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OFFICIAL REPORT
(HANSARD)

Tuesday, June 18, 2024

The Honourable RAYMONDE GAGNÉ,
Speaker

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THE SENATE

Tuesday, June 18, 2024

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

Prayers.

SENATORS' STATEMENTS

PRIDE MONTH

Hon. Kim Pate: Honourable senators, happy Indigenous History Month and happy Pride Month! Let's reflect on how we must continue to preserve and promote equality and safeguard hard-won rights as we celebrate the rich potential that a diverse, inclusive and equal society could provide for all of us, especially for Indigenous, two-spirit and rainbow communities.

This year marks the fifty-fifth anniversary of the Stonewall Uprising, which catalyzed the gay liberation and Pride movement and was commemorated the following year by the first Pride march.

Two years ago, I had the privilege and responsibility of meeting and presenting with Martin Boyce, one of just a handful, colleagues, of surviving Stonewall riots activists.

We talked about when being open and public about whom you loved could result in being criminalized and imprisoned. Most of us remember the imperative of being closeted to avoid too often vicious victimization, stigmatization and vilification, and, worse, often brutal conversion approaches that resulted in violence, rape and even death. We talked about the personal struggles and challenges faced in society and the courts, as well as in our homes and workplaces.

Current rights were hard won; they were not freely given. Fundamental rights were suppressed by heterosexist systems that criminalized, marginalized, targeted, raided and attempted to exterminate 2SLGBTQIA+ folks. And despite the gains of recent decades, we are seeing the renewed attempts to suppress and oppress our rights and legal protections in Canada and around the globe.

The year I turned 10, same-sex sexual activities were decriminalized, but it took decades for social acceptance to follow. In my adolescence, most of us stayed closeted, except to those we trusted — people like my mentors and friends Jim Egan and Jack Nesbit.

Jim demonstrated grace and compassion while facing the vitriol heaped on him, Jack and their friends for being gay and — worse yet — out. Their fight was an incremental success but did not result in them being recognized as spouses.

This Pride Month, we can reflect on how far we have come since then, since the Stonewall Uprising, the gay purge of the military and public service and other struggles.

We can celebrate, too, that on July 20, 2005, Canada became the fourth country to legalize same-sex marriage and that, via organizations such as Rainbow Railroad, we now accept those escaping persecution internationally.

This Pride Month, let's all collectively commit to promote and safeguard the progress that we have made to ensure that Canada continues to accept, support and guarantee the safety of our community.

Chi-meegwetch, colleagues. Thank you.

[*Translation*]

INTERNATIONAL CELEBRATION OF ACADIAN CULTURE

Hon. Réjean Aucoin: Honourable colleagues, today I want to tell you about a major event taking place in my province from August 10 to 18, the Congrès mondial acadien.

This important celebration of Acadian culture, history and traditions will take place this year in southwestern Nova Scotia, in the Argyle and St. Mary's Bay regions that I talked to you about last week.

The Argyle region includes many small towns that would be happy to accommodate you during the congress: Surettes Island, Quinan, Wedgeport, Pubnico, Pointe-du-Sault and Amiraults Hill. This region, known as Cape Sable Island, was colonized by the French in 1740.

Ever since the first Congrès mondial acadien in 1994, this event has been a fixture for the Acadian community, which was scattered around the world during the deportation in 1755. It takes place every five years in various places with a significant Acadian presence, such as the Acadian peninsula, Louisiana, southeastern and northeastern New Brunswick and, this year, Nova Scotia.

This unique event brings together thousands of participants from all walks of life to spend time sharing, talking and strengthening the ties that bind them. The event's rich and varied program includes cultural activities, lectures, performances, exhibitions and official ceremonies.

Famed singer-songwriter Zachary Richard from Louisiana will give the opening address, and the Salebarbes, an Acadian band from the Magdalen Islands, will put on a show.

The Congrès mondial acadien, or CMA, is also an opportunity for the Acadian diaspora to reconnect with its roots. The family reunions, called "retours aux sources," are about sharing roots and traditions and enable participants to rediscover their family history, meet distant relatives and strengthen the sense of belonging to the great Acadian family; the Entremont, Muise, Eon, Amirault, Babineau, Granger, Léger, Gallant, Breaux and many other families will be there.

The CMA and National Acadian Day, celebrated on August 15, are our way of saying that even though the Acadian people no longer have a country, "we are still here," as author Antonine Maillet's la Sagouine so aptly says.

The CMA offers a forum for discussing contemporary issues, including the protection of linguistic rights, the economic development of Acadian regions and the promotion of cultural heritage.

Honourable senators, I invite you to come to Nova Scotia from August 10 to 18, 2024, to celebrate with me and my fellow citizens and enjoy the warm welcome that Acadians will give you. Thank you.

Hon. Senators: Hear, hear!

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Benjamin Moron-Puech. He is the guest of the Honourable Senator Cormier.

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

Hon. Senators: Hear, hear!

[*English*]

NATIONAL INDIGENOUS HISTORY MONTH

Hon. Judy A. White: Honourable senators, I rise today to recognize National Indigenous History Month. This month provides an opportunity for everyone across this country to learn about the cultures, traditions, customs and languages of First Nations, Inuit and Métis while reflecting on our shared history and its continued impact on Indigenous communities. The path towards true reconciliation requires raising awareness about Canada's colonial past and its relationships with and treatment of First Nations, Métis and Inuit people. Without facing these difficult truths, we cannot build a better and truly inclusive future.

June is also a time to celebrate the stories, accomplishments, courage and resilience of Indigenous peoples, who have lived on this land since time immemorial. It's a time to recognize the important economic, political, cultural and environmental contributions that Indigenous peoples continue to make through their leadership, activism and personal triumphs. In particular, I would highlight the need to learn from traditional knowledge and knowledge keepers in order to maintain valuable insights that can inform and improve our contemporary practices, including our relationship with the natural environment.

• (1410)

On a personal note, last week, I had the pleasure of co-hosting a celebration — with fellow Indigenous senators and our Speaker — for National Indigenous History Month on Parliament Hill. It was a truly wonderful evening, celebrating the rich and diverse cultures of First Nations, Métis and Inuit people through various performances, displays of art and, of course, food.

Colleagues, I would also like to take this moment to remind you that June 21 is National Indigenous Peoples Day. This day has been chosen due to its significance as the summer solstice and the longest day of the year. Accordingly, many Indigenous communities gather to celebrate their culture, customs and heritage on this day. In past years, I have had the joy of celebrating in my own community of Flat Bay through sunrise ceremonies, storytelling, song and dance.

In conclusion, I hope that all Canadians from coast to coast to coast will take some time this month to recognize and celebrate the history, heritage, resilience and diversity of First Nations, Inuit and Métis people across this country, while continuing to learn more about our collective past.

Wela'lin. Thank you.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Jim Cuddy, O.C., and Anne Lindsay. They are the guests of the Honourable Senator McBean.

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

Hon. Senators: Hear, hear!

JAMES GORDON CUDDY, O.C.

Hon. Marnie McBean: Honourable senators, I rise today to speak about the profound power of music.

Music has the ability to evoke emotions, create connections and influence culture. It transcends language barriers as it unites people across different backgrounds and experiences. More than just entertainment, music can inspire social change, foster community and act as a historical record.

