immediately. The loss of hospitality, tourism and restaurant dining activities has had a real financial impact on them. Furthermore, the pandemic began just as the maple syrup season was gearing up, which meant they couldn't get the workers they needed. Lastly, producers are falling behind on grading the maple syrup due to labour shortages, which means delays in payment.

• (1300)

Has the government considered the needs of maple syrup producers? Which of the measures you recently announced to help the agriculture sector applies to maple syrup producers?

Ms. Bibeau: You're right, they have been hit hard at the peak of their season. Like all farmers, maple syrup producers are business owners. They can apply for the general programs that have been put in place. For instance, there's the program that provides interest-free loans of \$40,000, \$10,000 of which may be forgiven. For small —

Senator Carignan: Most of the business owners in my district aren't eligible for that program.

Ms. Bibeau: I am getting to that. They will now be eligible through the CFDCs. As it was announced earlier this week, \$211 million will be given to the regional development agencies. Much of that, I believe we are talking about \$71 million, will be distributed through the CFDCs. In so doing, we want to ensure that all small businesses have access to \$40,000 in funding.

However, we are looking for the right way of doing this, to avoid including businesses that are not focused on production but that are more administrative. By going through the CFDC network, we are ensuring that there is direct human contact between our agents and farmers. This is a very recent

announcement that was made only two days ago. I therefore encourage small producers to meet with their CFDC, BDC or CED administrator.

Senator Carignan: There may only be crumbs left for these people. An amount of \$210 million is not very much for farmers all across Canada. It is wishful thinking to say that this measure will resolve the problems facing maple syrup producers. I am thinking of the Constantin family in my region, who has been hard hit. Obviously your program, which involves the CFDCs, will not be enough.

Another problem for New Brunswick producers is the loss of buyers. The United States has decided to stop buying maple syrup or to negotiate much lower prices. Are you aware of that problem? What do you intend to do to support these New Brunswick producers?

Ms. Bibeau: All producers have access to risk management programs. In the case of a significant decrease in income, the AgriStability program might be the most appropriate. An online calculator has been posted to help businesses determine what they might be entitled to. We've also increased margins so they can submit a request for an advance payment. Depending on the province, the margin has gone from 50% to 75%. Businesses have until July 3 to apply. During this time, they can look at various scenarios and see what they might be entitled to before submitting an application under this program. Perhaps some of them have contributed to the AgriInvest program. All of these measures are available to them.

[English]

Senator Housakos: Minister, in an interview published in early January, you said you needed evidence to build a case with your cabinet colleagues about the negative impact of the carbon tax on our farmers. You said you were more than willing to advocate once you had more evidence of the impact the carbon tax would have on farms and farmers.

Last week, thanks to *Blacklock's*, we found out that you had the evidence in front of you but that you aren't willing to share that information with Canadians. You told your colleagues in the House of Commons that the information is "secret."

Minister, did you ever intend to provide an exemption for farmers who are being unfairly burdened by this terrible carbon tax, or was this just your strategy to buy some time because this isn't really about helping Canadians as much as it is a PR strategy aimed at securing votes?

Ms. Bibeau: Thank you, senator. No, I've always been very candid and genuine with our farmers. I was hearing very different figures from the various stakeholders and from the department. The figures were significantly different.

That is why, last December, when we hosted our Federal-Provincial-Territorial Meeting of Ministers of Agriculture, I said to my colleagues, "Give me the evidence. Help me build a case, and I will advocate for you if there is a significant impact on them."

[Ms. Bibeau]

You will know that we have already exempted farm fuels and fuels from cardlock facilities, and we have provided a partial rebate for propane and natural gas used for commercial greenhouses. So I was genuinely open to making the deal.

I'll tell you the figures that came out in the end, but just to say that the report you referred to is public. Some numbers were confidential because of budget confidentiality, but the report is available. If you wish, I can share it with you.

To put these estimates in context, Agriculture and Agri-food Canada used data from the Agricultural Taxation Data Program to show the impacts on a per-farm basis as a percentage of total operating costs. The estimates ranged from \$210 to \$819 per farm, and 0.05% to 0.42% of total farm operating expenses.

[Translation]

Senator Housakos: Minister, every time your government announces new funding during this pandemic, you provide little to no details. Is this because these announcements are meant not so much as agreements to help Canadians, but rather measures to improve public relations and score votes?

Ms. Bibeau: No, senator, I can assure you that the farmers I work with every day — and there are a lot of them — can attest to my sincerity, honesty and integrity.

[English]

Senator Housakos: Minister, your government has so far announced no plans to table a budget in the near future or to even provide a financial update. Is that because you don't want Canadians to know how deep is the hole we have dug for ourselves? Don't you think it is prudent and necessary that the government, in short order, does provide a financial statement to Parliament?

[Translation]

Ms. Bibeau: I believe we are being very open and transparent as each financial commitment is deployed. We have held the equivalent of seven question periods in three days through virtual and in-person meetings. I'm sure that the Minister of Finance and the Prime Minister will present a budget or a budgetary report in due course.

[English]

Senator Housakos: Minister, with all due respect, Parliament has hardly been sitting, and the government has hardly been transparent. We know that the deep financial hole this pandemic has dug for us will make it very difficult and might even be much more difficult to deal with than the pandemic itself.

I've run out of time, minister. Thank you for your answers.

Senator Galvez: My question is from Senator Ratna Omidvar, and it is similar to the question asked by Senator Munson.

• (1310)

I would like to ask you about what is coming. You were mentioning that there are funds available for farmers and dairy producers but they don't use it. After the relief and after the crisis, there will probably be more funds for a stimulus.

Do you think there are some things that need to be corrected in the agricultural sector and need reflection, to come up with a better, more sustainable agricultural and dairy production?

Ms. Bibeau: Always. We can always do better. Right now, we are focusing on emergency measures to support those who need it most. But we will very quickly turn to a reflection around our vision for the future, and for the future of the agricultural sector.

Many people are talking about whether we can increase our food sovereignty. Canada remains a very important trading country. Our food industry is very much integrated with the United States. I think some regions will have more flexibility and others are more related to export. This will be very interesting and it is a provoking moment to think about the future of every industry, but also to think about it in a more sustainable way in terms of sovereignty and the environment.

This is an exercise I look forward to undertaking and to push forward because we were already thinking about the future, obviously. Still, this probably will change the vision for the future.

Senator Galvez: Thank you.

Senator M. Deacon: Thanks to you and your team for being here today. This is important legislation that we certainly look forward to supporting.

My question — and I'm going to reduce it based on my colleagues — has some commonalities. Of course, the legislation we're meeting to discuss takes that necessary step to protect our dairy industry.

There was also \$250 million announced for other programs to support agriculture for the beef and pork sectors, for safety measures, for processors and for a buyback program.

However, we've been hearing from farmers and processors all across the agricultural industry who are struggling and don't benefit from these measures. Is there direct support for other sectors coming? If so, when can we expect or anticipate it — a little bit of a look and feel — and if not, why not?

Ms. Bibeau: Thank you, senator. Yes, we've put in place two specific programs for pork and beef producers. The idea behind that is to support them in covering extra costs they have to face because of the challenges that our processing plants are facing right now, either from the lack of labour, because too many of their employees are affected by COVID and they need to close down for a few days or weeks eventually, and also, while putting these protective measures in place within the plants, it makes the production slower.

Because of that, farmers have to hold back their beef and pork and it means more costs for them. Just think about feeding the animals longer. We want to do everything to avoid humane slaughtering as well. These two programs focus on supporting farmers with these extra costs. The other \$77.5 million is for processors to put retrofits in place and any measures they can put in place to first protect their employees, including our inspectors, and second, optimize their operation line, their production capacity in these new circumstances.

Are there other supports coming? Yes. Which ones? I cannot tell you now, but I can tell you that we are having discussions with many provinces right now under the AgriRecovery program because this program is meant to support extra costs. The way it normally works is that the provinces come to the federal government saying, "We have analyzed this sector and we would like to open an AgriRecovery program." The province will put in its 40% and the federal government will cover 60% of the costs.

Senator M. Deacon: Thank you.

Senator Moodie: Thank you, Deputy Minister Forbes and the members of your team, for joining us today. We've heard a lot today about the impact of COVID-19's economic impact on both rural and urban communities and the impact on food security.

In a report published earlier this year, PROOF, the Food Insecurity Policy Research group, noted that one in eight Canadian households, including more than a million children, struggled with food insecurity. This was before the impact of this unprecedented pandemic.

Canadian food banks are now in very high demand. We know that. One location in Toronto saw its use go up 53% since the beginning of the pandemic. A court dealing with this issue is data. In a meeting of the Senate's Social Affairs Committee earlier this week, officials from StatCan indicated that the department had undertaken very limited, if any, collection of specific data concerning children and youth. It appears that we do not have a current understanding of the situation that children face here in Canada.

Does the government have current statistics or have a plan to gather information and statistics to guide its policy to ensure food security for children and their families?

What is the government's plan to connect food banks and other community organizations to get overstocked food to these families that are in dire need now and in the future? Thank you.

Ms. Bibeau: Thank you, senator. The Canada Emergency Response Benefit, the \$2,000 per month, was meant to be fast and to support each and every family where they have lost their revenue. Our first priority was to build this safety net very quickly. I think it worked well.

We have also provided \$100 million to food bank networks across the country, working mainly with five major networks, including Food Banks Canada, the Salvation Army, Second Harvest, Breakfast Club, which is specifically dedicated to kids, and the Community Organization Federation. This is one important step that we've made. The other is \$50 million through buying surpluses, making sure that it can reach the food banks and northern communities. That is another significant commitment and action that we have taken.

Maybe I can also raise the Food Policy for Canada, which we announced almost a year ago. Within this policy, there is a school food program and to proceed with it, we have to work with the provinces because the best way to reach kids is through schools, which are the responsibility of provinces. So this is a discussion that we need to have with provinces, to work collaboratively on this issue.

Senator Campbell: Thank you for coming today, minister and deputy minister.

My question is mine, but it originally comes from Senator Black from Alberta. Beef producers' participation in AgriStability is extremely low for a reason. It doesn't work for them and it's not equitable for their operations.

• (1320)

The industry has recommended changes to the program, including removing the 3 million payment cap, removing the reference margin limit and increasing the trigger to 85% for the 2019-20 year. As we've heard that the government wants producers to use the current BRM programs, will the minister implement these changes so that the producers will be able to access the support?

Ms. Bibeau: The program is working. It's not as generous as they would like it to be.

You might remember that in 2013 the program had been cut, and it meant by about \$400 million for a regular year. If we still had these rules, and if it hadn't been cut by the previous government, everybody would be happy. But since it has been cut to make changes, we need an agreement with all the provinces. We need all the provinces and the federal government to agree to bring back the money in these programs. Obviously, during a crisis, it's not the best time to build insurance programs. This is why we have tried to make the program easier to understand. We have postponed the deadline application date until July 3. We have increased the level of advanced payment they can get. We have put an estimator online, so they can create some scenarios and see how much they could get if they apply and get up to 75% in advance very quickly, depending on the province; either 50% or 70%.

We are really doing our best to make it more accessible. We are having weekly discussions and our officials are having in-depth discussions with my provincial counterparts to see how we can all agree on any kind of improvement to this program.

Senator Campbell: The Western Livestock Price Insurance Program has been very successful, especially for the young beef producers in Western provinces. It's apparent that the Atlantic

region has nothing like this and is requesting a similar program. Will the minister work with the industry on lessons learned and implement this program to create equity and further growth of Canada's beef sector, especially for young producers coming into the farming market?

Ms. Bibeau: Yes, we are having discussions under this program. This is not an easy one to deal with at the national level because this is a more regional approach. The ministers from the Prairie provinces have brought this to me and we are looking at different ways to reach the goal we want, which is mainly to support our beef producers. I'm always open to see any options we might have. I cannot be much more specific. If you want to get more specific around this program, I would turn to my deputy minister.

Senator Campbell: I think the aim of the question was to try — and I realize it is regional — to find some way to allow all regions to participate in a successful program. I believe I heard that you're working towards that, even though there are problems with it being regional. That's really what the question is about. If it's working in the West, it would be nice to take something that is successful and help eastern farmers. I appreciate your answer. Thank you.

[Translation]

Senator Verner: I would like to thank you, minister, and your officials, for being here with us today.

Minister, most Canadian dairy farms are in Quebec and Ontario. However, dairy production is crucial to agri-food security and is an important economic driver in every region of the country. How will the benefits of the \$200-million increase in borrowing capacity provided for in the bill be distributed across Canada? Have you looked at how this money will be distributed by region and, if so, based on what criteria?

Ms. Bibeau: Thank you for your question. The dairy sector benefits from an experienced, competent and well-equipped organization, thanks to the Canadian Dairy Commission. The supply management system does not make regional distinctions. For example, a dairy producer in Newfoundland and a dairy producer in La Prairie will pay the same transportation costs. This is shared equitably among the different provinces and this equity is one of the strengths of the supply management system. It helps promote the vitality of our regions by providing stability to the dairy, poultry and egg farms that support our regions. I am sure that the method the Canadian Dairy Commission uses to purchase products will be absolutely equitable across all regions of the country.

Senator Verner: Thank you. My next question is the following. On April 17, 2020, the U.S. government announced \$19 billion in financial assistance through its initiative known as the Coronavirus Food Assistance Program. As you know, this program will provide \$16 billion in direct financial assistance to agricultural producers and \$3 billion to purchase dairy products and meat. In comparison, even though the Government of Canada increased the borrowing capacity of farmers by \$5 billion on March 23, it has allocated only \$252 million in direct assistance. Furthermore, these measures were announced more than two weeks after the U.S. government's measures, which are far more

generous for producers south of the border. In view of the significant pressure on the North American agri-food market and our food supply chain, why was there a delay between the U.S. announcement and the announcement of direct financial assistance for Canadian producers?

Ms. Bibeau: Thank you for the question. It's always difficult to compare ourselves to the United States, because our approach is completely different. Several years ago, Canada decided to develop a series of risk management programs, which put us ahead of the Americans, because our producers already knew what programs were available to them. There are four programs in particular that will help them when they experience a loss of revenue, a natural disaster or increased costs, and a savings program that helps them through lean years.

These programs already exist, but we will improve them. We're identifying the sectors that have the greatest need and for which the existing programs are insufficient. That's how we'll identify the sectors that need targeted emergency assistance.

In a normal year, we're talking about \$1.6 billion, but the risk management programs meet that need. If we need to allocate more, we will, and we expect the figure to be significantly higher this year. For example, in a normal year, the AgriRecovery program provides \$15 million in assistance, but this year we've already hit \$125 million. There are programs being developed with the provinces through this same channel to help the sectors most in need.

Senator Verner: Okay, thank you.

Senator Dalphond: Minister, thank you for coming to the Senate today. I have to say that I fully endorse the proposal before us today to increase the Canadian Dairy Commission's borrowing capacity in order to help it deal with an abnormal fluctuation in the market. I understand that production is planned yearly based on anticipated needs. This year, the pandemic is skewing the system. I understand that we'll be buying more products than we need temporarily and putting them on the market later, so that the market can continue to operate as usual.

• (1330)

As such, I don't really have any questions to ask you about the bill. I understand it quite well, and your explanations were crystal clear. However, since you're here, I do want to ask you two questions as a senator from Quebec.

The first is about the shortage of temporary workers on Quebec farms. Many of those workers come from abroad, but foreign labour will be reduced this year. The Quebec government set up a program to encourage students to fill in for the absent foreign workers. Then the federal government announced a program to help students who can't find a job. That measure and other measures are having a perverse effect in that they provide no incentive for students to go work on farms. When the Minister of Employment, Workforce Development and Disability Inclusion appeared before the Senate, I asked her whether it would be possible for the \$100 a week offered by the Quebec government not to count towards the \$1,000 revenue threshold, because that's when you lose the entire benefit. Do you have any news on that front?

Ms. Bibeau: Temporary foreign workers are essential to the food industry. To make it easier to hire them despite COVID-19, we're allowing them to enter the country and we've implemented exceptional measures to fast-track their documents. Some workers have faced challenges in their countries of origin, even if just in terms of local transportation to get the necessary visas and documents. We're working as efficiently as we can at this time. In April, some 11,200 workers arrived in Canada, compared to 13,000 last year. We do still believe we'll be able to welcome many more than the early, concerning scenarios we were shown at the beginning of the crisis had projected.

We're also trying to bring in measures that will encourage Canadians to work in the food sector and on farms this year. We've implemented the Step up to the Plate platform to bring together employment resources in the agriculture sector all in one place to make things easier for people. You'll notice that we're trying to adapt the various measures being implemented to our current reality. We're building the airplane in mid-flight. That is our current reality.

You mentioned the Canada Emergency Student Benefit, and that's one example. We specified that students have to have looked for work, and they have to be able to prove it if we ask them. We'll be following up in the months to come. That's an important detail.

We transferred \$3 billion to the provinces so they can pay essential workers and the health and food sectors higher wages. Quebec was among the first to introduce measures like the \$100 benefit. It's hard to make small adjustments right now. Whenever we change something, we try to make sure it helps everyone. At this point in time, we want to introduce programs that help as many people as possible, but we know those programs aren't perfect. Our priority has been acting fast because we want to create the best possible social safety net under the circumstances. I don't yet have an answer to your particular question. Thank you.

Senator Dalphond: I have a second question. The students who will be part of the temporary workforce this summer will hopefully be going back to school in late August or September, but the harvest won't be finished by then. There will still be needs in September and even early October, in Quebec in particular. Has the department thought about establishing a program to encourage people in the restaurant industry, who apparently won't be going back to work any time soon, to work on farms, learn more about them and find out what it takes to get the food they serve on the table? Many young people work in the restaurant industry, in the kitchen or as wait staff. These people aren't working right now because restaurants are either closed or operating at minimum capacity. Wouldn't it be a good idea to implement a program to encourage these workers to temporarily replace students or work with them this summer? They could learn about the food chain.

Ms. Bibeau: That's a good idea. With regard to the \$3-billion transfer to the provinces, we're giving them the freedom and flexibility to use that money to create the programs that they feel are the most appropriate for their situation.

With regard to temporary foreign workers, I hope that, even if some of them arrive a bit late, we'll have the number of workers we need in our fields by the fall.

Senator Dalphond: Thank you, minister.

Senator Boisvenu: Minister, welcome to you and your officials. In a past life, I worked for the Government of Quebec, and I worked very closely with several Quebec farms and with their federation. Agriculture is unlike other types of industries and is about more than vegetable and livestock production. It's about land use, it represents the livelihood of thousands of families, but more importantly, it's at the very heart of the rural economy in many regions of Quebec and Canada.

If your government doesn't provide adequate financial assistance to address the current crisis, a number of these businesses will shut down, and we risk a repeat of what happened with the Bureau d'Aménagement de l'Est du Québec. People my age will remember this was a time when dozens of farms in eastern Quebec were shuttered. Entire communities shut down. Government assistance is therefore very important for this industry, which can't be moved, since the workers live on the land, unlike industries that can be moved and relocated.