Here with us today is someone who, through music and lyrics, has guided millions of Canadians through the past four decades. As the co-founder and lead vocalist of Blue Rodeo, Jim Cuddy is a towering figure and a cornerstone of our Canadian rock and country music landscapes.

While Jim's distinctive voice and heartfelt lyrics have earned him a dedicated following and critical acclaim, it's songwriting that sets him apart. He has crafted songs that resonate deeply with audiences. Hits like "Try," "5 Days in May" and "Lost Together" are anthems, showcasing his talent for capturing the complexities of human emotion. His music often reflects the Canadian experience, with themes of love, loss and the uniqueness of simply being Canadian.

Beyond his work with Blue Rodeo, Jim Cuddy continues to have a successful solo career, often backed by great musicians like Colin Cripps and Anne Lindsay.

Anne Lindsay has established herself as one of the most engaging and versatile instrumentalists in Canada. Her unique violin and fiddle style creates eclectic sounds that complement our country's rich cultural texture. When Anne plays, the same instrument can sound like a classical violin, an East Coast fiddle or an electric guitar.

Jim Cuddy's influence extends far beyond his recordings. He regularly uses his platform to champion the arts and emerging musical talents. He passionately supports our Canadian Armed Forces, amateur sport and countless other charities. He is literally tireless in his efforts to give back. I have been with him at multiple charity bike rides where, after riding over 100 kilometres, he hops off his bike and — with pitch perfection — plays a charity concert, thrilling thousands of exhausted riders.

In recognition of his artistry, dedication and advocacy, Jim Cuddy has received numerous awards, including 13 Juno Awards as a solo artist and 12 Junos with Blue Rodeo. He has been inducted into the Canadian Music Hall of Fame, and has been made an Officer of the Order of Canada.

And — announced just last week — Jim and his long-time Blue Rodeo bandmate Greg Keelor will be inducted into the Canadian Songwriters Hall of Fame. Apparently, this one is very special to them and so many others.

For all he has done for Canada, senators, please join me as I thank and congratulate my friend Jim Cuddy.

Hon. Senators: Hear, hear!

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Marion Bethel, Rapporteur of the United Nations Committee on the Elimination of Discrimination against Women. She is the guest of the Honourable Senator McPhedran.

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

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

STUDY ON ISSUES RELATING TO SECURITY AND DEFENCE IN THE ARCTIC

SIXTH REPORT OF NATIONAL SECURITY, DEFENCE AND VETERANS AFFAIRS COMMITTEE— GOVERNMENT RESPONSE TABLED

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I have the honour to table, in both official languages, the government response to the sixth report of the Standing Senate Committee on National Security, Defence and Veterans Affairs, entitled *Arctic Security Under Threat: Urgent needs in a changing geopolitical and environmental landscape*, deposited with the Clerk of the Senate on June 28, 2023.

(Pursuant to rule 12-23(4), this response and the original report are deemed referred to the Standing Senate Committee on National Security, Defence and Veterans Affairs.)

THE SENATE

NOTICE OF MOTION TO PHOTOGRAPH ROYAL ASSENT CEREMONY

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

> That authorized photographers be allowed in the Senate Chamber to photograph the next Royal Assent ceremony, with the least possible disruption of the proceedings.

[*Translation*]

CANADA-AFRICA PARLIAMENTARY ASSOCIATION

BILATERAL MISSION TO THE REPUBLIC OF CAMEROON, NOVEMBER 13-17, 2023—REPORT TABLED

Hon. Amina Gerba: Honourable senators, I have the honour to table, in both official languages, the report of the Canada-Africa Parliamentary Association concerning the Bilateral Mission to the Republic of Cameroon, held in Yaoundé, Cameroon, from November 13 to 17, 2023.

[*English*]

OBSERVATION MISSION ON THE MARGINS OF THE AFRICAN UNION SUMMIT IN ETHIOPIA AND BILATERAL MISSION TO THE UNITED REPUBLIC OF TANZANIA, FEBRUARY 16-23, 2024— REPORT TABLED

Hon. Amina Gerba: Honourable senators, I have the honour to table, in both official languages, the report of the Canada-Africa Parliamentary Association concerning the Observation Mission on the Margins of the African Union Summit in Ethiopia and the Bilateral Mission to the United Republic of Tanzania, held in Addis Ababa, Dar es Salaam, Dodoma et Zanzibar, from February 16 to 23, 2024.

[*Translation*]

ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Paul J. Massicotte: Honourable senators, with leave of the Senate and notwithstanding rule 5-5(a), I move:

> That the Standing Senate Committee on Energy, the Environment and Natural Resources be authorized to meet on Tuesday, June 18, 2024, at 6:30 p.m., even though the Senate may then be sitting, and that rule 12-18(1) be suspended in relation thereto.

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*]

QUESTION PERIOD

NATIONAL DEFENCE

CANADIAN ARMED FORCES

Hon. Donald Neil Plett (Leader of the Opposition): Leader, the Canadian Armed Forces personnel shortfall is about 16,000. Another 10,000 troops currently lack the adequate training to be deployed on missions. The naval trades in particular are woefully under strength. As we learned in December, leader, a marine technician leaves the navy every two days. People are leaving our military in droves. Recruitment is not keeping up with attrition. Those who are leaving are the experienced ones who have kept everything going, leader.

• (1420)

In March, the Trudeau government's Minister of National Defence said the forces are in "a death spiral" when it comes to recruitment and retention. That's a direct quote, leader, "a death spiral." What specific measures are being taken to turn this death spiral around?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question; it's an important one.

Our Armed Forces' success comes down to having engaged and resilient Armed Forces and the right members. That is why the government is looking at various ways to increase recruitment and retention now and into the future.

Last fall, the government released the Directive for Canadian Armed Forces Reconstitution and the Canadian Armed Forces Retention Strategy, and shared that permanent residents are now welcome to join the Canadian Armed Forces, or CAF. As the government seeks to grow our forces so they can continue to serve Canada, it has to draw from a broader pool of individuals. The government will continue to examine ways to do more to diversify and grow.

The new defence policy — to get to your question, senator — *Our North, Strong and Free* — makes significant investments in our forces, quite apart from the defence spending I've alluded to, including $100 million for CAF child care, $295 million for a housing strategy and much more to enhance the attraction of our forces to new recruits.

Senator Plett: Leader, I recently heard that as of last year, the entire Royal Canadian Air Force, or RCAF, might be down to fewer than 50 fighter pilots. There are ground crew shortages in the RCAF as well.

Would you make inquiries and tell us whether or not that information is correct, leader? If so, what, if anything, is the Trudeau government doing to address this specific problem?

Senator Gold: Although I can't confirm the actual numbers, we have a challenge in all aspects of our Armed Forces and, indeed, beyond our Armed Forces — the RCMP, as we know, and in other sectors that we rely upon so heavily.

The government is continuing to explore ways to not only increase recruitment but also, importantly, increase retention. I will certainly raise this with the minister.

[*Translation*]

FINANCE

COST OF LIVING

Hon. Claude Carignan: Leader, according to a report released this morning, visits in 2023 increased by 32%. There were two million visits per month, and monthly visits are expected to rise in 2024 by another million, for a total of more than three million visitors per month. I'm not talking about tourism in Montreal. I am talking about food banks, leader.

The organization estimates that 25% of Canadians are currently living below the poverty line. This is obviously the result of nine years of Justin Trudeau's policies. We will be voting this week on more inflationary budgets, specifically, Bill C-59 and Bill C-69. When will the government realize that the only thing its fiscal policies are doing is exacerbating poverty in Canada, and when will it follow our lead and bring in some common-sense policies?

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question. The numbers you shared with us aren't simply disappointing, they're downright unacceptable in a country like ours. The government recognizes the challenges facing Canadians. However, the government rejects your reasoning that its economic policies are to blame. What the government is doing, and will continue to do in its budgets, is to provide support not only to Canadians, individually, but also to organizations that provide assistance to our fellow Canadians in need.

Senator Carignan: Thank you. The International Monetary Fund has stated that, after increasing the capital gains tax, Canada should now increase the GST. Senator Gold, does your government intend to increase the GST, by how much, and when?

Senator Gold: Obviously, you were not here yesterday, or maybe you didn't like my answer. Yesterday, I answered that, according to my information, the government has no intention of raising the GST.

[*English*]

PUBLIC SAFETY

FIREARMS LEGISLATION

Hon. Marty Deacon: Senator Gold, late last year during our committee hearings on Bill C-21, Minister LeBlanc submitted in writing guarantees around sport shooting.

As our shooting athletes prepare for Paris 2024, I have certainly been challenged on this bill. Minister LeBlanc wrote:

> I want to assure the committee that consultations will take place to clearly establish the process for the elite sport shooter exemption. . . . This exemption must apply to those who are currently representing Canada, and those who are training . . . . There must be a pathway for the next generation.

My question today is this: Has the government established an exemption and regulations yet? If so, have any been granted for our athletes at every level of competition?

Hon. Marc Gold (Government Representative in the Senate): It's my understanding, senator, that the work is still under way for the regulations that are related to Bill C-21. However, I have every confidence that Minister LeBlanc will deliver on his commitment.

Senator M. Deacon: Thank you. Do you have a sense with the work being done when we can tell athletes that something will be in place to review?

Senator Gold: I'm not aware of the timeline, senator. I'll certainly raise this with the minister.

PRIVY COUNCIL OFFICE

SENATE APPOINTMENTS

Hon. Pat Duncan: My question is also for the Government Representative in the Senate.

Senator Gold, Nunavut has not had a senator since the retirement of our colleague Dennis Patterson. There are only two federal representatives for each territory. The need for full representation in the other place and here is critical.

Nunavut's two members of the Independent Advisory Board for Senate Appointments were appointed in February. Would you please provide us with a progress report on the appointment of a Nunavut senator?

Hon. Marc Gold (Government Representative in the Senate): Thank you for the question. Because of the nature of the process — which, as you know, is an open and transparent process, but one that is otherwise not one in which I am involved — I cannot give you a progress report with regard to your particular question.

My understanding, colleagues, is that most of the committees responsible for reviewing applications and making their recommendations have been established. Many, indeed, have completed their work.

I can also assure this chamber the government is both aware of and committed to filling vacancies in a timely manner, but, unfortunately, we'll have to wait for an announcement to know exactly when the senator will be appointed.

Senator Duncan: Senator Gold, with small populations spread over a large area, even one vacancy at a senior level can cause challenges. It makes public sector work difficult and challenging.

The Deputy Commissioner of Nunavut has not been appointed. The Chief Justice for Nunavut has also not been appointed. One vacancy at any level is essential for legislatures.

Can you advise on these appointments, or can you ask that they be moved to the top of the appointment pile?

Senator Gold: Thank you for your question and for underlining the importance — in Nunavut and, indeed, everywhere — of filling senior appointments in a timely fashion with the best people available. I'll certainly raise this with the minister.

[*Translation*]

CANADIAN HERITAGE

OFFICIAL LANGUAGES

Hon. Jean-Guy Dagenais: My question is for the Leader of the Government. I voted in favour of Bill C-13 on official languages because I wanted to give your government a chance to improve things. Unfortunately, I'm starting to regret that decision, especially when I learned this morning that, according

to Canada Post, mail carriers in Quebec are no longer required to speak French. First, it was the Governor General and then the Lieutenant Governor of New Brunswick who were not required to speak French in our supposedly bilingual country, now it is the mail carriers in Quebec. Imagine a resident of Bełœil, a town where over 95% of the population is francophone, being asked:

[*English*]

Would you please sign here to confirm the delivery of this letter?

[*Translation*]

What progress has been made in the enforcement of the Official Languages Act? Is this just another example of the little regard the Liberal government has for the use of French in this country, and especially in Quebec?

• (1430)

Hon. Marc Gold (Government Representative in the Senate): Honourable senator, for once, I have no problem with the premise of your question, which is completely legitimate, given the importance of our two official languages in Canada.

I believe that Bill C-13, which you mentioned at the start of your question, is an important step forward for people across the Canada whose mother tongue is French, not just for those living in minority language communities. That is not to say that there isn't work to be done to ensure that more Canadians, especially those in jobs where they have to answer questions from the public, are able to become fluent in French, and the government completely agrees with that view.

Senator Dagenais: Can you explain why French-speaking Quebecers shouldn't see this decision by Canada Post as another sign of the federal government's arrogance towards them? Who is going to make sure that their constitutional rights as a founding people are respected if your Prime Minister continues to shirk his responsibilities in relation to bilingualism?

Senator Gold: The Government of Canada is very proud of the efforts it has made to promote bilingualism in Canada, while respecting provincial jurisdictions, as every government must do. The government will continue to work on this important issue.

[*English*]

FINANCE

COST OF LIVING

Hon. Leo Housakos: Senator Gold, after nine years of Justin Trudeau, more and more Canadians are fleeing our country for the United States. Census data shows more than 126,000 people left Canada for the U.S. in 2022. That's a 70% increase from a decade ago. For those who can't do the math, that was the year before the spend-happy, scandal-ridden Prime Minister took office. Now your government thinks, "Let's drive even more Canadians away from home," with their latest job-killing, investment-killing tax. I'm sure you are going to tell me about all the wonderful things your government is doing, but at some point the cash dries up. Your government has already doubled rent, mortgage payments and down payments for Canadians. Your record deficits have driven interest rates sky-high, and food banks received a record 2 million visits in a single month last year with 1 million additional people expected in 2024. Are you seriously going to stand here and tell me that you're proud of all this?

Hon. Marc Gold (Government Representative in the Senate): I am seriously going to stand here and challenge your assumption that the federal government has doubled rent in Canada. With all due respect, for someone with a business background, that is an absurdity. The fact is, as any competent student, much less expert, in these matters knows, many factors — international factors and some domestic factors — combine to affect these matters in our day-to-day life. The fact is that inflation is coming down. It is within the targets now. More work needs to be done, and we hope Canadians will continue to look forward to some relief from the high interest rates that they have been exposed to in the post-pandemic period.

Senator Housakos: Inflation is still closer to 3% than 2%, Senator Gold. That's just a fact.