I'll continue with questions in the same vein as those of my colleagues. Over the past few months you've put in place a number of measures. Some, like the CESB, are very generous but much criticized by several industries, especially restaurants, which will soon be opening up but will have difficulty bringing back staff. It is often more advantageous to receive the benefit than to work under these conditions. Furthermore, you invested almost \$7 billion in this program, which is 12 times more than what you've invested or will invest to support the agriculture industry.

This week I read in a paper from my area, La Prairie, that your former parliamentary secretary, Jean-Claude Poissant, is dumping between 700 and 800 litres of milk a day. That's a lot of milk. Mr. Poissant says that transforming milk production — milk has a short shelf life — into other types of production, such as cheese, won't happen in the short term. It requires major investments, training and equipment. It's rather unrealistic to say that current milk producers can be transformed into producers of other, less perishable products.

I'm trying to understand your government's philosophy. On the one hand, you've invested \$258 million in an industry that's vital to the regional fabric, whereas that industry was asking you for nearly \$2 billion. On the other hand, nobody was begging you to rush to the rescue of students. You could have waited until September to enhance the loans and grants programs for students who hadn't gotten a job. What's the rationale for supporting students so generously and only partially meeting the needs of farmers? Mr. Poissant told me that his farm alone has lost \$10,000. If we add up the losses incurred by Canada's farms, they need \$2 billion, not \$258 million.

Ms. Bibeau: Thank you, Senator Boisvenu. There are billions of dollars available through the risk management programs. As I was telling you, in a normal year, \$1.6 billion is available. Of course, the figure will be much higher this year. That's obvious. That's why we're reminding everyone. These programs are offered year after year so that farmers know what to expect and how they can prepare for setbacks.

• (1340)

There is \$2.3 billion available under the AgriInvest program. The philosophy behind the implementation of our programs is to help the people who need it most. I want to emphasize the word "people". The focus is on workers and individuals. With the Canada Emergency Response Benefit, we targeted people who lost their income, and we wanted to be sure that we were able to help as many people as possible. Students also need help.

It is more difficult than usual this year for young people to find jobs, and not all young people are fortunate enough to be able to turn to their parents to meet their needs and help pay for their studies. It is therefore important to give them access to a benefit. They are not making a choice by deciding whether to work or to get the Canada emergency student benefit. It is not a choice. It is an alternative that is available to them if they cannot find a job. They have a duty to make an effort to find a job. At the same time, we cannot leave them with nothing for the summer if they are unable to earn the money they need to continue their studies.

Senator Boisvenu: I understand that, but why did the government not respond to the Canadian Federation of Agriculture's requests for \$2.6 billion in aid?

Ms. Bibeau: As I said, there are existing programs available. Farmers can ask for that money. The \$1.6 billion available to farmers over the course of a typical year is even more important now. My message is, go get that money. We'll set up other programs to fill the gaps and support sectors and regions with the greatest needs. We're trying to make it easier for people to access this program, and I know people would like it to be simpler and more generous. To make it more accessible, we extended the enrolment deadline, made bigger advances available to producers, and launched an online calculator so they can figure out how much they're entitled to.

There's \$2.3 billion sitting in AgriInvest accounts. Farmers aren't withdrawing that money, but it's there, it belongs to them all. It's not in individual accounts because everyone has different needs, but there's still \$2.3 billion in AgriInvest accounts that's available to a lot of farmers right now.

Senator Boisvenu: Are you going to take the same approach to supporting other industries by asking them to use spare cash they've socked away before helping them?

Ms. Bibeau: Absolutely.

Senator Boisvenu: You're going to take the same approach.

Ms. Bibeau: Yes.

Senator Boisvenu: How are you going to control this, when we know that tens of thousands of people have already applied for the CERB without good reason and there appears to be a directive to approve all applications, since people are asking for assistance?

I asked the Minister of Employment, Workforce Development and Disability Inclusion and her senior official about this when they appeared before us two weeks ago. This is what I asked them: What controls have you put in place? They replied that they didn't have enough time to do so. Their priority right now is getting cheques out, and the controls will come in after a year or two. How are you going to control the industries you're helping, when what you're telling farmers is to take the money and you'll help them later?

Ms. Bibeau: I invite you to consult the various assistance programs we have in place right now for the various kinds of industries. We're trying to save businesses that would be viable under normal circumstances. We're trying to give them the means to bridge the gap with loans, payment deferrals and wage subsidies. Once again, we are really focusing on assistance to workers. That is our priority.

We prefer to give a little more at this time, even if it means recovering this money in a few months, rather than leaving people in need who will then have nothing to eat at the end of the month and have to go to food banks. We'll have a chance to catch the people who abused the system after the fact. Right now we don't want people to starve.

Senator Boisvenu: On March 23, you announced a \$5-billion aid package for food processors and producers in the form of loans that would be managed by Farm Credit Canada. That \$5 billion was one of your election promises, it is not new money. It is money you already had, because you announced it during the election campaign.

Ms. Bibeau: We indeed planned to increase the borrowing capacity of Farm Credit Canada. We did it much sooner than planned. We had a few years to do it. It is true that it is not new money, but it is money nonetheless.

Senator Boisvenu: This envelope cannot be treated as a specific measure to deal with the pandemic because it is something you already had on the books. It is an election promise that you followed through on.

The Chair: Senator Boisvenu, I am sorry, but your 10 minutes are up.

Senator Boisvenu: Already?

The Chair: Indeed. Time flies when you're having fun.

Senator Boisvenu: That has happened to me twice now. I get the feeling we are not using the same clock.

[*English*]

Senator Coyle: It's wonderful to have you back in the Senate, minister. On behalf of all Canadians, thank you for all of your work and that of your colleagues at this very difficult time for our country and our world.

We're happy to see that the government responded to the dairy sector's request for an increase in the borrowing authority for the Canadian Dairy Commission. This will be helpful, and I hope we will be able to pass Bill C-16 today so that the CDC will be able to increase its capacity to purchase and store more cheese and butter, thus alleviating these blockages in the dairy supply chain and avoiding further food waste, which we want to do at all cost.

We're aware that the agriculture supports package announced to date has been described as a beginning, and you today have mentioned there is more to come. You haven't said what it is, which is fine.

On another related matter, could you tell us if your department has done any kind of collaborative analysis with other departments of the potential or existing uptake by the broader Canadian agricultural food sector, including dairy, of the other various pandemic-related emergency response supports instituted by the government for any Canadian business, no matter what sector they happen to be, not just agriculture?

Ms. Bibeau: I will turn to my deputy minister for this one.

Chris Forbes, Deputy Minister, Agriculture and Agri-Food Canada: Thank you for the question. It's certainly something we are looking into. The minister mentioned a number of the broader initiatives. It's probably too early for us to have data but it is something that we want to track because we get feedback from the sector about the usefulness of those measures and we want to understand how well they are working, so it's something we're actively looking at with colleagues.

Senator Coyle: Thank you very much. I would appreciate knowing more about that because it's a broad industry, and I imagine that there would be quite an uptake in a number of those programs.

I would like to cede my remaining time to the minister to allow her to respond to the question posed earlier by Senator Pate regarding direct income supports.

Ms. Bibeau: Can you refresh my memory? I'm sorry.

Senator Pate: Thank you very much, Senator Coyle. What are the steps the government is taking, or will take, to maintain and expand direct income support to individuals, such as the CERB or some other iteration of that income assistance plan, during this vital period of economic recovery?

Ms. Bibeau: Thank you. We are following the situation, obviously. We already announced a few days ago that we will expand the wage subsidy after June, and I think the details were supposed to come today.

For the CERB, this is definitely something that we are looking at right now, but it's too early to make an announcement. Thank you.

• (1350)

The Chair: We have three minutes left. Senator White has asked for permission to question. Do you agree, honourable senators?

Hon. Senators: Agreed.

Senator White: Thank you for being here, minister. I want to follow up on earlier comments in relation to cheese and butter processing. Since CDC approved the program, it does not include the cheese product that was on hand by cheese makers. My question is now whether or not those cheese makers will be able to sell their cheese under the \$50 million food surplus program.

Ms. Bibeau: They are eligible. It's a conversation that we are having right now with the different sectors across the agriculture industry to see what type of producers are available, in what format, in what region, to see how it matches with the needs of the food banks and of our northern communities as well, and if there are any types of logistical challenges like transportation or packaging.

Senator White: Thank you. I also understand you discussed the \$1.75 billion in relation to CETA and CPTPP. Is that money also what was set aside for CUSMA or is it a separate fund on top of that?

Ms. Bibeau: It's separate. The \$1.75 billion is only to compensate from CETA and CPTPP.

Senator White: What is the amount for CUSMA?

Ms. Bibeau: It has not been announced yet.

Senator White: When can that be expected?

Ms. Bibeau: We were waiting for the agreement to be ratified. We are focusing on the emergency right now, but it will come soon after.

Senator White: Thank you.

[*Translation*]

The Chair: Honourable senators, the committee has been sitting for 125 minutes. In conformity with the order of the Senate of earlier this day, I am obliged to interrupt proceedings so that the committee can report to the Senate.

Minister, on behalf of all senators, thank you for joining us today to assist us with our work on the bill. I would also like to thank your officials.

Hon. Senators: Hear, hear!

The Chair: Honourable senators, is it agreed that the Committee rise and that I report to the Senate that the witnesses have been heard?

Hon. Senators: Agreed.

The Hon. the Speaker: Honourable senators, the sitting of the Senate is resumed.

REPORT OF THE COMMITTEE OF THE WHOLE

Hon. Pierrette Ringuette (The Hon. the Acting Speaker pro tempore): Honourable senators, the Committee of the Whole, authorized by the Senate to examine the subject matter of Bill C-16, An Act to amend the Canadian Dairy Commission Act, reports that it has heard from the said witnesses.

[*English*]

BILL TO AMEND—SECOND READING

Hon. Robert Black moved second reading of Bill C-16, An Act to amend the Canadian Dairy Commission Act.

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

Hon. Senators: Agreed.

(Motion agreed to and bill read second time.)

BILL TO AMEND—THIRD READING

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

Hon. Robert Black: Honourable senators, with leave of the Senate and notwithstanding rule 5-5(b), I move that the bill be read the third time now.

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

Hon. Senators: Agreed.

[*Translation*]

Senator R. Black: Good afternoon, honourable colleagues. I am pleased to see you are all in good health.

[English]

Honourable senators, I rise today at third reading of Bill C-16, An Act to amend the Canadian Dairy Commission Act. As honourable senators are aware, this measure was announced on May 5, along with other measures to assist Canada's farmers and food processors who are facing severe pressures brought on by COVID-19.

The other support included \$77 million to help food processors purchase personal protective equipment and enact other health and safety measures, \$125 million for beef and pork producers to adapt to market changes, and a \$50 million surplus food purchase program.

Of these measures, the credit increase for the Canadian Dairy Commission is the only one that requires legislation to be enacted, so as much as I would love to talk about the entire suite of supports for the agricultural industry, I will limit my remarks to this specific measure.

Bill C-16 aims to address the dairy sector's most urgent needs and to bring much-needed assistance to our dairy farmers. They are essential to our food supply, and they deserve our full support.

One of the major challenges the farming industry is facing right now is the volatile demand for their products. When the crisis first hit, consumers began panic buying and grocery store shelves quickly emptied. Within a matter of weeks and once kitchen fridges were full, demand then plummeted.

Dairy farmers were severely impacted. Demand for their milk and milk products nosedived following the mass closures of restaurants, hotels and schools. These buyers had been significant purchasers of their cream, cheese and other dairy products.

As well, beyond the farm gate, logistical challenges right down the supply chain developed. By the end of March and the first half of April, after schools sent students home, restaurants had closed their doors and hotels emptied, dairy producers found they now had no choice but to dispose of surplus raw milk.

Honourable colleagues, as you might imagine, it breaks a dairy farmer's heart — and I am sure many Canadians' hearts as well — to dump the milk that they have worked so hard to produce, spending long hours in the barns and in the fields. Many of these farms have been in families for generations. The farm is not only their livelihood, it is their home and it is their lives. Across Canada, farmers have done everything they can to find a home for the milk and milk products.

Farmers are giving back. In Quebec, producers donated one million litres of milk to food banks. In Saskatchewan, dairy producers donated products made from 175,000 litres of milk to food banks across the province, enough for 38,000 pounds of cheese, yogurt and milk. In Newfoundland, two dairy farmers joined forces with a local distributor to give away milk at a drive-through in a local arena parking lot. On Prince Edward Island, farmers gave away blocks of cheese and cartons of milk. In Ontario, dairy farmers contributed an additional 200,000 litres of milk to food banks across this province. As I said, farmers are giving back.

To all those farmers and others who took the opportunity to help others during this time of crisis, even while you may have been worried about your own livelihood, on behalf of many, thank you.

Additionally, provincial milk marketing boards implemented measures to reduce raw milk production and prevent the dumping of milk through a reduction of monthly credit days and quota cuts.

Honourable senators, the challenge of a changing demand is not new to the Canadian dairy industry. In fact, one of the major reasons that supply management was implemented 50 years ago was to stabilize the volatile demand and surpluses that were wreaking havoc on dairy farmers' incomes.

Over the years, the industry has succeeded in stabilizing markets, thanks in large part to the great work of the Canadian Dairy Commission. The CDC plays an important role in stabilizing dairy production by setting a national quota and, just as importantly, balancing seasonal supply and demand through a suite of programs.

• (1400)

In periods of lower demand and high production, as has happened in April and May, the CDC purchases butter from dairy processors and then they sell it back when demand improves. To operate these programs, the CDC borrows from the government, with borrowing costs covered by the dairy producers and the marketplace.

The Canadian Dairy Commission Act currently limits the CDC's line of credit to \$300 million. The bill before us proposes to raise that limit to \$500 million. I have already outlined the severe impact that wide swings and demand have on our producers, but the current crisis was unforeseen. Three months ago, neither the CDC nor farmers could have planned for the shutdown of their mass purchasers.

In order to help restore stability in the marketplace, the CDC — after discussion with and support from dairy producers, processors and provincial milk marketing boards — made a request to the Minister of Agriculture to increase its line of credit, to extend existing programs, and create new ones, such as the storing of cheese. This increase in funds will augment its storage programs and capacity, and help the industry balance supply-and-demand variations. It will allow the CDC to purchase cheese from processors — similar to its existing program for butter — and the processors, by contractual agreement, can then buy back that cheese when it is needed in the marketplace.

This credit extension will give the industry some breathing room until the crisis has eased and will equip the CDC with the means to manage future crises. It will minimize food waste and it will ensure that we can enjoy the fruits of our dairy farmers' hard work.

I will note that another piece of legislation would be required to return the credit limit back to \$300 million. However, the Minister of Finance annually approves the CDC's budget, which includes its borrowing capacity. The legislation provides for a maximum limit, but would not automatically grant borrowing access to all \$500 million.

Dairy Farmers of Canada has welcomed this announcement, saying it will help offset the impact of bottlenecks in the supply chain that have prevented the smooth operation of our dairy value chain. It will allow milk products to get from the farm to the store shelves, schools, restaurants and hotels quickly, when demand increases. This bill is delivering for our dairy industry in their time of need.

As dairy farmers will tell you and as we heard earlier today, a dairy cow is not like a kitchen tap; you can't turn her off. Canadian dairy is an industry that gives so much back to our economy — over \$6 billion in sales at the farm gate, almost \$15 billion in processor sales and the provision of tens of thousands of jobs. I am supporting this bill in order to underscore my strong support for our dairy farmers.

Honourable colleagues, many measures are being taken to assist individuals and businesses during this unprecedented time. Bill C-16 is targeted to help dairy farmers and dairy processors. As I said, it will increase the CDC's borrowing capacity to \$500 million and provide a safety net for our dairy farmers, until such time as they can return to providing their products to the customers who are currently not in a position to purchase them.

Honourable senators, I ask you to pass Bill C-16 without delay, so that our dairy farmers can be assured of assistance while we all wait out this crisis and eventually return to, what will inevitably be, a new normal.

I said at the beginning that I would limit my remarks to the legislation before us, related to the Canadian Dairy Commission, and not other measures announced for agriculture and ongoing issues in the industry. However, I do want to say that while I'm pleased that the government is helping Canadian agriculture, much more needs to be done. Dairy, pork and beef are getting some help, but other sectors that are struggling, notably grains and oilseeds, as well as horticulture and many others, were not helped by the May 5 announcement. I am happy to sponsor and vote in favour of this bill, recognizing that it is only a small part of the support needed by the Canadian agricultural industry.

At the end of my speech on Bill C-15 on May 1, I said that I hoped we would be back in this chamber in short order to pass legislation to support agriculture. Well, here we are. But I have to reiterate my wish and say that I hope we will be back again very soon to debate more legislation to help all Canadian farmers and processors.

Thank you, *meegwetch*.

[Senator Black (Ontario)]

[*Translation*]

Hon. Claude Carignan: Dear colleagues, I am pleased to announce that the official opposition will support this bill.

This measure is a small step in the right direction, but at least it is something. I remind you that last week the Trudeau government announced support for agriculture that represents only 10% of what the Canadian Federation of Agriculture had called for. It is better than nothing, but obviously much more must be done.

In recent weeks, producers and agricultural processors have been deemed to be essential workers, those guardian angels that ensure our safety and well-being. I want to take this opportunity to thank all workers on the front lines, those working in health, emergency preparedness, transportation and retail, who have ensured that we lack for nothing, that we are safe and that those who are ill are well cared for.

The COVID-19 crisis has made us realize that thousands of people often work in the shadows, in conditions that are sometimes difficult, but always with dedication and courage, seeking to make our lives easier. When the crisis is over and we return to our routines, we must not forget these unsung heroes.

Bill C-16, and the visit from the Minister of Agriculture give us an opportunity today to reflect on the fate of our farmers. It's time to bring agriculture issues, which are too often ignored, to the forefront. I want to take this opportunity to share some facts we must consider as we reflect on the future of our farmers.

Fact No. 1: Farmers are business owners. First of all, we can never forget that farmers are SME owners, and they handle all the challenges associated with SMEs. Agriculture became a bona fide business quite a while ago. City dwellers tend to have a bucolic and romantic idea of farm work, but anyone who knows these farmers knows that they are first and foremost business owners who are running large, complex operations. Farmers own hundreds of thousands of dollars, or even millions of dollars, in assets, but they also have to juggle the associated debt. Farmers are often employers, and that includes challenges associated with hiring, managing, paying and retaining staff. Farmers have to keep the books, deal with paperwork, purchase materials and make sales. They have to keep track of the markets, innovations and cash flow, and they have to do all of the work that comes with that. Farmers need to know about agronomics, biology, mechanics, meteorology and engineering. They must manage weather fluctuations and the diseases that affect animals and plants. They have to fight with and against Mother Nature. Lastly, farmers have to deal with payroll and taxes, which can sometimes weigh heavily on a business's finances.