Senator Gold, it's not me or Pierre Poilievre saying this. After nine years of Justin Trudeau, Canada is on track for its ". . . worst decline in living standards in 40 years . . . ." That's from the Fraser Institute. Canada has experienced the worst growth in income per person under any prime minister since the 1930s. That's the *Financial Post*. Further, ". . . nine in 10 middle-class families now pay more . . . ." income tax than ever before. Again, that's from the Fraser Institute.

Senator Gold, even you can admit that Justin Trudeau is not worth the cost by your calculations.

Senator Gold: You are entitled to quote the sources you choose to quote, which are well known to many in this chamber — including the *Financial Post*, dare I say. To be very brief, if not blunt, Senator Housakos, I don't agree with your premise or your conclusions.

INFRASTRUCTURE AND COMMUNITIES

AFFORDABLE HOUSING

Hon. Yonah Martin (Deputy Leader of the Opposition): The facts that I will quote are from Statistics Canada. On Monday they reported that investment in residential housing construction was down again, falling 2.7% in April as compared to March. Single-family home construction investment fell by 4.7% and was down across almost every province and territory. Investment in multi-unit housing for families was also down in six provinces and one territory. Nine years after Prime Minister Trudeau promised to lower the cost of housing, rents and mortgages have doubled. In my province of B.C., people are living at highway rest stops in RVs or other vehicles as they cannot find housing.

Leader, with all of the billions of dollars for housing announced by your government, why is it getting worse, not better?

Senator Plett: Hear, hear.

Hon. Marc Gold (Government Representative in the Senate): I remember that when I moved to Vancouver in 1975 I paid more for a crummy apartment than I had ever paid in my life — before or after — and that was long before your government or this government.

The fact is that supply and demand in the housing market, as we all know, is a complicated matter. Clearly, I have no audience across the aisle for facts.

The fact remains that housing starts are up in my city and in other cities; they're down in others. Investment and capital follow opportunities, and those opportunities are a function of a myriad of things. Although it may not serve the talking points to which you now seem to be addicted, the facts remain facts regardless of rhetoric.

Senator Martin: This is not rhetoric, senator. It's from the Canada Mortgage and Housing Corporation, or CMHC, and from Statistics Canada. CMHC reported that despite an increase in May it expects downward pressure on housing starts for the rest of 2024.

Leader, if that's the case, the housing crisis won't improve any time soon. Does the Trudeau government agree with the CMHC's position?

Senator Plett: Shameful.

Senator Gold: The CMHC does important work in terms of projections and assisting Canadians. I believe all Canadians hope — and I hope your party does as well — that the situation will improve so that Canadians can have access to affordable and decent housing.

PRIVY COUNCIL OFFICE

SENATE APPOINTMENTS

Hon. Wanda Thomas Bernard: My question is for the Government Representative in the Senate.

Senator Gold, in the history of the Senate of Canada, only three Black Canadian men have served as senators. Two of them served very honourably. The Honourable Calvin Ruck served for two years, and many in this chamber will remember the Honourable Donald Oliver, who served for 23 years. Given that there are currently 10 vacancies in the Senate, we can safely assume that there may be some new Senate appointments during the summer months, and we know that representation matters.

Senator Gold, when can we expect to see another Black man appointed to this place?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question. I am not in a position to know who has applied in any of the provinces, nor how the committee's analysis of the applications has proceeded nor who may already be on a recommended list to the Prime Minister.

What I can say — and I say it with pride, which I hope we all share — is that this government, through its appointment process, has helped create the most diverse Senate in our country's history by any measure or metric, whether it's a diversity of competencies, national origin or the like. I have every confidence the government will continue to treat the importance of proper representative —

Senator Bernard: Thank you, Senator Gold. I would certainly agree with you that this is probably the most diverse the Senate has ever been. However, I'm running out of answers for my grandson who continually asks me, "Nanny, can a Black man be a senator?"

• (1440)

Senator Gold: It's a great question, and we want for the generations that follow us to be able to look not only at us, frankly, but at all those who have risen to positions of responsibility and prominence, and see themselves there.

In that regard, I share your hope and wish for your grandson. I hope he has an encouraging answer, but I just don't know when that will be.

FISHERIES AND OCEANS

SEAL PRODUCTS

Hon. Iris G. Petten: My question is for the Government Representative in the Senate.

Senator Gold, the European Union's ban on trade in seal products is being reviewed for the first time since it was put in place 15 years ago. This is good news. As quoted in our committee report entitled *Sealing the Future: A Call to Action*, Zoya Martin, Director, Fisheries and Sealing with the Government of Nunavut, said:

> There is a need for real and effective investment in an educational campaign in Canada, and worldwide, to correct the misinformation and the lies on sealing. . . .

The CBC article on the EU's seal ban review attributes a lack of information, along with misinformation, as the reasons for the ongoing ban. Those must also be addressed domestically.

Will the government commit to taking action on recommendation 5 of our seal report, which calls for a national education campaign?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question, senator, and for your advocacy on this subject.

The government is appreciative of the Senate and its study, and is actively reviewing the recommendations in the Senate report. I should add that the government recognizes that Canada has the opportunity to be a leader in the seal product industry, which is an industry that, as it grows, will bring prosperity to more and more fishing communities in this country.

Senator Petten: Senator Gold, will the government be providing a submission to the EU in support of repealing the ban, or will the government at least be supporting the territories' submissions in their efforts to repeal the ban in some way?

Senator Gold: Thank you.

Let me be clear: The government supports the growth of the Canadian seal products market and will take appropriate action to further that objective. It will continue to work closely with industry leaders, harvesters and Indigenous communities to explore opportunities to further develop the market for Canadian seal products.

CANADIAN HERITAGE

SERVICE CONTRACTS

Hon. Tony Loffreda: Senator Gold, my question focuses on the costs associated with cellphone plans.

Canada has historically been one of the most expensive places to own a cellphone. We know the government has made it a priority to help lower the costs of cellphone plans. Statistics Canada recently reported that costs have declined by 50% since 2018. At the twenty-third annual Canadian Telecom Summit on Monday, Minister Champagne said that we need to do a better job of informing people of these cheaper plans. It may not be the government's job to provide free promotion for our telecom companies, but some Canadians are financially struggling.

Would it not make sense for the government to promote these cost-saving measures and educate Canadians about these possibilities?

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

The government has certainly taken several actions to let Canadians know that there are now cheaper and better options for cellphone plans in Canada. Raising further awareness of the ways Canadians can save money on cellphone plans would certainly be welcome.

To that end, let me take a moment to highlight that the government has taken real action to lower the costs of cellphone plans by 25%. Indeed, that is a commitment that has now been surpassed. In December 2023, Statistics Canada reported that the costs of cellphone plans declined by 50% since December 2018.

Senator Loffreda: Does the government not agree that phone companies should allow Canadians to switch plans stress-free and penalty-free? Would it not also make sense for the companies to help consumers identify plans and deals in advance of the end of their contract?

Making cheaper plans available is not only part of the solution, but Canadians must be able to switch plans or providers without major financial penalties.

Senator Gold: The short answer is "yes." Canadians who want to switch to a cheaper internet or phone plan often encounter discouraging practices from telecom companies, such as cancellation fees, which can prevent Canadians from saving money, or long waits on the telephone with unlistenable muzak to entertain us.