Most farms are family farms. Property transfers and payments to spouses and other family members are very important issues for farmers. It is high time we came up with some solutions to reduce our farmers' tax burden. We also need to cut back on regulations and paperwork. Farmers shouldn't have to spend more and more time filling out forms and less and less time looking after their livestock and their fields.

The new COVID-19 programs for businesses are perfect examples of what I'm talking about. Many farmers aren't covered by the Trudeau government's programs because of their corporate structure or how they handle wages and dividends. As is too often the case, programs cooked up in Ottawa offices aren't compatible with the reality on the ground. The government should have thought of farmers before creating these programs, not after. Apparently, farmers were just an afterthought.

• (1410)

Fact No. 2: Farmers can no longer be used as bargaining chips in trade agreements and international conflicts. It is beyond time for this game to end.

After concluding the free trade agreement with the European Union and the agreement for the Trans-Pacific Partnership, the government had to make other concessions to sign a deal with Mexico and the United States. Adding insult to injury, the government's decision to ratify the agreement before May 1 will cost dairy processors over \$100 million.

Obviously, it is critical that producers and processors be adequately compensated for the agreements signed recently. However, the Canadian agricultural community cannot grow on the basis of compensation received for lost market shares.

Despite all the lofty promises from politicians, farmers are worried. Will they be at risk in future trade deals with the United Kingdom and Mercosur? Will they once again be hit with a nasty surprise at the last minute?

The federal government must be clear. Canadian agriculture can no longer be used as a pawn in trade negotiations.

What's more, farmers often pay the price of trade wars and other diplomatic conflicts. Take for example China's decisions regarding canola and pork, India's decisions regarding pulse, and the United States' decisions regarding beef, lamb and softwood lumber. All too often farmers pay the price for diplomatic manoeuvring that has nothing to do with them.

We should no longer allow our trade partners to act in bad faith by using non-tariff barriers to refuse or delay the entry of Canadian agricultural products. We must be more aggressive in defending the rights of our exporters. In Canada, the rules must be the same for imported and domestic products. We must expect the same high standards from imports as we do from our own local products. We therefore cannot help but be disappointed by Minister Bibeau's refusal to accept the principle of reciprocity in the enforcement of food product regulations.

Fact No. 3: Farmers need workers and someone to take over. The current crisis made it clear that our farms don't have enough workers.

Many farmers have to call upon temporary foreign workers, but there's a lot of red tape involved. Sometimes, as with the current pandemic, events occur that prevent them from hiring all the workers they need. In any case, the temporary foreign worker program doesn't meet long-term needs since farmers need to start over every year.

The foreign worker program needs to be reviewed. We must no longer treat the use of these workers as a temporary solution. The current crisis is making it clear that these workers are part of the long-term solution.

Work permits should last more than one season and the temporary workers should have a path to permanent residence. An increased number of economic immigrants need to be selected to work in the agriculture sector.

Producers are also concerned about succession planning, more specifically about transferring their farm to their children. We have to encourage young people to choose farming as a future profession. The federal government has a role to play in that.

The issue of taxing business transfers is complex, like everything that has to do with the Income Tax Act, but we have to look at ways to not penalize those who want to transfer their business to their descendants instead of third parties.

Fact No. 4: We have to make changes to the risk management programs.

The various risk management programs no longer reflect the current realities of the agriculture sector. We have to review them, including by taking into account the political risks. Many of the problems farm operators are experiencing can be traced back to political decisions, as I was saying earlier. The aid programs have to be adapted.

We also need to realize that there can't be a one-size-fits-all program anymore. Every agricultural sector has its own specific characteristics. The production risks and methods of compensation are not the same for chicken farming as for mushroom farming.

Fact No. 5: Farmers need to be involved in the fight against climate change.

The federal carbon tax introduced by the Liberals won't have any impact on climate change. All this tax does is raise the cost of living for Canadians and make our farmers less competitive.

Farmers are the best stewards of our land. Canada's farmers have sequestered millions of tonnes of CO₂ by improving their land use practices, such as no-till seeding. We should recognize their contribution to carbon sequestration instead of imposing additional costs on them, like the carbon tax.

Fact No. 6: Farmers are grappling with mental health challenges.

Statistics show that farmers are increasingly struggling with mental illness and may suffer from substance abuse, depression or suicidal thoughts.

These problems can be attributed to the stress inherent to running an SME, but also to factors specific to agriculture. In addition, farmers often live alone, leaving them vulnerable to crime as well as loneliness.

We must improve access to specialized resources and get behind projects that will help producers. For example, I believe Quebec's outreach worker program is one solution we must prioritize.

The federal government must say it loud and clear: Our farmers are neither criminals nor torturers. We must defend them against the vicious attacks of activists. Farmers must feel safe on their farms.

Fact No. 7: Agriculture must be restored to its rightful place in Canada.

The role of the Minister of Agriculture must be restored to one of prominence. Canadians are proud of their agricultural sector, but the industry is practically no longer being heard in Ottawa. The Minister of Agriculture is now a minor player. All too often, decisions about agriculture are left up to public servants and politicians who have little knowledge of or consideration for the agricultural sector.

Decisions about agricultural regulations, labelling rules or the content of the food guide, for example, must be made based on science and fairness towards our producers. The government must rely on studies and not simply on perceptions spread by anti-farmer lobbies.

Fact No. 8: Agricultural producers are the backbone of rural areas and do not want to be second-class citizens.

Rural regions have been ignored for years. We need to make sure that the regions receive their fair share of infrastructure money. Announcements about public transit and social housing are all well and good, but in case some have forgotten, not everyone lives in a big city. We need to make sure that cabinet decisions and government programs reflect a rural perspective.

We need to make sure that people who live in rural regions have access to high-speed Internet, because it's 2020 on farms too.

Dear colleagues, I wanted to share these thoughts with you. We take our food security for granted far too often. We tend to forget that milk doesn't come from a store, but that there are thousands of families that work hard to keep our fridges and cupboards full.

We need to listen to our farmers, and not just about what directly affects agriculture, but also about issues as diverse as management and taxation of SMEs, climate action and the challenges of rural life.

• (1420)

As a final point, I also want to acknowledge the contribution made by workers in the food processing industry. They often work in difficult conditions and for low wages. On top of that, meat processing plants have been hit especially hard by the COVID-19 epidemic. To all the men and women working in the agriculture industry and the production and processing sectors, I want to say thank you. Thank you for everything you're doing at this time.

Lastly, to you, honourable colleagues, I say this: Let's not forget them once this crisis is over.

Thank you.

[*English*]

Hon. Mary Coyle: Honourable senators, hopefully, after today, we will all be able to stop crying over spilled milk. The 30 million litres of spilled Canadian milk we were upset about were dumped due to the COVID-19 pandemic and the related problems in balancing supply and demand in our dairy sector.

Today, the Senate of Canada is sitting to consider Bill C-16, An Act to amend the Canadian Dairy Commission Act, so that Canada's dairy farmers won't need to spill any more milk and so that they and all Canadians can stop shedding our tears over this terrible and regrettable travesty.

The Canadian dairy industry, as we've heard from our colleague Senator Rob Black, is very important to our food security and nutritional status as well as being a significant contributor to our economy, especially in rural Canada, as my colleague Senator Carignan has just pointed out.

In Canada, we have over 10,000 dairy farms with 1.4 million dairy cows. There are 514 dairy processors, and the dairy sector sustains approximately 220,000 full-time equivalent jobs for Canadians. The sector contributes \$20 billion toward Canada's GDP and \$3.8 billion in annual tax revenue. This is significant.

Before this recent COVID-related spilled-milk crisis, this vital Canadian dairy sector was already undergoing another crisis brought on as a result of three recent international trade agreements — CETA with Europe; CPTPP, in the Trans-Pacific region; and the recent CUSMA with the U.S. and Mexico. At full implementation of these agreements, market access granted to others will represent 18% of the Canadian market, resulting in Canadian dairy producers losing \$328 million annually; \$154 million of that is due to CUSMA alone.

In addition to the market access concessions, CUSMA imposes export market caps on worldwide shipments — not just those to the U.S., by the way — of certain Canadian dairy products. With CUSMA coming into effect July 1 rather than August 1 of this year, the negative impact will be greater and accelerate faster. These export market caps will ultimately result in significant annual losses for dairy producers as well.

So to be clear, we are here today to examine a measure designed to respond to the negative impacts of the COVID crisis on a sector which is already feeling bruised. The three previous emergency response bills that we considered here were designed to address the needs of those Canadians left vulnerable due to the negative impacts of the COVID pandemic. The first created income support payments, the CERB, for people who could no longer work due to COVID. The second created wage subsidies, the CEWS, for businesses and non-profits that had lost significant income due to COVID so they could pay their workers and keep them ready to recommence work. The third COVID emergency response bill, the CESB, will provide income support for students who can't find work this summer. Applications for that program are being received as of today.

Due to the COVID pandemic, we are discovering, taking note of and trying to address vulnerabilities across many aspects of our Canadian society and our economy.

Since the creation of the Canadian Dairy Commission and the introduction of the supply management system by the Canadian dairy sector in the 1970s, this has been a very reliably managed sector for both the producers and for us consumers. However, with COVID, this well-oiled machine has developed vulnerabilities we would have never expected. With the COVID pandemic, one of the main public health measures has been social distancing, which, in turn, led to the shutdown of the restaurant sector as well as many other institutions such as schools and universities.

That shutdown resulted in reduced demand for dairy products, including cheese and cream, thus causing the bottlenecks in the supply chain that led to the unfortunate dumping — the spilling — of that milk.

The Canadian Dairy Commission is a Canadian Crown corporation. Its objectives are to provide producers of milk and cream with the opportunity to obtain a fair return for their labour and investment and to provide consumers with a continuous and adequate supply of high-quality dairy products.

The CDC is therefore well placed to assist the dairy sector with its COVID-related oversupply problems. Bill C-16 is in fact a response to a request by the dairy sector to have the CDC augment its purchase and storage programs in order to help the industry balance supply and demand variations which were no longer predictable due to the COVID-19-related impacts on consumer behaviour.

In essence, Bill C-16 amends the Canadian Dairy Commission Act and increases its borrowing capacity by \$200 million to \$500 million. The CDC, in turn, will be able to purchase and store more cheese and butter from dairy processors which they can then buy back later when market demand warrants it.

This measure, which will provide the CDC with sufficient borrowing capacity now and well into the future, provides relief to dairy producers and processors and reduces further waste — hopefully, no more spilled milk.

Colleagues, this is very good news for the sector and for all Canadians. Fortunately, the dairy farmers themselves have generously found a way to donate some of their surplus milk to

food banks. Hopefully the government's recently announced \$50 million surplus food purchase program, part of the \$252 million initial funding package for the agricultural and food sector, might allow for purchase and redistribution of any further excess milk.

I live in a very rural area of northeastern Nova Scotia, where we have many well-run dairy operations. Some are run by Dutch families who came to our area after the Second World War. When studying this bill, we reached out to Chris van den Heuvel, an Inverness County dairy farmer, past president of Nova Scotia Federation of Agriculture, and currently second vice-president of the Canadian Federation of Agriculture.

Chris van den Heuvel told us that, “These are trying times. Within dairy we've been hit despite our supply management system. The loss of the food services side of the sector has meant the dumping of upwards of 1 million litres of milk a week. With two monthly declines in our quota — which means less milk to ship — it, of course, limits our income. All of this has added to the mental health stress of our dairy farmers who are already in an industry with razor-thin margins. Added to this is an animal welfare issue with farmers having to make decisions to either dry cows off early or cull them all together. Not a good situation all around, but keep in mind that other sectors — horticulture, beef, pork, chicken, equine, seafood farming, mushrooms and ornamentals, to name a few — are hurting just as bad.”

Brian Cameron, general manager of Dairy Farmers of Nova Scotia, responded to our communications by saying, “Dairy farmers welcomed the announcement of the federal support for the agriculture sector. Dairy farmers across the country are working hard to help feed Canadians in a time of great uncertainty, and we welcome measures that will stabilize our sector. The large quota reductions in April and May, at a time when milk production typically increases, directly reduce cashflow at an expensive time of the year with spring field preparation and planting happening.”

Brian added that, “I believe, in speaking with many producers, that the tragic events earlier in April here in Nova Scotia, along with the social distancing and other restrictions, are taking their toll mentally as well as socially.” The bad news that the government gave away the August 1 CUSMA start date further harms dairy farmers. We've been let down too many times.

• (1430)

Despite these setbacks, Brian says “our producers are strong and resilient and will produce high-quality milk.”

Colleagues, Canadian dairy farmers may be strong and resilient, as Mr. Cameron described them, but I know that it broke their hearts and their spirits for them to have to dispose of the precious milk that they and their cows worked so hard to produce. Colleagues, let's not let these farmers down. Let's pass Bill C-16, and let's all think of these hard-working dairy farmers when we enjoy our milkshakes, our Frappuccinos and our ice cream cones with our families this summer. *Wela'liog*. Thank you.

Hon. Donald Neil Plett (Leader of the Opposition): Honourable senators, it was March 11 when the World Health Organization declared the coronavirus outbreak a global pandemic. In his remarks to the media that day, the WHO's director said the following:

In the past two weeks, the number of cases of COVID-19 outside China has increased 13-fold, and the number of affected countries has tripled.

There are now more than 118,000 cases in 114 countries, and 4,291 people have lost their lives.

Thousands more are fighting for their lives in hospitals.

In the days and weeks ahead, we expect to see the number of cases, the number of deaths, and the number of affected countries climb even higher.

Colleagues, as we know, this is exactly what happened. March 11 was nine weeks ago on Wednesday. Nine weeks ago, there were 118,000 cases of COVID-19. Today, there have been more than 4.5 million cases worldwide.

Nine weeks ago, 4,291 people had lost their lives from this virus. The global COVID-19 mortality rate was 3.6%. Today, the virus has claimed the lives of over 300,000 people in 177 countries, and the mortality rate is at 6.7%. In Canada, our mortality rate is even higher, at 7.5%. Over 73,000 Canadians have tested positive for the virus, and over 5,400 have lost their lives.

That's over 5,400 families and untold loved ones who have been directly impacted by the untimely loss of a family member or a friend due to this virus. These were moms and dads, brothers and sisters, grandmothers and grandfathers who only weeks ago sat together for dinner or visited in a seniors' home amidst love and laughter, and now they are gone. The pain caused by this virus is incalculable, and our hearts and our prayers go out to everyone who has been impacted.

Colleagues, many of you may not know that one of our own was impacted just two days ago when she lost her father to this. Senator Saint-Germain, our prayers are with you.

She could FaceTime with her father during his last time. Regrettably, nothing will wind the clock back to the way things used to be. Nothing can restore what has been lost. It's not like a video game where you can just restart in order to replay the level. This is real life, and real life is full of joys and sorrows, some avoidable and some unavoidable. This is the great tragedy of the coronavirus pandemic — it contains both of these: Things which could have been prevented and things which could not have been.

Canada was not in a position to prevent the coronavirus outbreak, but it could have done more, and done it earlier, to prevent its spread. It was inevitable that we would be touched by the pandemic and that lives would be lost, but it was not inevitable that the virus would sweep through so many seniors' residences unabated. More could have been done and more should have been done to protect our elderly and the most vulnerable amongst us.

Likewise, there was no avoiding the fact that a global pandemic would bring with it a significant economic impact. But it is undeniable that the government's fumbling of the health crisis amplified the economic crisis we are facing today. No one expects a government to be perfect or to get everything right. But at a minimum, in times of a national crisis, the government should be doing everything it can to increase its effectiveness by being collaborative rather than combative, collegial rather than exclusive, and purposeful rather than political.

But this is not what we have seen from our government. In fact, this government's response to COVID-19 is beginning to look like a hamster on a wheel, working very hard but not getting very far. We keep seeing the same scenes play out over and over again: Spending announcements followed by confusion and then uncertainty. Who qualifies? How do they apply? Why doesn't the program cover this situation or this person? Why is this safety net full of holes? Why is there an announcement but no details on how the program will work?

We are nine weeks into the pandemic and yet, for some people, their ship is sinking and they still have no life raft. The government is selectively tossing out life preservers to some people while others are struggling to keep their heads above water.

Emergency spending announcements worth billions of taxpayer dollars are more appropriately made from the floor of the House of Commons, not from the steps of the Prime Minister's cottage. It's like they don't believe Parliament is an essential service. Colleagues, Walmart is open; Costco is open; even Tim Hortons is open. Why on earth isn't Parliament open? It seems that the less the Liberals have to be in Ottawa to be accountable, the more they like it.

Colleagues, today we have been called back to consider Bill C-16, An Act to amend the Canadian Dairy Commission Act.

I find it interesting, colleagues, that after making billions of dollars of announcements from the steps of his cottage, and after blocking Parliament from sitting more frequently in order to ensure appropriate accountability and consideration of policy proposals, the Prime Minister has asked Parliament to come back to change one word of one act.

In the Prime Minister's mind, it's too dangerous for Parliament to convene regularly in order to hold the government to account on the extraordinary spending of taxpayer dollars during a national crisis, but there is no hesitation to reconvene in order to change the word from "three" to "five."

Don't misunderstand me. I'm not suggesting that this change isn't important, and we have every intention of supporting it.

On May 5, the Prime Minister announced new spending of \$252 million to support farmers, food businesses and food processors. As part of this package, the government said it intended to increase the Canadian Dairy Commission's borrowing limit by \$200 million to cover the costs related to having to store excess cheese and butter. Dairy farmers have never seen a weekly fluctuation in the demand for milk like they are seeing now.

In addition, the sudden closure of restaurants and hotels across the country has resulted in excess production that is very difficult to manage. You can't just shut off a milk cow one week because demand is low — we heard the minister say it's not like shutting off a tap — and then turn it on the following week when demand is higher. It's a bit more complicated than that.

• (1440)

The dairy industry has struggled to manage these challenges, including donating over \$10 million in dairy products to food banks across the country and reducing quotas by 2 to 5%, depending on the province. In spite of these efforts, 30 million litres of milk still had to be disposed of at the farm because there was simply no place for it to go. Nobody wants to see that happen.

Dairy producers tell us that this amendment will help to “offset the impacts of bottlenecks in the supply chain that have prevented dairy from getting from the farm to the store shelf.”

So there's no debate over whether today's amendment is necessary. It is necessary to help the dairy industry navigate these turbulent times.

But what isn't needed is a Prime Minister who only agrees for Parliament to sit when it suits his purposes and who does not seem to understand the weighty importance of parliamentary oversight at such a time as this. Whether he realizes it or not, he is diminishing the value of the nation's most cherished institution, even while elevating his own.

Rex Murphy said it well in his April 27 column in the *National Post*:

Alas, the notion of an empowered Parliament in a time of national crisis is, in the truly immortal words of Sir Thomas Browne, a “dream and folly of expectation.” The idea of a national forum to keep check on our ruler, to exercise oversight on the massive dispensation of public funds, to question the decisions of our pre-noon prime minister, is, apparently, at this time simply a distraction, a waste of time, a useless clog to the impeccable functioning of a minority administration.

Nobody says it like Rex Murphy.

But Parliament is not the only target of the Prime Minister's indifference. Our agriculture industry is also quite low on his list of priorities. There is no shortage of examples of this, but allow me to draw to your attention a few of them.

Number one: Government support for agriculture during this pandemic is absurdly inadequate. Consider the following: This is day 65 of the pandemic. So far, the government has announced \$156 billion in direct support payments, which works out to the equivalent of \$2.4 billion per day since the pandemic began.

If this spending were spread evenly across the population, it would work out to a cheque for just over \$4,100 for every man, woman and child in the country, or \$16,400 for a family of four. We all know this is not how money gets disbursed, but it helps to

get a sense of the magnitude of the spending that is taking place. In actual practice, the money is disbursed through specific programs and targeted to specific people and industries.

Last month, the Canadian Federation of Agriculture assessed the COVID-related needs of the ag industry to be \$2.6 billion. The government responded with an announcement that the industry would receive \$252 million.

Colleagues, this is less than 10% of what the industry needs, and less than 0.17% of the government's total direct spending on the coronavirus crisis to date. This is absurdly inadequate.

Number two: Not only is financial support for the ag industry inadequate, but some of it won't arrive for months.

Part of the \$252 million that was announced is to be used to create a \$77.5 million Emergency Processing Fund. This fund will help food producers access more personal protective equipment, adapt to health protocols, automate or modernize their facilities, processes and operations, and respond to emerging pressures from COVID-19, so they can better supply Canadians with food during this period. But Global News has reported that this funding probably won't be available until the end of September, and there are still no details on what the requirements will be to qualify.

Meat-processing plants have been hit hard by the coronavirus. A Cargill plant in High River, Alberta, was closed after an outbreak of 350 COVID-19 cases was linked to it. On Sunday, another Cargill plant near Montreal announced that it will be temporarily closing its doors after at least 64 workers tested positive.

This \$77.5 million is supposed to help plants improve their working conditions in order to prevent outbreaks like this. Yet, as Global News reported: “As for when the money is expected to be doled out, the department said that will happen ‘no later’ than Sept. 30.”

September 30 is 139 days from now. By then we will have been in the pandemic for 204 days. How does this help the industry with COVID-related challenges they are facing right now? And why on earth is it being announced in May, like the funding is imminent, when it won't be available for months?

Number three: Not only is the government's support for agriculture absurdly inadequate, and some of it will not arrive for months, but the support is conspicuously smaller than what is being provided to other sectors.

The \$252 million promised by the government includes money to help livestock producers faced with additional costs incurred by COVID-19. This includes set-asides for cattle and hog management programs, to manage livestock backed up on farms due to the temporary closure of food processing plants.

The amount earmarked for this purpose is \$125 million. But here is the problem: Currently there are an estimated 14 million hogs and 11 million head of cattle. That is 25 million head of livestock. If you were to distribute the \$125 million by livestock count, it would come to \$5 per head. How far does \$5 per head go? What would it pay for?

The daily cost of production can vary quite a bit across the country, but in Manitoba it comes in at around \$3 per head per day for a cow/calf operation, or \$5.75 per head per day for a feedlot operation. Hogs are more expensive to raise, at about \$11 per head per day. This means that the government's big announcement of \$125 million for hog and cattle producers covers the equivalent of 12 to 24 hours of livestock production costs.

Hog and cattle producers contribute \$13 billion per year to the Canadian economy, and when a global health crisis hits they receive only \$125 million in assistance. That's just under 1% of their total annual economic contribution.

Let's compare this to what the government has done for students. The government has announced \$9 billion in spending for students. Statistics Canada tells us there are about 2 million post-secondary students in Canada, so that works out to the equivalent of \$4,500 per student, not including the money that has been earmarked for the Canada Summer Jobs program.

This \$9 billion is to help students who are either part of the Youth Employment and Skills Strategy, are not able to find work, or are volunteering, or need help with their student loans. The Canada Emergency Student Benefit will cover them for up to 112 days, from the beginning of May through the end of August.

In other words, students get coverage for 112 days, but pork and beef producers get coverage for 12 to 24 hours.

• (1450)

I trust that no one will insult producers by suggesting that this comparison criticizes students. That would be absurd. Assistance should be available to students who need it, and no one should begrudge them that assistance.

The point I am making is this: Our ag industry puts food on our tables, so why is the government's support for agriculture disproportionately small when compared to other sectors? It makes no sense.

The fourth example of the government's low priority for agriculture is that much of the announced assistance to agriculture is just a re-announcement of previous commitments, and not new money for COVID-19 challenges. The government conveniently neglected to mention this, but half of the \$252 million for agriculture is not new money; it was already part of the agriculture and agri-food budget for this year. The same is true for the increase of liquidity measures through Farm Credit Canada. Instead of a new COVID-19 assistance program, the Liberals simply re-announced a 2019 campaign commitment. This pattern by the government of re-announcing already existing support for the ag sector demonstrates that they do not consider

agriculture to be a priority. If it was a priority, it would be reflected in the decisions they make and the resources they provide to the industry.

It is estimated that if immediate and meaningful support is not provided to help Canada's agriculture and food industry, up to 15% of our farms, or about 30,000 farm families, will go out of business. The situation is serious. The unprecedented nature of this pandemic calls for unprecedented action, not recycled programs by a government that does not take the agricultural sector seriously.

Fifth, if you want to see how low the ag sector is on the government's priority list, consider how they are treating the dairy industry.

Ask yourself this: What has the government done for the dairy industry since the pandemic required a virtual shutdown of the economy? Well, the first thing they did, as I mentioned last time we were in this chamber, is they stabbed the dairy industry in the back. The Dairy Farmers of Canada and the Dairy Processors Association of Canada were promised that the new Canada-United States-Mexico Agreement would not be implemented prior to August 1, so that the sector would have a full 12 months of exports at the year-one threshold on key dairy products, before being constrained by the significant reduction conceded in year two of the agreement. Instead of honouring that promise to our dairy farmers and dairy producers, the Liberal government was the first one out of the gate to give notice to the other parties that it was ready to implement CUSMA, a month earlier than promised. By ratifying the trade deal one month early, the government robbed the dairy industry of 11 months of operation at a preferred export threshold limit. This will cost the industry about \$100 million. The government now says it will reimburse the dairy industry for these losses, but this does nothing to erase their egregious breach of trust. All it means is that they are now passing on the bill for their incompetence to Canadian taxpayers.

What about the legislation before us today? This bill increases the Canadian Dairy Commission's borrowing limit by \$200 million to cover costs related to having to store excess cheese and butter. Surely this demonstrates the government's commitment to the dairy industry? Not really. Here are the facts. This is a necessary measure, but it will probably cost the federal government nothing. The Parliamentary Budget Officer has confirmed that almost every time the government announces a new loan program or other liquidity measure, the government makes money off it; they don't spend money on it.

Take Farm Credit Canada's \$5.2 billion loan program, which the government announced on March 18. That assistance to farmers will net the government \$96 million. The EDC's \$20 billion small- and medium-sized enterprise loan and guarantee program will bring \$3 million into the treasury. The BDC's \$20 billion small- and medium-sized enterprise loan and guarantee program will net the government \$389 million. The \$150 billion insurance mortgage protection program credit and liquidity support will bring in \$428 million for the government.

The additional \$200 million in borrowing room that Bill C-16 provides is needed and welcome, but don't assume it will cost the government a nickel. We'll have to wait for the Parliamentary Budget Officer's costing note on the matter, but it's highly likely that the government will be making money off this program as well.

The other thing you need to understand about how the government is treating the dairy industry is their proposed handling of something called tariff rate quotas or TRQs. Here is how the Dairy Processors Association of Canada explains the significance of TRQs to the dairy industry, "TRQs or dairy import licences are designed to protect Canadian industries harmed economically by international trade agreements like CETA, CPTPP or CUSMA. Traditionally, they provided industries like ours with financial stability over the long term. With TRQs, we import products at no or low-rate tariffs, which we then offer through retailers to Canadians at competitive prices. The profit helps compensate our industry for losses resulting from international trade agreements."

The problem is that the Prime Minister is about to give 100% of these quotas to retailers rather than to the dairy processors. The dairy processors are very concerned about this because the retailers have suffered no economic harm from the recent trade agreements, whereas the dairy industry has. This makes no sense — except I do recall that the government felt it needed to charge taxpayers \$12 million for refrigerators for Loblaws last year. Perhaps now it wants to fill those refrigerators at the expense of the dairy industry.

Here is why the dairy processors believe they should get TRQs and not retailers: Simply put, retailers and distributors have not been harmed economically by recent trade agreements. They don't make any products. They merely offer them to Canadian consumers, and they make a profit in doing so. Dairy processors, on the other hand, have made significant investments in their manufacturing facilities to develop and market dairy products. Allocating TRQs to us provides our businesses with the predictability and the stability needed to continue to invest and help provide us with a reasonable return of investment for the investments we've made.

The Dairy Processors Association of Canada maintains that it is imperative that TRQs related to the CPTPP and CUSMA trade agreements be allocated to the dairy processing industry to compensate for losses it will suffer because of increased access granted to the Canadian dairy market. But for some reason, the government is not listening. This is becoming a pattern with how they treat our dairy industry and our ag industry as a whole.

The sixth example of how low the ag industry is on the government's priority list; take a look at how they treat the grain industry. It did not escape the notice of Canada's grain growers that they were completely left out of the \$252 million package for agriculture and agri-food.

Following the government's spending announcement, the Grain Growers of Canada had this to say:

This relief package offers no resolution to our existing issues, which result from long-standing market access challenges, rail blockades, and 2019's harvest from hell.

As net farm incomes continue to plummet, the federal government has only offered relief programs that are either not applicable to the majority of farms or prioritize access to debt for already highly leveraged farmers. This relief package, unfortunately, maintains that trend.

• (1500)

Time after time the Liberal government fails to step up to the plate for Canada's grain growers. This is just the latest example.

Without exaggeration, I could probably keep giving you examples of the government's disdain for our agriculture sector until midnight — I think our motion says we can sit here till midnight — but I doubt it would keep your attention that long, so allow me to note one more, number seven, the federal carbon tax.

It is difficult to find something that is going to hurt the ag industry more than the carbon tax. Farming is heavily dependent on the use of fossil fuels because tractors don't actually run on horsepower anymore. They use diesel fuel.

Grain isn't dried by airing it out in the sunshine like it was hundreds of years ago. Farmers use propane heat to dry their grain.

Then there's rail transportation, heating and electricity, and trucking that is necessary for many aspects of farming. These all require carbon-based fossil fuels to which there is currently no reliable alternative.

And contrary to what Elizabeth May of the Green Party or the Bloc Québécois may want you to believe, it's a little difficult to mount a bank of solar panels or a wind farm on top of a tractor.

That's the first problem with the carbon tax: Farmers use a lot of carbon-based fuels.

The second problem is that farmers are price takers and will be unable to pass on the cost of the carbon tax to consumers like many other industries will.

The net result of these two factors, according to research done by the Agricultural Producers Association of Saskatchewan, is that:

... farmers can expect to lose 8% of their total net income in 2020 to the carbon tax. For a household managing a 5,000-acre grain farm in Saskatchewan, this will take the form of a \$8,000-\$10,000 bill.

In less than two years, when the carbon tax increases to \$50/tonne in 2022, this bill will go up to \$13,000-\$17,000 for the same household — the equivalent of a 12% decrease in net income.

Producers across the country are very concerned about the carbon tax and rightfully so. I note that Senator Griffin has drawn the attention of this chamber to this fact through Bill S-215, an Act to amend the Greenhouse Gas Pollution Pricing Act (farming exemptions).

But while farmers are very concerned about the impact that the carbon tax will have on the ag industry, and while senators are paying close attention to this concern, the government is paying none. How do we explain all of this?

On the one hand, we get statements like the following from the Minister of Agriculture and Agri-Food Canada, Marie-Claude Bibeau, who was here today:

I want to reassure all our farmers and agri-business owners across the agri-food industry that our government fully understands that they are essential to our communities and that we are fully engaged to help them through this unprecedented period.

But then, on the other hand, this talk is never followed up with action.

What are farmers supposed to make of this?

If the government was at least consistent in how it treated Canadians, then perhaps we could conclude that they are probably giving it their best shot, but they are far from consistent.

They breeze over the needs and concerns of the ag industry while indiscriminately sending money to people who don't even qualify for it.

I'm sure you have all seen the *National Post* headline, which we talked about this morning: "Do not impose a stop pay": federal workers ordered to ignore cheating in CERB and EI claims."

That was the quote in the *National Post*.

Apparently, a memo recently went out to employees of Employment and Social Development Canada, along with Service Canada, which said the following:

Effective immediately, while processing a claim, if an agent uncovers information that suggests potential abuse of the EI system by a client, an employer or a third party, they do not impose a stop pay and do not refer the file to integrity unless it is considered an urgent investigation.

This is a result of the integrity service branch suspended all non-critical investigations. In addition to suspension of Claimant Information Sessions (CIS), in-person interviews and on-site visits, they have suspended all Integrity Operations activities for compliance and enforcement of the EI program.

I find this unbelievable. How can you deny our farmers the assistance they desperately need while at the same time shovelling money out the door to people who don't even qualify? And you have no mechanism of collecting it back.

How do you turn a blind eye to claims that you know are fraudulent and insist on sending them money anyhow while brazenly ignoring critical financial needs in our ag sector?

This speaks not only to the government's poor attitude toward the ag sector, but it also illustrates the incompetence with which it is handling the pandemic.

Colleagues, in closing, let me say this: I found it troubling to read that the office of the Auditor General has had to suspend much of its work due to lack of funding.

Allow me to quote from an *iPolitics* story.

Canada's auditor general says the lack of funding for his office has left it no choice but to delay work on most audits, as the COVID-19 pandemic adds new demands on the resource-stretched office.

Interim auditor general Sylvain Ricard told the House of Commons finance committee on Tuesday that his office has had to suspend work on all but three audits.

We might ask the nominee about that later on.

This, colleagues, is unbelievable and unacceptable. At a time when government spending is at all-time historic highs and the Prime Minister is bragging that they have introduced the "biggest economic measures in our lifetime," the one thing he cannot find the money for is the office which holds him accountable for his spending.

Doesn't that strike you as a little odd?

First, the Prime Minister doesn't want Parliament to sit too often and ask too many questions; then he won't pay the Office of the Auditor General to do its job as the spending watchdog.

Colleagues, I must admit that the government is providing all the necessary elements for a good conspiracy theory. And like you, I get countless emails from those who are convinced that the government is involved in some kind of a nefarious plot, furtively working in the shadows of dark corridors to align the pieces of its secret agenda.

Well, I personally doubt it, not because I am teeming with confidence in this Prime Minister's motives, but because I am pretty certain that any successful conspiracy requires at least some level of competence. Clearly, this is not something that this government has.

Just so that you know, I am sure that many of you heard the exchange yesterday, or the day before, maybe, in the House of Commons where MP Pierre Poilievre asked the Finance Minister a series of basic questions about the state of our country's finances. The first question was:

What is the total dollar value of the assets of the Government of Canada?

The second question was:

What are the total liabilities of the Government of Canada?

The third question was:

I know we shouldn't ask the minister about numbers. He's just the finance minister, after all, but what is the equity on the Government of Canada's balance sheet?

The fourth question was:

Can the minister, if he is familiar with any of these numbers, tell us if it is possible that his government will hit \$1 trillion of debt this year?

The final question was:

What is the size of our current national debt?

Colleagues, the Finance Minister was unable to answer one single one of those questions — not one question could he answer. Now, either he didn't want to answer, which is shameful when we finally get to see him once a week, or he is incompetent if he doesn't know.

Colleagues, if you had a business and you had a chief operating officer and you walked into your office and asked, "What's our balance sheet?" what would you do if he didn't have an answer? You would fire that individual.

• (1510)

Here we have a Minister of Finance, and when your Minister of Finance doesn't seem to know the fundamentals of the nation's financing, you know you have an incompetent administration in office.

Colleagues, today the Conservative caucus will be supporting the passage of Bill C-16 unanimously, not on division, because dairy farmers need this and it is needed by the industry at this critical time. But what we cannot and will not support is this government's indifferent attitude toward our agriculture industry.

I invite all senators to join me in urging the government to not just acknowledge that the agriculture industry provides essential services, but to begin to demonstrate this by providing the support and the services that this industry needs in this time of need. Thank you.

Hon. Jim Munson: It is hard to match that, senator.

It's in the middle of the afternoon and very serious subject matter, and I applaud; as you once said before, Jean Chrétien did say in the word opposition, there's a great big O. That means you oppose and you've done that quite well.

Well, you have a choice, sir.

Before I get into a very short and limited speech, I was thinking about what Senator Coyle spoke about, milkshakes and ice cream and so on. I've had time during your speech to do some intensive research. I've discovered, as a maritimer, there's a new drink out there called rum cow, and there are all kinds of ingredients to it. I'm just thinking that in support of the dairy farmers, I'm going to support this rum cow drink. I won't go through all of it, but there's a lot of milk in it; six ounces of milk and a little bit of rum. It's only 3:15, but it's getting kind of dangerous now if you're from Atlantic Canada.

I am here to speak on behalf of the progressive senate group, I'm pleased to rise to offer comments on Bill C 16, An Act to amend the Canadian Dairy Commission Act. Others before me have also reviewed the bill, so I'll keep my comments brief.

I've been chatting with my good friend Senator Mercer — who knows what Senator Mercer is doing now since it's 4:15 — from Nova Scotia. He wanted to pass along some comments on the bill. Of course, he has been an esteemed member of the Agriculture Committee and is an ally and friend of farmers across this country.

From Senator Mercer: Our world is a different place. Restaurants and other businesses are closed, and consumption of milk and milk products has declined significantly. And while we are starting to see some light at the end of the tunnel across the country in terms of slowly opening our economies, we still have a long way to go. The agriculture and agri-food sector has not been immune to the perils of COVID-19. Help is needed now for our farmers and this bill is one part of that assistance.

Honourable senators, no one wants to hear about farms having to dump milk. Our farmers have always donated what they can, when they can, to food banks, as we heard from the minister this afternoon, and that is to be applauded. But our farmers cannot donate raw milk, only its products.

That is why this bill is essential because it creates the extra capacity to bulk purchase products that can be stored and so it should help to prevent raw milk waste. It will put much-needed funds in the hands of producers and processors.

One thing we should acknowledge is our supply-managed system. Reacting to severe changes in production and demand is a key component. The COVID-19 crisis has put extra pressure on the system and so this bill should, we hope, help weather the storm.

Finally, it is also worthwhile to note that the funding announced by the federal government across the agricultural sector is nowhere near the Canadian Federation of Agriculture's requested amount, but it is a start. We will all be watching and listening to see what more should be done.

Today we are looking at dairy, but tomorrow we will be looking at other parts of the agriculture and agri-food sector.

Farmers are the backbone of rural Canada. In fact, farmers are the backbone of this country. But we should remember that they are all the lifeblood of all Canadians.

Thank you.