That's why, in Budget 2024, the government proposes to introduce legislative amendments to the Telecommunications Act to prohibit service providers from charging consumers switching fees.

EMPLOYMENT AND SOCIAL DEVELOPMENT

NATIONAL SCHOOL FOOD PROGRAM

Hon. Sharon Burey: My question is for the Government Representative in the Senate of Canada and is in regard to the implementation of the national school food program.

We heard that there would be bilateral agreements with provinces and territories for funding transfers targeting implementation as early as the 2024-25 school year. Senator Gold, has the government signed agreements with provinces and territories for the national school food program as of now? If not, when do you expect those agreements to be signed?

Hon. Marc Gold (Government Representative in the Senate): Thank you for your question and for highlighting this very important program for children and their families.

I'm not aware of any signed agreements with the provinces and territories at this time. However, the government is working to ensure the program is rolled out as soon as possible. As mentioned in the budget, the federal government will work with provincial, territorial and Indigenous governments to deliver the national school food program, with support beginning as early as the 2024-25 school year.

Senator Burey: Senator Gold, last year 30 schools in Windsor-Essex County were on the waiting list for approval to Ontario's Student Nutrition Program. The national school food program is proposed to have an impact on over 400,000 students across Canada. The program's implementation is crucial for over 36,000 elementary school students in the Windsor-Essex region.

School food programs have a positive impact on school attendance, achievements and health outcomes. Our kids can't wait. Senator Gold, could you confirm the current number of schools in Canada that are awaiting approval, and what steps are being taken —

Senator Gold: Thank you for the question.

I'm not in a position to specify the number of schools that are waiting for approval through the provincial plans, Ontario's being one you mentioned, but I can say that the government is making every effort to roll this program out in partnership with the provincial, territorial and Indigenous governments. I have every confidence the government will deliver on its promise, as it has done, colleagues, with the early learning and child care agreements that were entered into.

GLOBAL AFFAIRS

ISLAMIC REVOLUTIONARY GUARD CORPS

Hon. Donald Neil Plett (Leader of the Opposition): Leader, shortly after the horrific October 7 attack on Israel by Hamas, Minister LeBlanc said he had asked his security officials to update their advice about listing Iran's Islamic Revolutionary Guard Corps as a terrorist entity. In January, at a ceremony to honour the victims of Flight PS752, the Prime Minister claimed his government would ". . . look for ways to responsibly list the IRGC as a terrorist organization."

Last week marked six years since a motion was passed in the House of Commons to list the IRGC immediately. Nothing has been done, leader. Why should Canadians see the Trudeau government's promises as anything more than empty words when they can't even fulfill that promise?

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

You're certainly right to underline the very deleterious role that Iran is playing in the world, not only with regard to the conflict in Gaza but in the north of Israel, as well as elsewhere, through its proxy, Hezbollah.

The government, as we know, has taken many steps to sanction an increasing number of officials associated with the Iranian government. As the Prime Minister said, the government is looking for ways to responsibly list the IRGC as a terrorist entity and is continuing to explore the appropriate ways to do so.

Senator Plett: Leader, yesterday, Senator Miville-Dechêne asked you for some basic information about the sanctions imposed upon Iran by your government. Have any assets been frozen? Have any people subject to sanctions been expelled from Canada? Your answer, as usual, didn't come close to answering the question, Senator Gold. Leader, if you don't know the answers to these questions, can you commit to getting them and tabling them in the Senate?

• (1450)

Senator Gold: How the government deals with individuals, organizations or activities within this country that are against the national interests are things that the government will pursue in the appropriate, responsible way.

ANSWERS TO ORDER PAPER QUESTION TABLED

AGRICULTURE AND AGRI-FOOD—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Agriculture and Agri-Food Canada, including the Canadian Pari-Mutuel Agency, Canadian Grain Commission and Farm Products Council of Canada.

ATLANTIC CANADA OPPORTUNITIES AGENCY—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Atlantic Canada Opportunities Agency.

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Canadian Northern Economic Development Agency.

NATIONAL REVENUE—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Canada Revenue Agency.

ECONOMIC DEVELOPMENT AGENCY OF CANADA FOR THE REGIONS OF QUEBEC—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Canada Economic Development for Quebec Regions.

FISHERIES, OCEANS AND THE CANADIAN COAST GUARD—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Fisheries and Oceans Canada, including Canadian Coast Guard.

INDIGENOUS SERVICES—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Indigenous Services Canada, including Indian Oil and Gas Canada.

NATIONAL DEFENCE—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — National Defence, Communications Security Establishment, Military Grievances External Review Committee, Military Police Complaints Commission and National Defence and Canadian Armed Forces Ombudsman.

ENVIRONMENT AND CLIMATE CHANGE—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Environment and Climate Change Canada, Impact Assessment Agency of Canada and Parks Canada.

EMPLOYMENT, WORKFORCE DEVELOPMENT AND OFFICIAL LANGUAGES—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Employment and Social Development Canada, Accessibility Standards Canada and Canadian Centre for Occupational Health and Safety.

FEDERAL ECONOMIC DEVELOPMENT AGENCY FOR SOUTHERN ONTARIO—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Federal Economic Development Agency for Southern Ontario.

FEDERAL ECONOMIC DEVELOPMENT AGENCY FOR NORTHERN ONTARIO—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Federal Economic Development Agency for Northern Ontario.

FINANCE—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Department of Finance Canada and Office of the Superintendent of Financial Institutions.

INTERNATIONAL DEVELOPMENT—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Global Affairs Canada and Invest in Canada.

HEALTH—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Health Canada, Public Health Agency of Canada, Canadian Food Inspection Agency, Canadian Institutes of Health Research and Patented Medicine Prices Review Board.

CROWN-INDIGENOUS RELATIONS—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Crown-Indigenous Relations and Northern Affairs Canada.

HOUSING, INFRASTRUCTURE AND COMMUNITIES—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Infrastructure Canada.

IMMIGRATION, REFUGEES AND CITIZENSHIP—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Immigration, Refugees and Citizenship Canada and Immigration and Refugee Board of Canada.

INNOVATION, SCIENCE AND INDUSTRY—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Innovation, Science and Economic Development Canada, including special operating agencies, Copyright Board of Canada, Canadian Space Agency, National Research Council Canada, Natural Sciences and Engineering Research Council of Canada, Social Sciences and Humanities Research Council of Canada and Statistics Canada.

JUSTICE AND ATTORNEY GENERAL—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Department of Justice, Canadian Human Rights Commission and Administrative Tribunals Support Service of Canada.

ENERGY AND NATURAL RESOURCES—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Natural Resources Canada, Canada Energy Regulator, Canadian Nuclear Safety Commission and Northern Pipeline Agency.

PACIFIC ECONOMIC DEVELOPMENT AGENCY—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Pacific Economic Development Canada.

CANADIAN HERITAGE—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Canadian Heritage, Canadian Radio-television and Telecommunications Commission, Library and Archives Canada, National Battlefields Commission and National Film Board of Canada.

PRIVY COUNCIL OFFICE—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Privy Council Office.

PUBLIC PROSECUTION SERVICE—GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Public Prosecution Service of Canada.

PRAIRIES ECONOMIC DEVELOPMENT—
GOVERNMENT ADVERTISING ON
FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Prairies Economic Development Canada.

PUBLIC SAFETY, DEMOCRATIC INSTITUTIONS AND
INTERGOVERNMENTAL AFFAIRS—GOVERNMENT ADVERTISING
ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Public Safety Canada, Canada Border Services Agency, Canadian Security Intelligence Service, Correctional Service of Canada, Parole Board of Canada and Royal Canadian Mounted Police.

PUBLIC SERVICES AND PROCUREMENT—
GOVERNMENT ADVERTISING ON
FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Public Services and Procurement Canada and Shared Services Canada.

WOMEN, GENDER EQUALITY AND YOUTH—
GOVERNMENT ADVERTISING ON
FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Women and Gender Equality Canada.

TREASURY BOARD—GOVERNMENT ADVERTISING ON FACEBOOK
AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Treasury Board of Canada Secretariat and Canada School of Public Service.

TRANSPORT—GOVERNMENT ADVERTISING ON FACEBOOK
AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Transport Canada and Canadian Transportation Agency.

PUBLIC SAFETY, DEMOCRATIC INSTITUTIONS
AND INTERGOVERNMENTAL AFFAIRS—
CANADIAN INTERGOVERNMENTAL CONFERENCE
SECRETARIAT—GOVERNMENT ADVERTISING
ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Canadian Intergovernmental Conference Secretariat.

EMERGENCY PREPAREDNESS—PUBLIC SERVICE COMMISSION—
TRANSPORTATION SAFETY BOARD—
GOVERNMENT ADVERTISING ON FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Public Service Commission of Canada and Transportation Safety Board of Canada.

VETERANS AFFAIRS—GOVERNMENT ADVERTISING ON
FACEBOOK AND INSTAGRAM

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate) tabled the response to Question No. 39, dated November 23, 2021, appearing on the *Order Paper and Notice Paper* in the name of the Honourable Senator Plett, regarding government advertising on Facebook and Instagram — Veterans Affairs Canada and Veterans Review and Appeal Board.

ORDERS OF THE DAY

BUSINESS OF THE SENATE

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, pursuant to rule 4-12(3), I would like to inform the Senate that as we proceed with Government Business, the Senate will address the items in the following order: consideration of the

twenty-fourth report of the Standing Senate Committee on Legal and Constitutional Affairs, followed by all remaining items in the order that they appear on the Order Paper.

MISCELLANEOUS STATUTE LAW AMENDMENT ACT, 2023

TWENTY-FOURTH REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE ADOPTED

The Senate proceeded to consideration of the twenty-fourth report of the Standing Senate Committee on Legal and Constitutional Affairs (*Bill S-17, An Act to correct certain anomalies, inconsistencies, out-dated terminology and errors and to deal with other matters of a non-controversial and uncomplicated nature in the Statutes and Regulations of Canada and to repeal certain provisions that have expired, lapsed or otherwise ceased to have effect, with amendments*), presented in the Senate on June 13, 2024.

Hon. Mobina S. B. Jaffer moved the adoption of the report.

She said: Honourable senators, I rise today as Chair of the Standing Senate Committee on Legal and Constitutional Affairs to speak about two amendments proposed in the committee's twenty-fourth report on Bill S-17, An Act to correct certain anomalies, inconsistencies, out-dated terminology and errors and to deal with other matters of a non-controversial and uncomplicated nature in the Statutes and Regulations of Canada and to repeal certain provisions that have expired, lapsed or otherwise ceased to have effect.

Bill S-17, or the "Miscellaneous Statute Law Amendment Act, 2023," was studied before our committee on June 12, 2024, in obedience to the order of reference of May 30, 2024.

[*Translation*]

This bill is part of the Miscellaneous Statute Law Amendment Program, whose purpose is to correct anomalies, inconsistencies, outdated terminology and errors that have crept into federal statutes.

[*English*]

Since its establishment in 1975, 12 miscellaneous statute law amendment acts have been passed, including the latest miscellaneous statute law amendment act in 2017. Bill S-17 is the thirteenth miscellaneous statute law amendment act.

[*Translation*]

As a reminder, the program provides an expedited process for facilitating the passage of minor, non-controversial amendments.

[*English*]

Honourable senators, a committee in each house of Parliament studies the proposals before a bill is introduced. The 2023 miscellaneous statute law amendment act proposals were studied by the Standing Senate Committee on Legal and Constitutional Affairs last October, and your committee tabled its twenty-first report on December 12, 2023, recommending certain proposals to be corrected, removed or withdrawn. The House of Commons Standing Committee on Justice and Human Rights also studied the proposal and made similar recommendations in February of this year. Bill S-17 was introduced in the Senate on March 19, 2024, and reflects the committee recommendations that followed the miscellaneous statute law amendment act proposal studies.

The original bill aimed to amend 58 federal statutes and 3 related regulations. Your committee held one meeting and heard from four Department of Justice officials as part of its study of Bill S-17. On the recommendation of justice officials, the committee deleted clauses 137 and 158 of the bill, which amended provisions of the Crimes Against Humanity and War Crimes Act and the Impact Assessment Act respectively. Amendments to these provisions are also included in Bill C-69, the "Budget Implementation Act, 2024," which was introduced after Bill S-17.

The justice officials noted during their testimony that since the introduction of Bill S-17, the Impact Assessment Act is also the subject of a separate amendment process via the current Bill C-69, "Budget Implementation Act, 2024," in response to a recent Supreme Court of Canada decision. Those Bill C-69 amendments would substantially amend section 69 of the Impact Assessment Act.

Bill C-69 also amends the Crimes Against Humanity and War Crimes Act. As a result, the Department of Justice Canada recommended that clauses 137 and 158 of Bill S-17 should be removed. As such, the committee was convinced that it was well warranted to remove these clauses from Bill S-17 in order to avoid potential inconsistencies or conflicting amendments with the provisions contained in Bill C-69.

Your committee adopted this report with these two amendments unanimously.

Thank you.

• (1500)

[*Translation*]

Hon. Claude Carignan: Honourable senators, I'm speaking today at the report stage of Bill S-17, whose short title is the "Miscellaneous Statute Law Amendment Act, 2023."

During his March 21 speech at second reading of Bill S-17, Senator Cotter said the following:

> I want to say, colleagues, that this is not the most exciting legislation that we will consider in this chamber.

Senator Cotter was right, so I'll be brief.

When I myself spoke at second reading, I insisted that Bill S-17 be studied in committee despite its very special nature. Indeed, this bill differs from other regular government bills in that the Minister of Justice must, in the case of a corrective bill, submit a draft bill to the Standing Senate Committee on Legal and Constitutional Affairs and the House of Commons Standing Committee on Justice and Human Rights for study. These committees studied the measures now contained in Bill S-17 before the bill was tabled on March 19. In all, these two

committees had just three meetings to study this bill, which contains 165 clauses and amends 58 statutes and three related regulations, making it a substantial bill all the same.

Colleagues, I insisted that Bill S-17 be studied in committee because I sincerely believe that the Senate must never shirk its obligation and its duty to push its reflection and its analysis of bills a little further and to provide sober second thought. Moreover, without the study of Bill S-17 in committee and its rapid passage at third reading, the two amendments mentioned by Senator Jaffer would probably not have been tabled and adopted, which, in the words of the committee's deputy chair, Senator Batters, would have posed a problem. She said, and I quote:

> If we had not studied it here, this bill may have already received Royal Assent and we would . . . have some of these unintended consequences with the Budget Implementation Act.