[*Translation*]

Hon. Jean-Guy Dagenais: Honourable senators, I want to share a few thoughts on the bill before us, Bill C-16. First off, I must say that I am deeply appalled to see the government in power handing out aid to Canadians and businesses with daily announcements, as if it were on the campaign trail, forcing us to approve actions one by one when they could have been combined and consolidated in a single bill. This kind of political showboating only confirms one thing, namely that after two months of pandemic, this government is incapable of carrying out a serious analysis and having an overall vision of the actions that need to be taken to save Canadians, in terms of both health and the economy.

Having a political vision of what our country needs during this crisis doesn't mean making daily announcements by fits and starts where you selectively dole out cheques. After listening to the Prime Minister and the ministers of this government, I'm also firmly convinced that nobody has thought about what happens after COVID-19 yet. Will they ever be able to do that? Somehow I doubt it.

The almost theatrical performance that Mr. Trudeau puts on every morning is not the least bit reassuring. Although there may be a valid reason for putting the country and Canadians in debt, the lack of information on exactly how much this is going to cost and how Canadians will pay for it is cause for concern, particularly with a government that has done nothing but rack up deficits since it took office. As senators, we do not have the right to reject Bill C-16 today. In this time of crisis, we must approve the assistance this bill offers farmers, even if it comes up short. However, our support for Bill C-16 in no way means that the senators here today approve of the shortsighted policies that the Liberal government is implementing to address the problems that our farmers and producers will have to deal with in the coming years. At least that is how I feel. I am talking here only about

those who will succeed in weathering the crisis, because it doesn't take a genius to realize that some farmers will lose everything.

As senators, we should be asking ourselves how we can stand by while the current government announces new financial measures to help the agricultural industry, measures that could very well have been included in Bill C-16 before we even passed the bill. That is pretty pitiful from a political standpoint.

In my opinion, agriculture, agri-food and the fisheries are all parts of a whole, and these sectors represent above all an important and key part of our country's economy. We need only spend a few minutes listening to industry representatives and farmers to see that bills like Bill C-16 and others that are likely coming in the next few weeks do not and will not meet the expectations and needs of our producers. I'll tell you why. The current government does not understand agriculture and is not listening to those who can offer solutions.

I was very pleased to be a member of the Standing Senate Committee on Agriculture and Forestry over the past eight years. I often posed the same question to agricultural stakeholders and experts who came to offer their perspectives on government decisions. I would ask them whether they had been consulted before the announcement of political decisions that affected them directly. The answer was always the same: no. Always no. It is unacceptable.

Honourable colleagues, agriculture is an economic driver of the highest importance for Canada, as much or even more than the automobile, aerospace, and new technologies. However, the Liberals are city-dwellers who think tomatoes grow in grocery stores. I may be exaggerating a bit. If the Liberals were truly interested in agriculture, it would not have taken two months of pandemic to come up with this paltry and flawed Bill C-16.

• (1520)

Some of this country's pork and beef producers will have to put their animals down. Some produce growers will lose their crops. Some processors will have to lay off workers, and some truck drivers will have nothing to transport. Plus, food prices are expected to rise in the coming years. Agriculture in Canada is all those things. It's now clear to me that our food supply chain is in jeopardy and consumers will pay the price. Politically speaking, let me tell you this. Compensation cheques won't grow the agricultural sector.

Compensation cheques are for righting wrongs like those in the international agreements this government negotiated, agreements that always give our farmers the short end of the stick. For our agricultural industry to survive, we need much more than compensation cheques. We need vision, and that's what this government lacks. We need vision to help our agricultural sector achieve more and to ensure that Canada continues to be a global food supplier.

Our prairie wheat, maritime potatoes, Quebec and Ontario milk, our fruit, vegetables, pork and beef are the foundation of a strong and competitive agriculture industry. Our American neighbours released \$19 billion to help their agricultural producers, who often compete against our own producers.

Meanwhile, our farmers and producers have called for \$2.6 billion in aid, but the government responded by introducing Bill C-16, which gives them \$252 million.

That is barely 10% of what they asked for and of what is clearly needed to save this industry. Of course the government will make other announcements. I listened to the Minister of Agriculture and Agri-Food rhyme off what is available to our farmers. I tell you sincerely that it is hard to make heads or tails of it all. Figures, programs, changes to existing programs, brand-new measures and, of course, old measures recycled to make us think that there is something new.

We are seeing a patchwork effort that illustrates precisely how I'm right about the Liberals. They have no comprehensive vision of Canada's agriculture industry. When cheques are handed out to students who may not have a job this summer before meaningful assistance is given to agriculture, we clearly see where the government's priorities lie.

I was pleased to see that just yesterday, the Parliamentary Budget Officer, Yves Giroux, shared my concerns. This government seems incapable of developing a post-Covid-19 economic plan. It's focusing all its energy on writing cheques, without being accountable to those who will one day have to pay for these cheques. I'll get back to Bill C-16, which we are discussing today.

Once again today, we're being forced to tolerate all this so that farmers can access some financial assistance, and the Liberals benefit from that. However, I'm again shocked to see that no one in this government is capable of looking more than six months ahead for our agriculture and agri-food industry. We'll need a lot more time, imagination and money than we have right now to recover from this pandemic. We will have some choices to make, difficult ones, but agriculture is not a choice. It's an obligation that we must all support. Thank you.

Some Hon. Senators: Hear, hear!

Hon. Julie Miville-Dechêne: So very many have been lost to COVID-19, and I'd like to take a moment to express my heartfelt condolences to their loved ones, especially to our dear colleague, Senator Raymonde Saint-Germain, who lost her father. My condolences, Raymonde. Yesterday, on the island of Montreal where I live, they announced the death of a 27-year-old woman, apparently with no prior health issues. She is the youngest victim so far. Many health workers are worn out. They account for half of all cases in people under 60. I salute them all. We can only hope that things in Montreal get better because it's very hard right now.

I want to speak to Bill C-16, the Canadian Dairy Commission bill, because the health crisis is really hurting the dairy industry, which is very important in Quebec. Half of Canada's dairy farms are in Quebec. They produce 36% of this country's milk and, it's worth noting, 60% to 70% of this country's cheese. COVID-19, combined with the Canada-United States-Mexico Agreement coming into force earlier than expected, is destabilizing dairy producers, who work tirelessly on their farms.

I want to take this opportunity to dispel some negative preconceptions about this industry, which is described by some as a spoiled child because it benefits from a supply management system. The system isn't perfect. I'm aware of that. Consumers pay more for their milk, but let's compare what is happening on both sides of the border. As was mentioned, there was a dramatic increase in the demand for milk for two weeks at the beginning of the crisis, followed by an incredible drop due to the closure of restaurants and schools. As a result, in Canada, nearly 30 million litres of unsold fresh milk was thrown into manure pits.

Meanwhile, south of the border, where there is no supply management system, it is estimated that American dairy farmers have been throwing 14 million litres of unsold milk into manure pits every day since the beginning of the crisis. They also dump milk under normal circumstances.

Let's come back to what's happening in Canada. According to University of Laval professor Maurice Doyon, who is an expert in the matter, our supply management system, which involves centralized decision-making, proved its worth by limiting waste in this time of crisis.

According to Mr. Doyon, a mandatory 2% reduction in production was called for. Credit days — I found out what that means, it's when a farmer is allowed to exceed their quota during the lactation period — were totally eliminated. This reduced the volume of milk produced by 4%. The losses were distributed equally among the farmers, based on their quotas.

As mentioned earlier, the industry also made major donations to food banks, amounting to four million litres, which presented a logistical challenge, because donated milk still has to be packaged or processed. Contrary to popular belief, farmers only get paid for milk that's sold, not for milk that's dumped.

As a result, farm revenues have fallen by 10% to 15%, largely due to the drop in global prices. This may not seem like much compared to other industries, but dairy farmers are heavily in debt, since they have herds they have to feed and care for. I talked to a dairy farmer yesterday, and he told me about the stress, the uncertainty and the increasing reliance on credit, since expenses aren't going down. Furthermore, farmers who run their farms alone or with a spouse are terrified of contracting COVID-19, because there's no one to take their place.

Bill C-16 is no miracle; it's a short-term measure to help sell milk. Should we have reduced production even further? Perhaps, but then cattle would have to be sacrificed, and if demand were to go up again six months from now, farmers wouldn't be able to meet it, because it takes 18 months to repopulate a herd.

Another complicating factor is that COVID-19 has changed people's eating habits. We are eating at home, because restaurants and cafés are closed. More cow's milk is being consumed, 7% more, but a lot less cream, yogurt and cheese are being consumed. Demand for fine cheeses has dropped by 50%, by even up to 90% in the case of certain artisanal cheeses, a hallmark of the industry in Quebec. That province is therefore being hit harder than some other ones, considering the nature of its production.

The other bad news for the milk industry is that CUSMA will be coming into force not on August 1, as we hoped, but on July 1. This means that, in just one month, Canadian exports of skim milk powder and milk protein concentrate will be cut in half, with no adjustment period whatsoever.

• (1530)

In spite of promises of compensation, farms will inevitably disappear, especially since the health crisis could destroy those that are already on the brink. Quebec's dairy sector accounts for nearly 83,000 jobs, particularly in the regions. The health crisis is reinforcing the importance of buying and producing locally, and our dairy industry is part of that trend.

Once the crisis has passed, should the dairy industry think about needed adjustments to the supply management system and about the need to innovate even more? Without a doubt. When I listened to witnesses in parliamentary committee last year, I was struck by the absence of innovative export projects in supply managed sectors.

That said, I will support Bill C-16 without hesitation.

Thank you.

Hon. Pierre J. Dalphond: Again today, before speaking to Bill C-16 before us, I must say a few words about the situation in the long-term care facilities in the Montreal area, where I'm from. I want to take this opportunity to offer my condolences to Senator Saint-Germain, who lost her father to COVID-19, like hundreds of other people every day.

The pandemic has highlighted not only the importance of Canada's public health care system, which allows us to fight COVID-19 much more efficiently than our neighbours to the south, but also the weaknesses of the intervention models used for seniors, people suffering from serious cognitive issues and people with reduced mobility.

In a television interview on Wednesday, Pauline Marois, former premier of Quebec, said:

I think we're off-track. When I say we're off-track I'm not only talking about the current government. All the successive governments were off-track and today we are paying the price. Our parents and grandparents [are paying].

She adds:

Is grouping [seniors together], even in private residences where people often pay for very expensive apartments, a good idea? Aren't we creating ghettos? Living with our children, with our grandchildren, with people of different ages, it perfectly natural.

These are very pertinent questions that Quebec society and, to a lesser extent, Ontarian society will have to grapple with in the months and years to come. I hope that the federal government will be paying attention to and collaborate on this issue by providing various measures such as tax incentives to encourage multi-generational housing and enhanced health care funding for home care.

The importance of Bill C-16 is not reflected in its length. In fact, it has but one small clause of four lines, a single and short clause that increases the borrowing capacity of the Canadian Dairy Commission by \$200 million to \$500 million. This increase in the commission's borrowing power will allow it to purchase and temporarily store more dairy products in order to provide stability to the Canadian milk market, which really needs it right now.

As a Quebec senator, I have to mention the importance of the dairy industry because I grew up in the country surrounded by dairy farms.

I would now like to go back to some of the ideas that Senator Miville-Dechéne explored. As you undoubtedly know, Quebec is the largest producer of milk in Canada as Quebec cows produce on average 40% of Canada's milk. In other words, Quebec produces 40% of the 92 million hectolitres of Canadian milk. That's a lot of quarts of milk, as we used to say.

Of the 18,805 Canadian jobs related to the production of milk and cream, 9,425 are located in Quebec's 5,050 dairy farms. Quebec is also home to the biggest milk processors in the country, like Saputo and the Agropur co-op, two companies that are Canadian owned.

Quebec is renowned for the quality of its industrial cheeses and especially for its artisanal cheeses. It's a real joy to travel around Quebec and discover all the local cheeses. But this important sector of Quebec's economy needs to adapt to a new context, given that the Canadian market is being opened up to dairy products from other parts of the world, including Europe, the trans-Pacific region and, soon, the United States. All in all, nearly 10% of the Canadian market will no longer be protected. In addition, the United States' market access will grow by 1% a year for the next 13 years.

Meanwhile, Canadian exports are seeing fairly sluggish growth. In 2019, Canadian imports rose by just over 20%, while exports fell by about 6% compared with 2018. In a nutshell, dairy imports totalled almost \$1 billion in 2019, whereas our exports didn't even hit \$500 million. The gap seems to have been widening for several years.

With the coming into force of the Canada-United States-Mexico Agreement, which limits Canadian exports of skim milk powder and infant formula, we may not be able to narrow that gap. Following the signature of the most recent trade agreements, the Canadian government committed to compensate the industry for its market share losses and to provide it with financial assistance so that it can become more competitive and do better when it comes to exporting. From what I understand, the first forms of financial aid or compensation have begun to be paid. There's still a lot to do, however.

The industry was already facing significant challenges when the pandemic hit. Then, schools shut down and breakfasts, including milk, were no longer being provided for underprivileged children. Restaurants and hotels closed their doors, putting an end to their use of various dairy products for meals, desserts and, of course, cheese platters. In other words, the pandemic came at a very bad time. Dairy farmers are being forced to throw millions of litres of milk into manure pits. Nearly 30 million litres were reportedly thrown out between the end of March and mid-April. No farmer wants to waste milk like that. Many of them, in Quebec and elsewhere in Canada, started donating more dairy products to food banks. However, that wasn't enough to get rid of the surplus of milk and especially milk products.

Today, we should be glad the Canadian Dairy Commission will be able to buy more dairy products and store them temporarily as a way to stabilize the market and, ultimately, the price paid to producers for milk and milk fat. This guards dairy producers against sharp drops in revenue and potential bankruptcy.

Dairy production isn't easy. It requires significant investment. Farms with 40 or so cows like the ones I used to know don't exist anymore. Farms nowadays have hundreds of cows.

We can't scare off the next generation by opening ourselves up to foreign competition and deregulation. Quebec's dairy producers are happy with this change to the Canadian Dairy Commission's borrowing capacity. Nevertheless, they've pointed out that this measure alone, like other measures introduced for the agricultural sector as a whole, isn't enough for the dairy sector. It's a step in the right direction, but that's all. The government must do more.

Canada's dairy farmers also welcome the measure we're passing here today, as well as the additional funding provided under the AgriRecovery program to create a set-aside program that will include cull dairy cows. This project allows cows that are no longer producing milk to be pulled from the market and processed for meat. Since the current market is so low, those cows must be kept longer on the farm, and so we need to subsidize the farmers. The program will compensate farmers for the costs involved in keeping less productive cows in the herd over a longer period. However, I repeat, this is not enough.

In closing, I urge the government to go further in adaptation support for dairy farmers. I also urge my fellow Canadians from coast to coast to consume Canadian dairy products, which are second to none are produced in conditions that are superior to those of many other countries. These products are of the highest quality and are good for you. I drink a litre of milk almost every day, and I'm doing great.

Thank you, *meegwetch*.

• (1540)

Hon. Rosa Galvez: Honourable senators, I would like to take this opportunity to extend my sincere condolences to our dear colleague on the loss of her father, Joseph-Louis Saint-Germain.

Honourable colleagues, I rise to support Bill C-16, which amends the Canadian Dairy Commission Act to increase the maximum total for outstanding amounts of loans made to the commission by the Minister of Finance and for amounts drawn by the commission from a line of credit to \$500 million dollars.

The time has come to help the Canadian dairy industry, which has seen a decrease in the demand for its dairy products, in particular cheese and cream, forcing dairy producers to dump unprecedented volumes of excess raw milk.

Dear colleagues, I would like to draw your attention to some vital and more global aspects that will have to be examined in the medium term as we move forward and out of this pandemic.

[*English*]

In parallel to this unprecedented health crisis, we face unprecedented economic crisis. Bill C-16 is part of the economic crisis management plan of the government. The plan is hopefully unfolding in three stages: First, keeping our economy afloat during the emergency; second, providing relief to essential economic sectors and workers; and third, providing economic stimulus to restart the economy sustainably.

If we have learned from previous crises, this last stage must restructure and renew the foundations of our economy for it to become truly robust, resilient and prosperous but also one that brings equitably distributed social benefits and respects the ecological limits of the regions that we inhabit.

Stages one and two are resulting in an increase in this year's budgetary deficit estimated by the Parliamentary Budget Officer to reach \$252.1 billion. The economic stimulus phase will likely require more public funding which will further increase by a wide margin our pre-COVID-19 national debt of \$685 billion. This debt is 70% owned by Canadians and 30% owned by international lenders. This debt will be paid by Canadians of this and future generations, and we must act responsibly for them. If we are to avoid fatal economic collapse, we must plan the recovery and stimulus phase in a way that will generate sustainable gains over time. We should strive to avoid attempting to address this debt through the restrictive austerity measures that followed the 2008 financial crisis whose years of funding cuts are partially responsible for our health care systems being ill-prepared to address COVID-19. Thus, we must be strategic and prioritize. First, measures that maximize employment, mostly small- and medium-sized enterprises; second, organizations that will improve our quality of life and generate revenue for Canada; and third, rethinking strategically and renew the development of the health, food, industrial and manufacturing sectors.

We need an industrial policy that revisits the chain of production of essential products and rethinks our agricultural sector in terms of food security. Was it normal that intermediary brokers made millions of dollars on the backs of Canadian farms? Was it normal that 60% of seeds for grain growers are controlled only by three multinationals? We must look at these issues, while also addressing other crises such as climate change which likely increases the risk of future pandemics.

Our health, safety and service workers are already exhausted and very much underpaid considering the huge risk they face every day. We were already very much under-prepared and remain ill-prepared for secondary waves that may strike. Like, for example, I'm sure you know, next fall, when COVID-19 and the seasonal influenza will both strike us.

Thankfully, experts are reflecting fruitfully on all of this, and we would do well to listen to them. For example, researchers from Oxford, the London School of Economics, Columbia and Cambridge universities surveyed 231 central bank officials, finance ministry officials and other economic experts from G20 countries on the relative performance of 25 major fiscal recovery measures, studying them under four dimensions: speed of implementation, economic multiplier, climate impact potential and overall desirability.

The researchers identified five policies with high potential on both economic multiplier and climate impact metrics. These are investments in clean energy infrastructure, building efficiency retrofits, food and essential products self-sufficiency, education and training, natural capital and clean research and development.

The lowest rated overall policies were airline bailouts, traditional transport infrastructure bailouts and income tax cuts. The report warns that bailouts of emissions-intensive industry such as airlines and fossil fuels are not advisable and, at the very least, should be conditional on these industries developing a measurable plan of action to transition towards a net-zero-emission future.

Countries have specificities and, in Canada, dairy is an important economic sector that contributes to food security and is therefore essential. But there would be very little revenue recuperated from many other industries and therefore we must carefully choose. For example, when it comes to Canada's cost and emissions-intensive oil sector, that does not account for climate impact externalities or the cost of remediating land wells and tailings ponds estimated as high as \$260 billion. This could be very dangerous.

With the OECD, World Bank and International Monetary Fund advising in favour of sustainable finance for the stimulus post-COVID-19, it is not surprising to learn yesterday that the Norwegian sovereign wealth fund has abandoned 4 of the 10 biggest oil sands companies in Canada after concluding they produce unacceptable levels of greenhouse gas emissions. This not only highlights the fact that international investors are disinterested but also that foreign ownership of publicly traded oil sands companies may reach 70%, meaning a majority of the profits are still leaving the country.

Colleagues, the "do no harm" principle requires us to face the complex and perilous future of growing and interacting sanitary, social inequality and climate crises. We must double down on

climate action for our kids and grandkids to reduce the risks of future pandemics and the premature deaths and illnesses associated with the same pollution that is harming the planet and build a new economy that works towards these goals.

Future stimulus must support industries and projects that decrease greenhouse gases, increase economic resilience through diversification and provide workers with retraining opportunities, making us more self-sufficient with respect to all essential products and services.

We hear calls about going back to normal. But normal was killing people; normal was rendering physically and mentally ill the farmers, the people. Normal was disrupting our global climate on which we all depend.

• (1550)

Colleagues, instead of going back to normal, let's go forward and build a prosperous future. The decisions we are all taking these days are historical. Our words and debates will be remembered. Thank you.

Hon. Tony Dean: Honourable senators, I rise today to speak to Bill C-16, An Act to amend the Canadian Dairy Commission Act. This legislation seeks to increase borrowing limits for the Canadian Dairy Commission and is intended to provide immediate relief to the sector to address significant milk surplus due to COVID-19. These measures are responsive to industry requests, supported by the Canadian Dairy Commission and the Dairy Farmers of Canada.

Like many other sectors, the agriculture sector industry has suffered significant economic loss due to COVID-19. We've heard that fluctuation in demand for milk since the beginning of the pandemic has been considerable. Although shoppers are still buying butter and cheese at a steady pace, restaurants and hotel closures have greatly reduced demand for dairy products. Despite efforts to align production with consumer demands, there have been bottlenecks in the supply chain. As a result, many farmers have had to dump raw milk, an estimated 30 million litres or 4% of production so far.

As you have heard already, the proposed bill is responsive to these issues. The measures before us will help relieve the issue by increasing the maximum total for outstanding amounts of loans to the Canadian Dairy Commission by the Minister of Finance and for the amounts drawn by the commission. The \$200 million increase bumps up the maximum loan from \$300 million to \$500 million. Officials confirmed on a briefing call earlier this week that between \$100 million and \$110 million will be deployed as soon as possible for immediate relief to the sector. An additional \$70 million to \$80 million be retained for use at a later date as industry calibrates its demand with consumers in this new normal.

Earlier today, I asked Minister Bibeau about other programs benefiting milk producers and processors, and I want to return briefly to those today.

This amendment builds on last week's announcement of \$252 million for a broader support package for the agriculture sector to support farmers, food businesses and food processors who provide essential services to Canadians. The proposed increased borrowing limit will work in tandem with several existing government programs, such as a program that helps producers transform their products. The extra borrowing capacity provided for in this amendment will help farmers access the necessary means to turn their milk into other dairy products like cheese and yogurt. This in turn will help offset excess milk and preserve products for longer periods of time, helping both farmers and organizations like food banks with storage issues.

Some farmers are already making plans to do this and will support local food banks in the process. This past Monday, the Dairy Farmers of Manitoba and Bothwell Cheese announced that they are turning excess milk into thousands of kilograms of cheese for Winnipeg Harvest, a not-for-profit, community-based organization that collects and shares surplus food with people who are hungry. This partnership is expected to produce 6,000 kilograms of cheese over the next few months, which equates to nearly 60,000 litres of milk.

Farmers and agri-food workers can also draw on several other emergency benefit programs to help recover losses, such as the wage subsidy program, which can provide up to 75% of employee wages for up to 12 weeks, retroactive to March 15, 2020. This enables businesses to rehire workers previously laid off as a result of COVID-19 and is intended to help prevent further job losses and better position businesses to resume normal operations following the crisis.

The Canada Emergency Business Account will also help to support small businesses, including eligible agri-food workers and dairy farmers, in order to provide access to capital they need to help cover operating costs during periods where their revenues have been temporarily reduced due to COVID-19. This \$25 billion program provides interest-free loans of up to \$40,000 to small businesses to help weather this storm.

In addition, the government announced more details earlier this week for the Regional Relief and Recovery Fund program. A figure of \$1 billion will flow through six regional development agencies, which are familiar with their regions' economic realities and are often the first point of contact for people at the local level. This program is intended to mitigate the financial pressure experienced by businesses and organizations, and allows them to continue their operations, including paying for their employees. It also supports projects by government organizations and communities to prepare for a successful recovery following the pandemic, and carves out \$287 million to support the Community Futures Network, development corporations specifically targeting small businesses and rural communities across the country.

The agri-food sector will continue to benefit from a myriad of existing programs outside of emergency relief programs due to COVID-19, including the Canadian Agricultural Partnership, a five-year, \$3 billion investment by federal, provincial and territorial governments launched a couple of years ago, which is aimed to strengthen the agriculture and agri-food sector by offering simplified and streamlined programs that are easier to access. It also provides for enhancements to programs that help farmers manage significant risks that threaten the viability of their farm and that are beyond their capacity to manage. This is particularly important in the current context in which farmers are responding to the economic impacts associated with the pandemic.

In order to ensure the food supply chain stays strong in Canada, the government is also providing relief for farmers who rely on the existing Temporary Foreign Worker Program. An amount of \$50 million has been allocated for farmers so they can safely welcome temporary foreign workers while complying with the Quarantine Act. In order to ensure that farmers have access to these workers for the growing season, the federal government will provide support of \$1,500 for each temporary foreign worker to employers or those working with them to ensure requirements are fully met.

The minister mentioned today that as of April, 22,000 temporary foreign workers had arrived in Canada, representing 80% of the number at the same time last year, which is a considerable success during uncertain and unpredictable times.

Colleagues, this range of programs available to eligible farmers will provide for stability in the sector while prioritizing public health and safety. Along with most of the world, Canada is facing serious health, social and economic challenges due to COVID-19. The federal government, its public health agency, Agriculture and Agri-Food Canada and Canada's public servants have risen to the challenge. While there is more work to be done, Canada is emerging as a global leader in supporting both its citizens and businesses, which is where we want our country to be during this crisis.

Our government has done this with a degree of collaboration with provinces and territories that is undoubtedly without precedent. The same is true of the degree of consultation with economic sectors, and I have no doubt that that is inclusive of our agricultural sectors.

I will conclude by thanking Senator Robert Black for his sponsorship of this bill and for his energetic leadership on agricultural issues. I also want to thank farmers and agri-food workers, whose tireless efforts in keeping our food supply chain up and running is appreciated by all Canadians from coast to coast. I encourage honourable senators to join me in voting in favour of this legislation. Our dairy sector and all Canadians are counting on us at this unprecedented time.

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

Hon. Senators: Agreed.

(Motion agreed to and bill read third time and passed.)

• (1600)

BUSINESS OF THE SENATE

The Hon. the Speaker: Pursuant to the order of earlier this day, I leave the chair for the Senate to be put into a Committee of the Whole in order to receive Karen Hogan respecting her appointment as Auditor General of Canada. The Honourable Senator Ringuette will chair the committee.

[*Translation*]

AUDITOR GENERAL

KAREN HOGAN RECEIVED IN COMMITTEE OF THE WHOLE

On the Order:

The Senate in Committee of the Whole in order to receive Ms. Karen Hogan respecting her appointment as Auditor General of Canada.

(The sitting of the Senate was suspended and put into Committee of the Whole, the Honourable Pierrette Ringuette in the chair.)

The Chair: Honourable senators, the Senate is resolved into a Committee of the Whole in order to receive Karen Hogan respecting her appointment as Auditor General of Canada.

Honourable senators, in a Committee of the Whole senators shall address the chair but need not stand. Under the Rules the speaking time is 10 minutes, including questions and answers, but, as ordered earlier today, if a senator does not use all of his or her time, the balance can be yielded to another senator. I would now invite the witness to enter.

(Pursuant to the Order of the Senate, Karen Hogan was escorted to a seat in the Senate chamber.)

The Chair: Welcome to the Senate. I would now ask you to make your opening remarks of at most five minutes.

[*English*]

Karen Hogan, Assistant Auditor General, Office of the Auditor General of Canada: Thank you, Madam Chair. Good afternoon to you and to all.

I am very honoured to stand before you today and humbled to think that I may be given the opportunity to serve my fellow Canadians as Auditor General of Canada. In my view, the role of the Auditor General is integral to the accountability portion of our democratic system of government.

The Auditor General provides Parliament and the three territorial legislatures with independent, objective, credible information and assurance about the stewardship of public funds. In other words, senators and elected officials can rely on the Auditor General to bring them independent information about how organizations are managing programs for Canadians.

[*Translation*]

The relationship between the Auditor General and the parliamentary institutions is based on trust. Ethics, integrity and independence are fundamental to my own values and are also at the heart of the work of the Auditor General. If I am appointed Auditor General, I will endeavour to serve Parliament to the best of my abilities.

I was born in Montreal, and that is where I started my career. I've been a chartered professional accountant for more than 25 years. My career has been split almost equally between the public and private sectors. I've worked at the Office of the Auditor General for nearly 14 years. The office appealed to me because of its leadership, the people who work there and the work that they do. I want to recognize past auditors general and the current Interim Auditor General, Sylvain Ricard.

[*English*]

I firmly believe in the importance of the institution and the value of its work. That work touches virtually every area of government programs, services and spending and as a result most, if not all the groups, both large and small, that make up this great country of ours.

In the past, our office has focused on national and regional issues that matter to parliamentarians and Canadians, whether economic, environmental or social. Some concerns cut so deep that we audit them repeatedly, such as Indigenous issues and climate change.

If I am appointed Auditor General, I will focus on issues of national importance, such as the government's infrastructure investments and COVID-19 spending. I will also focus on issues of regional impact, such as fisheries, and the oil and gas sector.

Recognizing the Senate's unique role as a voice for under-represented groups, the audits I would choose would focus on supporting the work of all parliamentarians.

[*Translation*]

I led performance audits at the government level for many years before moving on to mainly financial audits. For nearly seven years, I was responsible for auditing the consolidated financial statements of the Government of Canada, which is the country's biggest financial audit. In that role, I worked closely with Crown corporation and department officials to resolve sensitive and complex auditing problems.

Since I was able to experience auditing from the point of view of the auditor and of the person responsible for preparing the financial statements, I believe that I was particularly well placed to understand these organizations' challenges. Even though we did not always agree, particularly with regard to the government's approach for estimating its non-current liabilities, I believe that my analysis was fair and thorough. After several years of discussion with senior officials, changes were made that, in my opinion, enhance transparency and accountability with regard to pension obligations.

I was and continue to be inspired by the people working in the office. They are caring, clever, competent and extremely intelligent and professional individuals, who are always careful to meet high standards while contributing to a well-managed, responsible government.

[English]

It has been my privilege to work alongside these individuals and to have played a part in shaping the strategic direction of the office and leading organizational change. It would be an even greater honour now to have the opportunity to continue this work of guiding the organization to become an even better version of itself.

If I am appointed Auditor General, I will lead the office with empathy and compassion, with a focus on employees' well-being while inspiring them to deliver on the vision and mission of our office. I will also focus on modernizing how we work so that we can keep pace with significant shifts in the auditing world and the government landscape.

[Translation]

In closing, I would like to acknowledge the efforts of the many front-line workers and thank them for their dedication to Canadians during this global crisis. I also want to point out the ongoing dedication of the public servants who are supporting the country during this difficult time.

[English]

This concludes my opening remarks, Madam Chair.

[Translation]

I would be pleased to take questions from the honourable senators.

The Chair: Thank you, Ms. Hogan.

Senator Housakos: Welcome to the Senate of Canada, Ms. Hogan.

My first question has to do with the process around your appointment. Could you sum up the process you went through before coming before us today? When and how did you apply? What tests and interviews did you take and who conducted those interviews?

Ms. Hogan: I applied online through the Privy Council Office website. I knew that the position had to be filled because I was working at the office. I applied online in January.

• (1610)

I was invited for an interview on February 19. The interview committee consisted of six people. Following the interview, a few days later, I was invited to take psychometric tests. From time to time, a representative from the Privy Council Office called me to provide an update on the process. We confirmed in early March that I was still interested in the position. A few weeks later, because of the COVID-19 pandemic, I was told that the process was suspended since it was important for Parliament to be involved. Then I received a call from the minister on April 29 to inform me that I was the nominee for the Auditor General position.

Senator Housakos: That's good.

[English]

My next question concerns prudent use of taxpayer dollars at the end of the day. Particularly as an auditor, you know that your main obligation is to make sure Canadian taxpayers are getting a solid return on investment. I guess that's also the ultimate goal of Parliament in terms of our oversight.

Could you please tell me philosophically, if you believe that any auditor in any particular audit, what would be the ratio of an appropriate return on investment? For example, if someone is conducting an audit of a department or a body and you spent \$26 million or \$27 million on that audit, would a return of \$150,000 be considered an appropriate return on investment?

Ms. Hogan: Return on investment is a measure that is often used to gauge whether or not a smart investment was made by a corporation.

When it comes to an audit, the time it takes to make sure that you dig into the issues in the right fashion and provide some value to a corporation can't always be measured by just a simple return on investment and a monetary calculation. Proving accountability and transparency doesn't have a price tag, in my view. Any time we can improve that, we should make every effort to do so.

If I were appointed Auditor General, I would want to ensure that the recommendations that we would bring out of all our audits, whether they be financial or performance audits, would be focused on improving outcomes and ensuring that the government remains accountable and transparent.

Senator Housakos: I think that's very appropriate, but don't you think there still has to be some kind of monetary issue attached? At the end of the day, money is not infinite. If money was infinite, of course, then there wouldn't be an issue.

Ms. Hogan: Absolutely. It's finding the delicate balance between spending the time needed and finding that right return.

Honestly, once you've started an audit, it's important to make sure that you get to the bottom of what you've found. Any good auditor will tell you that once you've told me something, I can't ignore it, and I will make sure that I consider it when I weigh the pros and cons and make recommendations.

Senator Housakos: Here is my third question, Ms. Hogan: Earlier this week the interim Auditor General, Sylvain Ricard, appeared before the House of Commons Finance Committee and indicated that, as a result of the current government's refusal to provide adequate funding, the Auditor General's office will not be able to undertake any performance audits this year.

Normally, of course, the Auditor General conducts approximately 27 audits each year. Funding constraints had already reduced this to 14 previous audits a year, and now the interim Auditor General indicated there would be zero performance audits undertaken this year. In essence, the Auditor General has a legislated mandate to conduct performance audits but no money to do so, going back to my point, of course, that you need candy in order to play or you can't audit.

Could you provide some insight as to how you plan to address this problem? What is the role of the Auditor General's office if you don't have funding from the government to conduct your operations this year?

Ms. Hogan: I firmly believe that it's very important that the Office of the Auditor General be properly funded and resourced. The office plays a very important and key role in the accountability mechanism of our democratic institution.

When Mr. Ricard was at a committee earlier this week, he referred to needing to delay audits. He also mentioned, and I would remind you, that we have three chapters that were ready to be tabled in March. Unfortunately, we were unable to do so. So there is some work that would be ready to present to Parliament.

In the coming year, our efforts will be focused on investing in Canada and COVID-19. There will be some audits. If I am appointed Auditor General, those would be my two biggest priorities. I commit that I will do my best to get timely information to Parliament as soon as possible about those two initiatives.

Senator Housakos: Of course, we don't know how long these COVID programs will run, and inevitably and invariably, those audits would take place at the end of those programs.

Looking at the current funding situation problem that the Auditor General's office is facing, have we ever had any precedent of this nature in the past?

Ms. Hogan: To my knowledge, we haven't. I've been with the office for 14 years, and I don't recall us being in such a situation.

For the funding, I do believe it's important that we continue to have conversations, and I would be committed to discussing this with members of the Privy Council Office and the government in order to ensure that we get funding. Funding in the short term is important. What's even more important, in my mind, is setting up an independent funding mechanism to ensure that our office is able to have predictable, long-term funding. That mechanism, in needing to be independent, would obviously also include, in my view, a role for Parliament to make sure that we are held accountable to the funds that we spend.

Senator Housakos: Mr. Ricard also told the House of Commons Finance Committee:

Given the nature and extent of the work that we believe is required to conduct the audits of the Investing in Canada plan and the COVID-19 response, and in light of our limited resources, we had to revisit the timing for completing and reporting on our current and future performance audit work.

Can you please elaborate on the consequences of these delays in your office's ability to ensure financial accountability, which is, of course, your number one priority within the Government of Canada? How seriously do these delays impinge on your office's ability to carry out its mandate?

Ms. Hogan: Our office will be focused in the short term, and, obviously, probably in the medium term, on taking care of audits related to COVID and the Investing in Canada plan.

The audits that we originally had planned for in the fall, I believe, have been delayed indefinitely at this point because we felt it was very important to focus our resources on these two important audits that matter to Parliament and Canadians.

Obviously when you're unable to produce a larger volume of work, it takes away from the role of the office to support Parliament in holding government to account. So we will do our best to ensure that we can continue to get access to that funding, and it will be something that I will take very seriously should I be appointed.

Senator Housakos: You also have an ally in the Official Opposition, both in this chamber and the other chamber; we agree that accountability and transparency are important, regardless of which government is in power.

When the House of Commons asked the Auditor General to audit COVID-19 spending, the House of Commons also called upon the government to take such measures as are necessary to ensure that the Auditor General has sufficient resources to conduct the work on COVID-19 spending, on the audit infrastructure and special warrant audit. The audit of the \$187 billion infrastructure program is to be completed by January 29 of next year, and the audits of special warrants and COVID-19 programs is scheduled by June 1.

Given the current government's refusal to provide the funding —

The Chair: I'm sorry, Senator Housakos, your time has elapsed.

[Translation]

Senator Saint-Germain: Welcome, Ms. Hogan. Senator Renée Dupuis, from Quebec, and I have discussed some issues, and I have a few questions for you on behalf of us both.

As you said, you're applying for a job as an officer of Parliament. This is an extremely important job. That's why my first question is about your understanding of the parliamentary context. What power does the Senate have over its own governance and the exercise of its parliamentary privilege?

• (1620)

Ms. Hogan: The Senate is responsible for its own governance and for overseeing all of its expenses. Our office can conduct audits only if the Senate invites it to. It would be my pleasure to help you improve your accountability and oversight of your expenses.

Senator Saint-Germain: Thank you. I will give you an opportunity right now with the second question Senator Dupuis and I wanted to ask you, which has to do with the follow-up to the recommendations that came out of the Auditor General's report in 2015 on Senate expenses between April 1, 2011, and March 31, 2013. You noted significant problems and shortcomings related to oversight, accountability and transparency.