In my May 30 speech at second reading of Bill S-17, I raised some very specific and technical concerns about the bill, and our committee study enabled me to delve deeper into these questions and get some answers.

I was wondering about clause 141 of the bill, which proposes to amend subsection 48(3) of the Pest Control Products Act by replacing the term "dwelling house," or "maison d'habitation" in French, with the term "dwelling-place," or "local d'habitation" in French. However, a document from the Library of Parliament analysts states that the term "dwelling-place" does not seem to be a term that is used in English for "local d'habitation" in other statues. That is the case for section 109 of the Canada Marine Act and section 46.13 of the Pilotage Act, which are two provisions that are not included in Bill S-17, but were used for comparison.

I was also wondering what the difference is between a "dwelling house" or "maison d'habitation" and a "dwelling-place" or "local d'habitation," since the term "dwelling-house" or "maison d'habitation" is used in 23 provisions of the Criminal Code and is even defined in section 2. From what I understand, the term "dwelling-place" can be more broadly interpreted than the term "dwelling house" and, as a result, there is a need for a broader exception for inspections without a warrant under the Pest Control Products Act to protect the rights of individuals when it comes to the invasion of privacy and trespassing in the dwelling-place. This is an important question that we asked public officials to ensure that Bill S-17 does not cause confusion.

Based on the response I received, I was able to understand the logic of the government's reasoning. Still, I was perplexed about certain points. In fact, the purpose of this section is to harmonize the act's own corpus of provisions and ensure that terms are used consistently throughout the same act, in this case, the term "dwelling-place." Accordingly, a compartmentalized approach was taken to analyze the act, with a view to a vertical study. There was no consideration of terms and expressions used in other legislation, like the Criminal Code example. In my opinion, compartmentalized studies don't seem to produce compelling results.

Furthermore, this compartmentalized or siloed approach to analysis explains the two amendments adopted by the Standing Senate Committee on Legal and Constitutional Affairs. What other explanation could account for the fact that, in the space of 45 days, the government introduced two contradictory and opposing bills, which forced it to amend one of the two bills it had just introduced? A consistent, coordinated and horizontal approach would have avoided this kind of mess. Clearly, the government's right hand does not necessarily know what the left hand is doing. It's worrisome but true.

Nevertheless, I support the draft report of the Standing Senate Committee on Legal and Constitutional Affairs as well as the bill to be passed at third reading. I therefore ask you, colleagues, to support it as well. Thank you.

Some Hon. Senators: Hear, hear!

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

Hon. Senators: Agreed.

(Motion agreed to and report adopted.)

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

(On motion of Senator Cotter, bill, as amended, placed on the Orders of the Day for third reading at the next sitting of the Senate.)

FALL ECONOMIC STATEMENT IMPLEMENTATION BILL, 2023

THIRD READING—DEBATE ADJOURNED

On the Order:

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

Hon. Lucie Moncion: Honourable senators, it is my privilege to speak at third reading as sponsor of Bill C-59, An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28, 2023.

As you know, this legislative proposal would help stimulate the national economy by making life more affordable for Canadians. It would do so by creating conditions conducive to housing construction and generating quality jobs.

In this speech, I will first summarize the work of the Standing Senate Committee on National Finance, and then I'll address the measures I didn't have a chance to cover during second reading of the bill.

I would like to begin by taking the time to express my sincere thanks to the members of the National Finance Committee who, despite a busy schedule at the end of this session, conducted a diligent and rigorous study of a voluminous bill. Thank you, esteemed colleagues.

As part of its study, the National Finance Committee heard from several witnesses and reviewed briefs from numerous stakeholders, including the Business Council of Alberta, the Canadian Fuels Association, Ecojustice, the Canadian Association of Physicians for the Environment, the Centre québécois du droit de l'environnement, the Canadian Consumer Specialty Products Association, and the list goes on. It also heard from officials from the various departments affected by the bill, as well as the Canadian Chamber of Commerce.

The pre-study of the bill made it possible to identify the main issues and to better understand the various measures proposed.

When the bill was referred to committee following second reading, the committee focused on the measures that were amended in the House of Commons. In addition, one of the measures related to the section amending the Competition Act, specifically Division 6 of Part 5, raised concerns among certain stakeholders. The committee therefore paid particular attention to those concerns and to the potential consequences of the amendment in question.

[*English*]

Before diving into the details of this amendment and the discussion at committee, I will briefly outline the fundamentals of the competition regime and its functioning in Canada.

• (1510)

The federal Competition Act serves as an economic framework law designed to foster greater competition through civil and criminal provisions addressing various forms of harmful anti-competitive conduct in the marketplace. The act is administered and enforced by the Competition Bureau, an independent law enforcement agency dedicated to protecting and promoting competitive markets and enabling informed consumer choice.

In recent years, particularly following the government's consultation on the future of competition policy in Canada, initiated in late 2022, many stakeholders and members of the public have expressed concerns about increasing corporate concentration in Canada, rising prices and the disproportionate powers of corporate giants.

The changes brought forward by Bill C-59 are in carefully selected areas and can directly contribute to addressing these long-standing issues.

I would like to discuss the work of the House Standing Committee on Finance and address the concerns raised by stakeholders after the adoption of a set of amendments to clause 236 of the bill that aims to strengthen the fight against greenwashing. Some stakeholders expressed concerns, indicating that the added requirement based on internationally recognized methodology was too vague and lacked clarity in its definition. It is worth noting that a significant portion of the testimony presented at the House Standing Committee on Finance supported the enhancement of the criteria outlined in clause 236 of the bill. This approach was also consistent with briefs received by our Standing Senate Committee on National Finance, notably from the Canadian Association of Physicians for the Environment, the Centre québécois du droit de l'environnement and Ecojustice.

The Competition Bureau, in its testimony to the House Standing Committee on Finance, also addressed the importance of strengthening the criteria, recognizing the scale of the greenwashing problem in Canada. At the House Standing Committee on Finance, the initial set of proposed amendments brought forward drew on amendments advocated by environmental groups, expanding the provisions to include general environmental claims and requiring companies to publish evidence and proof of testing to substantiate the claim. A subamendment was then proposed to require organizations making environmental claims to produce testing for products or substantiation for general business activities only if challenged by the bureau, rather than making them available at the time of the claim, the objective being to avoid undue administrative burdens on small and medium-sized enterprises, or SMEs.

Therefore, the current set of amendments reflects balanced language that maintains the intent and directionality of the amendments but avoids any unintended consequences and burdens for the companies. A substantiation requirement protects competition by ensuring that consumers can trust the statements made about businesses and business activities.

It is also noteworthy that the amendment and subamendment to clause 236 adopted at the House Standing Committee on Finance reflect cross-party support and were subsequently passed unanimously at third reading in the House of Commons. A letter from the Competition Bureau sent to the Standing Senate Committee on Banking, Commerce and the Economy on May 31, 2024, and later to the Standing Senate Committee on National Finance, explicitly addresses the amendments in question. The bureau stated:

> Although we recommended further study, we respect the decision by the House of Commons Standing Committee on Finance to make amendments to Clause 236(1) on this important issue. As noted above, it took this decision after hearing from various stakeholders. The amendments were ultimately adopted unanimously by the House of Commons at third reading on May 28, 2024.