My question is twofold. First, are you aware of the remedial measures the Senate has taken since then to improve its governance? Second, one of your recommendations involved creating what the Auditor General called an independent, external body to audit the Senate. In light of the changes the Senate has made as a result of the 2015 report, are you of the opinion that an audit committee composed of senators and external members, who would meet primarily in public, would be better suited to this context than an entirely external body, as was proposed, given parliamentary privilege?

Ms. Hogan: Thank you for that clarification. I wasn't involved in the Senate audit at all. In preparation for today's appearance, I took the time to read the report, and I noted that the Senate has started to make changes in response to our recommendations. As for the independent committee, as an external auditor for whom independence is all-important, yes, in order for an audit to be objective, I believe that having independent members would allow any organization to ensure that it's under proper oversight and that the decision-making process is objective and independent.

Senator Saint-Germain: In the context of parliamentary privilege, do you think that a more suitable arrangement for the Senate would be a committee consisting of senators and external members, which would meet primarily in public? Do you think an adaptation like that would suit the Senate, as one of the two houses of Parliament?

Ms. Hogan: Taking into consideration the Senate's responsibility and its own governance, I can't offer an opinion on what you believe to be the best decision, but I encourage you to improve accountability and oversight. Also, as an external auditor, I think that independence is essential for accountability.

Senator Saint-Germain: Thank you.

[English]

Senator Coyle: Welcome to the Senate, and congratulations on your nomination to the position of Auditor General of Canada.

You have an impressive private and public sector professional and leadership background. I'm very thankful to see that someone of your calibre has put yourself forward for this extremely important and demanding role, especially during this historically difficult period for our country.

I have two questions for you this afternoon. When our former Auditor General, Mr. Ferguson, sat in your chair in the Senate back in 2011, Senator Nancy Ruth asked him a question regarding auditing the government's commitment to gender-based analysis. As you know, today's government has a commitment to gender-based analysis plus, an analytical process, which you well know, used to assess how diverse groups of women, men and non-binary people, taking into account the intersectionality of multiple identity factors, may experience policies, programs and initiatives.

Could you please tell us how familiar you are with the Government of Canada's performance in meeting that commitment? What would you do to build upon that?

Ms. Hogan: Unfortunately, I'm not that familiar with their performance. I haven't been part of any of the bodies of work that I know we've undertaken as an office in order to look at this issue.

Part of the role of the Auditor General is to ensure that the government follows the policies it sets and honours the commitments it makes.

In order to be able to answer your question, I would have to look into what the government has done. Should we decide to go back there, obviously that would be the angle we would take in making sure they have honoured the commitments they made.

Senator Coyle: Thank you very much. We'd love to hear more later.

My second question has to do with operating in a resource-constrained environment, again following up on the questions posed by Senator Housakos. As we all know, due to the COVID-19 pandemic, the rate and amounts of government expenditures have increased dramatically in order to urgently support Canadians.

We've heard mention — and it has been mentioned already here today — of resource constraints in your office prior to this pandemic. These may be exacerbated further in the future; we don't know. We hear that you will certainly advocate for the funding you will need. However, given that there may be further exacerbation of this resource constraint, what creative measures would you take to ensure you can still fulfill your role in providing Parliament with the information we will need to monitor government spending and program results, especially after this period of significant emergency spending?

Ms. Hogan: You are correct in noting that prior to the COVID-19 pandemic, we did have resource constraints and capacity issues as a result of increased government spending and the creation of new Crown corporations, which added to our workload and did not come with additional funding. COVID-19

has highlighted that we need to focus so many of our resources on delivering a product that will help parliamentarians hold the government to account for the spending during this pandemic.

The creative ways in which I could approach this — which I've started to explore, and will continue to do within our office — are that we could report information faster to Parliament so that we could hopefully encourage the government to take action sooner. We could explore real-time auditing instead of the traditional hindsight auditing. In that way, we could disseminate information sooner so that adjustments can be made as soon as possible to improve programs and delivery to Canadians.

Senator Coyle: Thank you very much.

[Translation]

Senator Carignan: First, I would like to congratulate you. It is nice to listen to a prospective auditor general who is bilingual. Can you explain how you see your role in relation to politics? You are an officer of Parliament. Should politics have an impact on your decisions and your recommendations? Should the political impact of your recommendations be considered?

Ms. Hogan: I am happy that I am bilingual. I must thank my parents for the gift of having me learn French when I was young. Thank you. As you mentioned, our office is an officer of Parliament. Two main characteristics of the Office of the Auditor General are independence and objectivity.

• (1630)

We therefore do not comment on politics or the government's decisions, but we must ensure that the government is adhering to its own policies. If I become the Auditor General, it will be very important for me to remain honest, to respect my values as a person of integrity and to examine every issue in an objective manner.

Senator Carignan: Your job is to investigate and conduct audits to ensure that Canadians' money is being well spent. This year, we've spent more than ever before in our country's history. The Parliamentary Budget Officer is saying it's about \$172 billion. Where will you start?

Ms. Hogan: As you mentioned, the COVID-19 pandemic involves a lot of spending. Once we received the recommendation to start the audit, we started planning. We're still in that process.

My first step would be to ensure that I understand the full extent of the spending, so that I can then communicate with the deputy ministers to find out their concerns and speak to parliamentarians to ensure that we can start auditing the most important sectors or the sectors where we could make a greater impact more quickly.

I believe that the post-COVID-19 audit will take more than a year. We still don't know whether there will be several reports or one large report. All of these decisions are yet to be made, but we will try to split it all into blocks that will be easier for us to manage and audit and for Canadians to understand, and that will enable us to work more effectively with parliamentarians.

[Ms. Hogan]

Senator Carignan: In response to Senator Housakos's question earlier regarding a cost-benefit analysis, you said that there wasn't really a cost-benefit ratio, that there wasn't necessarily minor spending and that you would examine the various aspects to ensure that best practices were followed. However, you just said that you would review whatever has the biggest financial impact. Do you see a contradiction there?

Ms. Hogan: I'm sorry; perhaps I didn't explain myself properly. What I meant to say is whatever has the greatest impact on Canadians. Obviously, sometimes that's where the most money is spent, but other times it's an essential service or program for Canadians. I would want to be sure to strike a balance between money spent and the impact that has on improving the lives of Canadians.

Senator Carignan: Normally, when you do your audit, you have to ensure that spending is done according to the directives, policies and parameters in place. How will you conduct your audit or your analyses if the directive is to spend money no matter what and fraud is no big deal?

Ms. Hogan: In planning any audit, as an auditor, we have to consider fraud or the risk of fraud and ensure that if the risk is high, the procedures are followed.

For COVID-19, the government acted quickly and just like in any organization when we act quickly, I expect there is a risk of error. As an auditor, I expect the departments to follow procedures to identify the errors and after adopting a good policy for addressing the errors, the departments will be able to recover the money with the help of some sort of mechanism.

I am thinking of the letter that the Secretary of the Treasury Board sent to the departments at the beginning of the COVID-19 crisis, saying that it was important to serve Canadians, but also to document decisions to ensure accountability. We will start there to ensure the decisions were made and well documented and ensure that monitoring was done as well.

Senator Carignan: Both the person being audited and the auditor could be teleworking and so how will you begin your audits given the constraints of distancing? This establishes certain limits on auditing and working.

Ms. Hogan: We have been working remotely for eight to nine weeks. In my experience, it takes a little longer for the person being audited and the auditor to obtain information. We have a lot of confidence in technology. We must be creative to ensure that we have the right documentation. We have to be patient and recognize that the people who are audited also have difficulty providing us with the information. It is not impossible to conduct an audit remotely. It is just a little more complicated and it takes more time.

Senator Carignan: You spoke a lot about documentation and the fact that everything must be well documented. Apart from the Treasury Board directive on the obligation to document, there is no mention of it in the act. As I recall, when we were reviewing the Access to Information Act, I had brought forward an amendment on the obligation to document. Does the fact that the

government is under no obligation to document its reasons when making a decision present an obstacle for you when doing your audits?

Ms. Hogan: We expect justification for decision-making to be documented in some way, shape or form, absolutely. If it isn't documented, it's really difficult to demonstrate that all decisions were made appropriately. So, yes, I would expect that if I were Auditor General.

Senator Carignan: That's great, thank you.

Senator Dalphond: Welcome to the Senate, Ms. Hogan. I believe you were born in Montreal, so I'm pleased to welcome another Montrealer here, in Ottawa, to an important position.

My first question is the following. Does the Office of the Auditor General plan to adapt its auditing principles to take the emergency assistance into account? I'm referring to the Canada Emergency Response Benefit, the Canada Emergency Student Benefit, and so on. All of these programs were designed to provide assistance to Canadians quickly, with as little red tape as possible. According to an internal memo reported in the media yesterday, public servants were apparently instructed not to do too many verifications. In your own verifications, will you adapt your audit principles to the operational reality of the pandemic, or will the normal principles apply?

Ms. Hogan: As I just said, when an organization makes a decision quickly, there's always a risk of error. Yes, we'll adapt to the fact that the normal processes were likely changed to take distance into account, for example that approvals were probably done electronically instead of through normal channels.

Departments must still have proof that their spending choices were prudent and that they complied with policies that support the sound management of public funds.

• (1640)

Senator Dalphond: Yesterday, the Prime Minister himself said that there are probably 200,000 people collecting the Canada Emergency Response Benefit who maybe shouldn't be. That's \$400 million in the first month of the program. Does the amount of money at stake justify a more thorough audit?

Ms. Hogan: It's very hard to say if that amount of money justifies a more thorough audit. All pandemic spending justifies a more thorough audit. Whenever we become aware of possible fraud, we have to investigate. We would expect departments to have processes and mechanisms in place to detect mistakes, follow up, make changes and, if necessary, recoup unwarranted payouts.

[English]

Senator Dalphond: My next question is about the fact that you have been with the Auditor General's office for about 14 years so far. It is a typical question I ask in interviews, but I'm going to ask it of you. You've been there for 14 years: What are the lessons learned? What should we do better?

Ms. Hogan: What are the lessons learned for our office and the government?

Senator Dalphond: For your office and for the government, of course.

Ms. Hogan: Our office is one with so many passionate individuals who are incredibly professional and strive to continue to push themselves towards further growth. That is probably the biggest lesson I have learned since I've been there; continuously challenging what we do in order to do it better, to provide better results and more value added to Parliament and Canadians. It is probably the one thing I've learned the most and what I really respect about our organization. I think that's something that translates to the government as well. We should all strive to do better and to make Canada better.

Senator M. Deacon: Thank you very much for being here. You can hear in the Senate today that we certainly have a variety of different experiences in domestic and international audits, auditors, oversight and developing common principles.

When I looked through your most impressive resume, I saw that you were involved in government-wide testing and the performance audit of the Phoenix payroll system. We know what happened with Phoenix and the untold hardship it has brought upon thousands of our public servants. In fact, our National Finance Committee visited the employees on Victoria Street in Miramichi to talk with them directly, and we gained some profound insight. From that and from your resume, building on experience, I'm interested in what lessons you learned from the Phoenix matter and audit, and how you would implement those kinds of learnings in your role as the Auditor General.

Ms. Hogan: As was mentioned in my opening statement, I was responsible for the audit of the consolidated financial statements of the Government of Canada for about seven years. Almost three of those included extensive, detailed testing related to Phoenix. I know a great deal of my audit team actually visited Miramichi. I want to say that it is extremely important to pay individuals in a timely fashion and in the accurate amount. That's true of any payment that is made by the government, whether it be old age security, EI, payroll. All amounts that the government pays should be done on time and in the correct amount.

What I learned from all those experiences is that major IT projects are always more complicated and difficult than anyone can envision, and that planning them properly and ensuring that there is good oversight and accountability is incredibly important. I have always firmly believed in telling it like it is and making sure that I provide accurate and comprehensive information to decision makers, and I believe that those are elements that we definitely saw needed to be improved.

If I'm appointed Auditor General, I would like to see our office get involved earlier with significant IT projects that the government is going to undertake. We know that there are many coming down the pipeline and that part of a good governance system should have some form of independent oversight, whether it be our office or established another way within departments that take on big IT projects.

Senator White: Congratulations on your nomination, it is good to see you here today.

On May 11, 2020, the *National Post* reported that an internal memo of Employment and Social Development Canada told its employees not to halt payment or trigger investigations for potential abuse in relation to CERB payments. It is my concern — and I have heard you speak about doing the COVID-19 funding audits — that I believe in the last number of years, there have been issues around the amount of funding that the Auditor General's office already has to conduct audits that you have already booked, and projected over the next three to seven years. Have you received a commitment for funding from the federal government to actually conduct future audits when it comes to COVID-19, as I think it will far exceed the budget that you have now?

Ms. Hogan: As I mentioned earlier, our office has been trying to seek a permanent addition to our funding for several years now. It started back in 2017. We received some money in 2018 and made another request in the most recent budget, which has not yet been tabled.

Funding in the short term is extremely important, but it's also important to make sure that we can have access to predictable, long-term funding. That funding should not rely on a department that we audit in order to gain access to that funding. I will be committed to trying to make sure our office can be a better resource and funded if I am appointed Auditor General. In parallel, I will continue to work on establishing an independent funding mechanism to ensure long-term funding for our organization to deliver on our mandate.

Senator White: Specifically in relation to the COVID-19 audits — which you made a commitment here to conducting, and I believe the government has probably made the same commitment — have they identified funding in any of the initiatives or announcements they made, or in discussions with the Auditor General's office in the last three months, that they would allocate funding for the audits of those programs?

Ms. Hogan: Not to my knowledge have I heard or am I aware of a commitment of such a fashion.

[Translation]

Senator Dagenais: Good afternoon, Ms. Hogan. I too would like to take this opportunity to congratulate you. As you said, you've been working for the Office of the Auditor General of Canada for almost 15 years. You're taking on this role right in the middle of the COVID-19 pandemic, and I'm sure you'll have plenty of opportunities to conduct audits, so we look forward to your findings.

It is my humble opinion that Canadians would like to know why Canada didn't have enough masks to handle a health crisis and how we're going to manage the billions being paid out to help businesses and individuals.

Given your extensive experience, what kind of impact do you think your reports have other than in the media? Are you satisfied with the changes made? Do you think people pay attention when you present your reports?

• (1650)

Ms. Hogan: Our reports have an impact and they're successful only if Parliament studies them and if the departments keep their commitments. The best way for Parliament to support our office is to study our reports and follow up with the departments.

On our side, I'd like us to continue following up with the departments on a more regular basis to ensure that they've kept their commitments.

Senator Dagenais: Thank you very much, Ms. Hogan.

[English]

Senator Harder: Ms. Hogan, welcome to the Senate. I congratulate you on your nomination.

I wanted to take a moment to reflect that the Auditor General appointment is for a good period of time — it's 10 years — and in the periods of which we have had various auditors general, we've had various priorities adjust and change as they reflect the changing circumstances and personalities of the auditors general. I'm thinking back to J. J. Macdonell, who is the first Auditor General I knew, which goes back a long way. J. J. Macdonell convinced the government of the day to move beyond simply financial compliance to introduce what he called value-for-money audits. At the time, the mandate was changed and value-for-money audits were incorporated in the mandate. He said, "I don't think this value-for-money audit should take more than 10% of our budget."

Forty-plus years later, of course, one audit told me it was 78% of the budget. I don't know what it is today. My point is that value-for-money audits have significantly changed the agenda of the Auditor General and the resource constraints or resource pressures.

There have been some outstanding observers of this. I'm thinking in particular of Donald Savoie, who is probably the leading Canadian expert on public administration and management. In one of his books, he comments on his growth of value for money and says:

... the media and opposition political parties are not about to challenge the work of the OAG, because it is not in their interest to do so. Best to keep spending public money on measures that contribute precious little, other than providing fuel for the blame game by challenging the work of the OAG.

In another book he says, "Officers of Parliament are different from parliamentary committees." And the Auditor General is, in many respects, amongst the primary officers of Parliament.

Savoie notes:

They work out of Ottawa and can focus exclusively on their mandates free of political considerations. They need not worry about oversight bodies challenging the quality of their work. Sharon Sutherland argues, for example, that the role of the Auditor General has been “flipped on its head” where parliamentary committees have become “stakeholders” and “clients” instead of “the source of [the office’s] role and authority.”

She asks the question: Who regulates the regulator?

I’m not expecting you to embrace the critiques of your office, but I would like you to comment on the exponential growth over this period of time in value-for-money audit processes. Would you at least commit to an independent review of value-for-money audit processes in your organizations to establish what the appropriate balance between financial compliance auditing and value-for-money auditing? It’s an easy question.

Ms. Hogan: I’ve got an answer. Right now, in our current context, our value-for-money auditing, as you call it, or performance auditing, does not occupy a great deal of our budget in that it is discretionary. A lot of our efforts, resources and our auditors are focused on the work that we must do in accordance with legislation, which is financial auditing and special examinations of Crown corporations.

You asked me about someone watching us and whether I would commit to that — absolutely. Our office is already audited by an external audit firm, so our financial statements are audited. Usually, once during every Auditor General’s mandate, the office commits to a peer review by other supreme audit institutes across the world to come in and look at all of our processes, which would include value for money.

I was there when the peer review occurred for Sheila Fraser, I was there with the peer review for Michael Ferguson, and if I was appointed Auditor General, we will have a peer review before the end of my mandate.

Senator Pate: Thank you very much for joining us. I want to express my thanks in particular to the Auditor General’s Office for the audits you have done of Correctional Service Canada over the years. It’s vital work.

When senators were debating Bill C-83 last year, we tried to remedy serious concerns about the lack of oversight of Correctional Service Canada, particularly because of the difficulty in obtaining accurate information about what is happening in Canada’s federal penitentiaries, since Corrections has control over what happens, what is documented and who has access to the information in and about prisons.

The risk this kind of culture presents to the Charter and human rights of individuals who are incarcerated, as well as of those who work in prisons, was reflected in your most recent report on Corrections regarding respect in the workplace. This report documented that two out of three Correctional Service Canada employees had significant concerns about their own organization’s culture, including whether individuals were held

accountable for their actions. Nearly half said they expected employees who made complaints about harassment, discrimination or violence to face reprisals.

One can only imagine how horrendous the situation is for prisoners given how managers and staff treat each other.

Please discuss how you would go about the future auditing of Corrections in particular, but also other agencies where there is a serious potential for information asymmetry and related challenges in holding the agency accountable. How would you propose to redress such power imbalances?

Ms. Hogan: Every organization has a culture. There are positives and benefits to every culture, and it is up to the leaders to create a safe environment in order that everyone can bring their best self to work. I’m a firm believer of that and it is part of the leadership style that I bring to our organization and one I think every leader should bring to their organization.

Obviously, as I mentioned earlier, if someone hasn’t documented or doesn’t have a record of why decisions are made or justification for those decisions, it makes it very difficult to then come in and ensure that they have acted with due regard to economy and efficiency and the environment. The focal point of the value-for-money-audit is to make sure those mechanisms are in place, but also to make sure that there are mechanisms in place to measure the outputs and the outcomes.

I would approach situations like that focusing on exactly that, on the outcomes, and ensuring that if we make recommendations, it isn’t to add process but to improve the outcomes and benefits and programs.

Senator Pate: I have another brief question. You mentioned in your opening comments your concerns about and commitment to advancing the interests of Indigenous peoples in this country. Despite the Criminal Code and Corrections and Conditional Release Act provisions, plus the Calls to Action of the Truth and Reconciliation Commission and the Calls for Justice of the National Inquiry into Missing and Murdered Indigenous Women and Girls to address the systemic inequality and reduce the numbers of Indigenous peoples in prisons, we know that has not occurred. In fact, as we sit here today, 30% of federal prisoners are Indigenous, and 42% of federally sentenced women are Indigenous.

• (1700)

I’m curious as to how you would go about auditing that — and you have looked at aspects of that or your agency has looked at aspects of that in the past — but how would you go about auditing the massive inequality and the choice to allocate resources in certain ways that actually do not follow the prescribed sections of the Criminal Code and Corrections and Conditional Release Act put in place precisely to help reduce the number of Indigenous prisoners?

Ms. Hogan: As you mentioned and I mentioned in my opening statement, the Indigenous population is definitely an area that our organization and the Office of the Auditor General is always

focused on. It was a priority for Ms. Fraser; it was a priority for Mr. Ferguson. In fact, he called the lack of action an “incomprehensible failure.”

If I am appointed and we go in to look at other Indigenous issues, I would start by looking at prior commitments and ensuring that action is being taken. I would encourage Parliament to hold organizations to account for actually delivering on those commitments.

Having been on both sides of the audit relationship, I can appreciate the need for an external auditor to really understand an organization and understand its difficulties in delivering on its mandate. Not having conducted many audits on Indigenous issues, I would personally start there, to make sure that I really understood the concerns and the pressures and then focus on coming up with recommendations that would improve the situation, and then hold departments to account to honour their commitments to fix things.

Senator Pate: Thank you. I wish you all the best.

Senator Dean: Thanks for joining us and congratulations on getting here.

In the short time that we’ve spent with you already, I know that you understand both sides of the job that you’re hopefully about to move into, the professional side of the country’s Auditor General and the CEO role, the leadership side of that job. That’s evident from what you’ve said already.

I want to explore very quickly the leadership part of it. You’ve mentioned values. You’ve mentioned some priorities. Could you tell us more about this? Having been around in the organization for 14 years, what are the things that you have decided already that you’d like to tackle, change and improve? In particular, I am interested in key values and priorities on the human resources side.

Ms. Hogan: I have been a part of the management team and leadership within the office for the entire 14 years I’ve been there — more recently on the executive committee. Our organization is so fortunate to have a very engaged executive committee that is very much focused on the individuals who work in our organization. It is truly the anchor point of my leadership skill to ensure that those around me succeed. That would absolutely be a focus of mine to promote the personal growth of everyone in our organization. Their growth only translates into better audits and better audits translates into better value for the country.

In terms of a couple of things that I would tackle right away, I would love to see us continue on the avenue we’ve started, and to keep pushing to modernize how we work. Not only our processes but also to modernize the way we approach audits, to keep pace with the change in the auditing environment. We do need an investment in our IT tools in order to better handle large data and to deal with disruptive technology that’s out there that would result in more efficient audits, whether it’s financial or performance audits.

[Ms. Hogan]

I would also like us to take a hard look — and I know we’ve started — at the way we communicate and the way we report. A long-form technical report is great for the technical subject matter experts, but there are so many other parties who are interested in our work and who would benefit from digesting it in different ways. So I’d really like to explore how we can go about doing that in order to reach more Canadians and in order to have a greater impact with the work that we do.

Senator Dean: Thank you.

Senator Ngo: Thank you, Ms. Hogan, and welcome here today.

The House of Commons has requested that the OAG undertake three special audits, an audit including the \$187 billion infrastructure program, an audit of special warrants and an audit of the COVID-19 economic response program. As we know, the government is spending a record amount of money to address COVID-19 and will probably continue to do so in the foreseeable future.

As the Auditor General’s office is insufficiently funded for normal times and given the magnitude of the COVID-19 economic response program, is there a possibility that the current level of funding will be insufficient for you to complete one or more of the audits?

Ms. Hogan: As you mentioned, we were asked to do three special audits. It’s my understanding that there have been no special warrants issued now. We have focused our efforts on the performance audit part of our organization toward investing in Canada and COVID-19.

As I mentioned earlier, in order to give those two significant audits the attention they deserve and to complete them properly, we have had to delay other work. So yes, our resourcing challenges are having an impact on us being able to bring a large, comprehensive body of work forward to Parliament in order to support its role in holding the government to account.

Senator Ngo: Mr. Ricard, when he was at the House of Commons committee of finance, said that the OAG had started to analyze the spending aspects of the program, such as those related to liquidity, supporting individuals and businesses, health and safety. He further mentioned that the OAG is looking into emergency response and preparedness measures for future waves of COVID-19 or other pandemics.

Will you, as the new AG, continue the work undertaken by Mr. Ricard, as he’s planning it, also with the possibility of the interim report, or will you look at analyzing differently with different aspects and elements putting in place new methods and measures to conduct the audit?

Ms. Hogan: As I mentioned previously, when we agreed to take on the audit of COVID-19 response, our organization put together a steering committee which is made up of many of the members of our executive, and I am one of them. So I have been sitting side by side with Mr. Ricard as we have been making decisions and starting to look at the scope of what is out there.

I am committed to getting information to Parliament as soon as we can. We're exploring what kinds of interim reports we can do, how many reports we can do, can we get smaller reports out sooner. We are not discarding any option as we sit down together as a steering committee to think about the best way to report this to Parliament so that you can start working with it and that Canadians can understand it.

Senator Ngo: I would like to continue following up with Senator Dalphond's questions regarding the accountability perspective of the CRA. He mentioned that the CRA said if you have the potential of fraud, forget it, just go ahead and look at that.

• (1710)

I would like to have your thoughts about this from the accountability perspective. If you are appointed, how will this affect the OAG's work in conducting the COVID-19 audit with regard to the CRA, and the Employment and Social Development Canada, since Mr. Ricard has already started to engage with public servants on the operation of the departments and agencies that are responsible for the programs being rolled out?

Ms. Hogan: Our organization has audited overpayments in the past. We've seen them in the EI system in the past and have made recommendations to the department to monitor that.

As I mentioned earlier, when any organization makes decisions quickly, errors can occur. We need to see that they have a mechanism to identify those errors and then a clear path on how to take action to fix them, including recouping funds if they were paid in error.

Senator Smith: Congratulations, Ms. Hogan.

I was one of the three people who dealt with the Auditor General and the staff when they did the audit of the Senate, which was quite an experience for us in here.

I've been listening to your words. You've mentioned getting information out before, as opposed to after. Modernize how we work. It would appear, just from listening to you, that you want to lead or be part of a cultural, I'm not going to say upheaval, but maybe a cultural modernization or a move forward. Technology would probably play an important part. At the time we did the audit with you folks on the Senate — I'm not sure how much technology was used as opposed to manual labour. I'm just wondering, in your mind, what will your legacy be as you see it? What would you like your legacy to be when the portrait is drawn, and you've had your time, and you've made your contribution to the Auditor General's role, taking into consideration a couple of those points that I've outlined, that I heard you tell us?

Ms. Hogan: Should I be appointed and when I look back at 10 years, I would hope that I was able to honour the legacy of the office but did exactly as you've characterized it — modernized how it works.

The auditing world is rapidly changing, as is our country. The current pandemic has just made it incredibly evident to everyone our reliance on IT. In order to keep pace with changes in the

auditing world, as well as changes in the government — the government has started to interact with Canadians in such a different way. Doing it online in so many other respects than face to face. And, yes, I would love to see that the organization has grown and changed, while still honouring the legacy that it brings to the accountability mechanism of our Parliament system.

Senator Smith: Do you have the allies within government to give you the type of funding that you may need? Do you have the quality of staff, of leaders, that will be working with you to be able to initiate what you would like to do?

Ms. Hogan: The quality of staff, of leaders? Absolutely. I have been sitting side by side at the executive table with some incredibly engaged and passionate individuals. We have started the wave, as you say, of changing the culture, and we are all on the same path. I am so excited to hopefully be able to continue to lead that charge with an excellent group side by side with me.

Over my years auditing the Government of Canada's financial statements, I have developed good relationships; collaborative and constructive relationships. I will continue to talk with those that Mr. Ferguson and Mr. Ricard have been talking to, in order to ensure that we get adequate resourcing and funding to continue to deliver on our mandate.

Senator Smith: Good luck with it because you will probably have the biggest challenges getting the money, in terms of convincing the people who need to be convinced that it's worth the investment.

Ms. Hogan: I'm ready for the challenge. Thank you.

Senator Smith: Good luck.

[Translation]

Senator Galvez: Welcome to the Senate, Ms. Hogan.

[English]

My colleagues have asked you about lessons learned. I want to be more specific in a couple of cases.

In 2008, there was a bailout of the auto industry that left Canadian taxpayers billions of dollars short. That money was never recouped.

The Auditor General, your office, concluded in a 2014 report that it was impossible for us to gain a complete picture of the assistance provided, the difference the assistance made to the viability of the companies, and the amounts recovered and lost, because there was no comprehensive reporting of the information to Parliament.

This time, with COVID-19, we're again going to use the EDC account and the Canada Account, where a big chunk of the funds are going.

Based on your experience on the previous bailout, what will you do the same and what will you do differently in order to get a better picture, a more realistic picture of the transparency and accountability of this massive amount of money that COVID-19 is putting forward?

Ms. Hogan: I know of the audit that you're talking about, but unfortunately I was not a part of it. So I don't really know the specifics of how they may have developed criteria and how they may have approached auditing it back then.

I do know how I would approach an audit now, in that I would follow our office process, which is extremely rigorous. We take time to understand the business. We take time to plan and to consider risks. We carry out procedures that will address that.

The cross-government view that we're starting to see, with how many programs are managed, is a new challenge. It's a new challenge to the government and to auditors. And a new challenge doesn't make it impossible. It makes it fun to try and get at it.

I would make sure that we went to every organization we needed to go to, every department we needed to talk to, in order to make sure that we got a good, accurate picture. But in the end, it is up to the individuals managing these programs to properly document and to properly support the decisions that they have made. If that doesn't exist, then it's very hard for us to conclude on it.

Those are just fundamentals to an audit. If we found that again, then we would obviously make recommendations for them to improve because our end goal is improving accountability and transparency.

Senator Galvez: I think the key words you mentioned were methodology and criteria and indicators. It is those indicators that will allow you to evaluate whether there was an efficient bailout, whether there was a recouping of the investment and whether there was transparency during the process.

In 2018, a report on the Canada Revenue Agency by the Office of the Auditor General found that the agency gave preferential treatment to rich individuals or large corporations as compared to ordinary Canadians.

The report stated:

For other taxpayers, such as those with offshore transactions, we found that the time frame to provide information was sometimes extended for months or even years. For example, banks and foreign countries could take months to provide information on the taxpayers' offshore transactions to the Agency or the taxpayer.

You will have to deal with other agencies. And you will have to rely on the efficiency of the transfer of the information.

[Senator Galvez]

• (1720)

Can you talk to me about some methodology, tactics or indicators that you would use in order to be able to do the job with the resources that you will be given? In the end, you will have to do your job with or without an increase in resources, so you will need to get creative. Could you please elaborate on that?

Ms. Hogan: I believe that this is where good collaborative relationships with the entities that we audit will come into play. Obviously, as you mentioned, we have to wait for organizations to give us the information that we request, and this is where we set out and agree on the criteria, deadlines and key milestones that we're going to make, and we hold each other to account, both from an auditee perspective and an auditor perspective. That helps move an audit along.

In terms of creative ways, given our resource constraints, this is where reliance on certain IT tools would help. This is where we understand where the risks are in a program that we might look at so we can really target our work to that area. It might not be as comprehensive as we would like, but if we can target the areas that would have the greatest impact and result in improvements to programs and service delivery, then that's what we'll have to do in these times with limited resources.

[Translation]

Senator Galvez: I commend your courage. If you're confirmed, you'll be the second woman to fill this position. I congratulate you on your bravery. Thank you.

Ms. Hogan: Thank you very much. It's an honour.

Senator Verner: Welcome, Ms. Hogan. I'll join my colleagues in congratulating you on being nominated and, of course, in wishing you every success in your new duties if you are appointed.

I want to take this opportunity to commend my fellow senators and the Senate as an institution for their unwavering commitment to openness and accountability. We have worked, and we are still working, to improve our initiatives pertaining to internal and external auditing and the proactive disclosure of our expenses. More recently, as my colleague Senator Saint-Germain mentioned, we formed an audit and oversight committee that will be composed of five members, specifically three senators and two independent, qualified external members.

The other place has no such committee, which leads me to ask you the following question: In May 2016, your predecessor, Michael Ferguson, told the CBC he was seeking a mandate to conduct routine audits of the Senate's expenses. In light of the multiple initiatives that our institution has implemented, don't you think that now it would be a better idea to seek a mandate to audit the expenses of our colleagues in the other place?

Some Hon. Senators: Hear, hear!

Ms. Hogan: An auditor is always pleased to learn that someone wants to improve accountability and oversight. Obviously, our office would feel privileged to audit any organization that invited us to do so. Absolutely.

Senator Verner: Thank you, Ms. Hogan. I will take note of that.

[*English*]

Senator Loffreda: Welcome to the Senate. As a CPA and former auditor, I'm glad to end this session. It brings back some great memories. I started my career as an auditor.

You mentioned that COVID-19 is a priority, and you discussed the strategy with the audit programs. Can you share some other risks or major areas of concern you see and that require proper oversight, audit and mitigation?

Ms. Hogan: I assume you mean not related to COVID-19, but just other areas in general.

Senator Loffreda: You did say COVID-19 was a priority. Given that the task of the audit mandate of COVID-19 is going to be huge — it's going to take a lot of resources and there has been a lot of concern around funding — do you feel you have adequate resources to take on further mandates? How will it affect the nature, extent and timing of these mandates?

Ms. Hogan: Our resource constraints right now are having a ripple effect on the organization, such as, as we mentioned earlier, the fact that we've had to delay some performance audits we'd like to do. We are also experiencing some delays in our financial work, so the impact of resource constraints has a ripple effect even beyond just some of our performance audit work.

In terms of other priorities I would like to see, I believe that when I look at what we're learning as a country and the reliance that we all have on being connected and IT infrastructure, I do believe that it's time to look at items like cybersecurity and internet connectivity again, especially in remote areas in the North.

However, those will have to wait, as you mentioned. I assume that COVID-19 will occupy a lot of resources and a great deal of my time, should I be appointed, for a few years. I wouldn't want to guess how long because I think that we need to make sure that we've looked at all the important areas in order to look at preparedness, actions taken during the crisis and, more importantly, to look at lessons learned so that as a government and as a country we can all be ready should we have to do something like this again.

Senator Loffreda: Thank you very much. Also, has the lack of funding affected, in general, the accounting personnel or the audit personnel needed or who were used in the past and will use going forward?

Also, are the internal controls of the government and the accounting systems up to date? There has been a lot of concern about the lack of funding and the ability to audit required areas. Is that your biggest challenge? If so, are you satisfied with what you have at your disposal at this point in time?

Ms. Hogan: Obviously, delaying some of our work or not being able to table some of our work has an impact on the morale of the individuals who work within our organization. They take

incredible pride in the work they do and the impact they have on the government and on Canadians. I hope the fact that we'll be able to look at something as important as COVID-19 will help.

When it comes to controls within the government, I would expect that there will be some modifications to controls. It is inevitable with the distancing that we're all dealing with and the need for us to adjust. Adjustments sometimes happen daily, sometimes weekly, but that doesn't mean controls need to go away. Controls are always needed in order to ensure that funds are spent prudently and that there's good authority over them. So even though they might change, I would expect that they will still exist.

Senator Loffreda: Thank you very much.

The Chair: Honourable senators, the committee has been sitting for 95 minutes. In conformity with the order of the Senate of earlier this day, I am obliged to interrupt proceedings so that the committee can report to the Senate.

Ms. Hogan, on behalf of all senators, thank you for joining us today.

Hon. Senators: Hear, hear!

The Chair: Honourable senators, is it agreed that the Committee rise and that I report to the Senate that the witness has been heard?

Hon. Senators: Agreed.

The Hon. the Speaker: Honourable senators, the sitting of the Senate is resumed.

• (1730)

[*Translation*]

REPORT OF THE COMMITTEE OF THE WHOLE

Hon. Pierrette Ringuette (The Hon. the Acting Speaker pro tempore): Honourable senators, the Committee of the Whole, authorized by the Senate to hear from Karen Hogan respecting her appointment as Auditor General of Canada, reports that it has heard from the said witness.

ROYAL ASSENT

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

RIDEAU HALL

May 15, 2020

Mr. Speaker:

I have the honour to inform you that the Right Honourable Julie Payette, Governor General of Canada, signified royal assent by written declaration to the bill listed in the Schedule to this letter on the 15th day of May, 2020, at 4:51 p.m.

Yours sincerely,

Assunta Di Lorenzo

Secretary to the Governor General and Herald Chancellor

The Honourable
The Speaker of the Senate
Ottawa

Bill Assented to Friday, May 15, 2020:

An Act to amend the Canadian Dairy Commission Act
(*Bill C-16, Chapter 8, 2020*)

AUDITOR GENERAL

MOTION TO APPROVE APPOINTMENT ADOPTED

Hon. Marc Gold (Government Representative in the Senate), pursuant to notice of earlier this day, moved:

That, in accordance with subsection 3(1) of the *Auditor General Act*, R.S.C. 1985, c. A-17, the Senate approve the appointment of Karen Hogan as Auditor General of Canada.

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

Hon. Senators: Agreed.

(Motion agreed to.)

ADJOURNMENT

MOTION ADOPTED

Hon. Raymonde Gagné (Legislative Deputy to the Government Representative in the Senate): Honourable senators, with leave of the Senate and notwithstanding rule 5-5(g), I move:

That, when the Senate next adjourns after the adoption of this motion, it do stand adjourned until Tuesday, June 2, 2020, at 2 p.m.

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.)

[*English*]

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, before calling upon Senator Gagné to move the adjournment of the Senate, I would like to recognize the importance of Parliament continuing at such a difficult time. We owe a considerable debt of gratitude to all those who help assure the realization of our work in this place, both physically in our chamber and virtually through our committees.

[*Translation*]

I know that I speak for all senators when I say that we appreciate their professionalism, dedication and support in these exceptional circumstances.

[*English*]

And to all those across the country on the front lines continuing to work to keep Canadians safe and healthy, and with access to the resources we need, our deepest thank you. We are with you every step of the way.

Happy long weekend colleagues, and to you and your families, stay safe.

(*At 5:35 p.m., the Senate was continued until Tuesday, June 2, 2020, at 2 p.m.*)

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