The letter continues, stating:

> In our view the proposed amendments to the Competition Act made in Bill C-59 represent a long-awaited and much-needed upgrade in our competition law framework that will better serve the needs of Canadians.

This letter and subsequent intervention from the bureau indicate that with the current language proposed in Bill C-59, Canada's independent competition authority is ready and equipped to fulfill its mandate to defend and protect Canadian consumers and foster a competitive and innovative marketplace in which Canadian businesses can thrive.

In this regard, the committee also heard at length from officials at Innovation, Science and Economic Development Canada. In their view, the introduction of the new concept of internationally recognized methodology in the greenwashing provision is not problematic, as the Competition Act is a principled market-independent framework. The general terms of the act are clarified first by the Competition Bureau through guidelines developed with stakeholders and then by the courts through case law.

More importantly, the Competition Bureau expressed its commitment to reviewing and developing guidelines to incorporate the amendments in Bill C-59, as well as in Bill C-56, following consultation with stakeholders.

[*Translation*]

The Competition Bureau will strive to implement a solid and predictable framework to ensure that the law is implemented fairly. It is common practice, particularly in competition law, to include in the legislation a broad, liberal, principles-based terminology that will later be defined and clarified by the Competition Bureau based on consultation.

Although the expression "internationally recognized methodology" may seem vague, if we interpret it according to the ordinary meaning of the words and based on the submissions from stakeholders, we can get a better idea of the legislator's intention here. For example, the stakeholders refer in their submissions to the methodologies used by the European Union.

To ensure Canada's competitiveness at the international level, it is essential that we adopt a legislative framework that provides the flexibility necessary to incorporate global advancements in environmental matters and adjust our guidelines, policies and regulations accordingly. This approach will enable us to stay on the cutting edge of best practices and remain responsive to the progress achieved elsewhere. Ultimately, this plays a vital role in our ability to remain competitive on the global market and ensure a prosperous future for Canada.

The committee made an important observation in response to stakeholders' concerns. I thank Senator Dalphond for proposing it, and I also commend Senator Gignac, who worked with him on this.

[*English*]

I also want to thank Senator Ross, who courageously proposed an amendment aimed at addressing this issue. I will now read the important observation adopted by the committee in its entirety:

> The Committee notes that a meaningful proportion of industry players active in Canada have made real efforts to support the move to a net-zero economy and to differentiate their products and firms on this basis. These legitimate efforts should not be deterred or impeded, for fears of the unintended consequences of the pursuit of greenwashing actions.
>
> Your committee believes that meaningful consultation by the Competition Bureau, to set out clear guidelines in this area, is important, and for any private right of action to be informed by such guidelines as to what may be considered deceptive in the area of environmental pursuits.
>
> Furthermore, while clause 236 (1) of Bill C-59 notes the importance of internationally recognized methodology to substantiate such claims, the Committee believes that the analysis should also include federal and other Canadian best practices, such as those set out by Environment and Climate Change Canada.

This observation, the interventions of the Competition Bureau following the adoption of the amendment and the work carried out by the Standing Senate Committee on National Finance should instill in us confidence that the bill contains all the necessary safeguards to ensure proper implementation, particularly regarding the section amending the Competition Act.

• (1520)

The amendments to the Competition Act in Bill C-59 are just one part of a broader legislative reform of the competition law regime in Canada. Initiated from a consultation led by a former colleague, former senator Howard Wetston, the Budget Implementation Act, 2022, No. 1, formerly Bill C-19, introduced several significant changes. Subsequently, Bill C-56 also proposed various amendments to the Excise Tax Act and the Competition Act, thereby fitting within the framework of this reform. Therefore, Bill C-59 represents the continuation of a long-awaited reform, built upon the work of our former colleague. I express my gratitude to former Senator Wetston for his tireless efforts. He has been a pioneering force in modernizing our competition regime in Canada.

Let's now move on to observations on affordability. This brings me to the second observation adopted by the committee concerning affordability, which is also important to mention. This observation highlights numerous provisions within the bill, encapsulating its spirit and purpose while emphasizing the significance of our dedication to realizing these objectives through concerted efforts. I thank Senator Pate for proposing the following observation, which was also adopted by the committee:

> Since the government has identified housing and food affordability as priorities in Bill C-59, it must ensure its policy decisions are supported by adequate implementation of the bill's proposed tax fairness measures and that they effectively address income security and inclusion for Canadians experiencing financial instability and most in need.

[*Translation*]

With respect to access to affordable housing and measures to improve the quality of life of Canadians, I would like to remind senators of some of the important measures in Bill C-59.

The bill would provide an investment tax credit for carbon capture, utilization and storage, as well as an investment tax credit for clean technologies.

These measures are designed to stimulate investment in order to create good jobs. They will position our country as a leader in attracting investment, while building a stronger, low-carbon economy.

The bill would temporarily remove the GST from the construction of new rental housing built for or by cooperative housing corporations that offer long-term rentals.

Bill C-56 implemented such a measure for new rental housing projects. The current bill goes even further to increase the new housing supply even more.

I will now address some of the measures that I did not have the opportunity to address in my speech at second reading.

Regarding the excessive interest and financing expenses limitation, part 1(a) of Part 1 of Bill C-59 introduces rules to limit excessive interest and financing expenses, known as the EIFEL rules. These rules are designed to prevent the erosion of the Canadian tax base through excessive interest deductions. They target large multinational corporations and are consistent with the recommendations of action 4 of the OECD's action plan on tax base erosion and profit shifting. By adopting these rules, Canada is harmonizing with its G7 international partners, including the United States, the United Kingdom and several European Union member states.

Regarding hybrid arrangements, part 1(b) of Part 1 of Bill C-59 also aims to prevent the erosion of Canada's tax base by neutralizing the tax advantages of hybrid arrangements. Hybrid arrangements are cross-border tax avoidance structures that exploit differences in the tax treatment of business entities or financial instruments under the laws of two or more jurisdictions, with the aim of generating deduction/non-inclusion mismatches or double-deduction mismatches. The former refers to a deduction in respect of a payment in one country without taxable income for the recipient in another, while the latter refers to deductions available in several countries in respect of a single expense.

By adopting these rules, Canada is harmonizing with its G20 international partners, including the United States, the United Kingdom and several European Union member states.

Let's turn now to intergenerational business transfers, something that Senator Forest really cared about. Part 1(d) of Part 1 of Bill C-59 aims to facilitate the intergenerational transfer of a business while protecting the integrity of the tax system.

You may recall Bill C-208, An Act to amend the Income Tax Act (transfer of small business or family farm or fishing corporation), which was passed by the Senate in June 2021 and received Royal Assent on June 29, 2021. The rules introduced by Bill C-208 contain ineffective safeguards and apply in the absence of a legitimate transfer to the next generation. Bill C-59 aims to correct these shortcomings, while retaining the spirit and intent of the bill.

More specifically, Bill C-59 would ensure that the exception to the anti-surplus stripping rule only applies when a genuine intergenerational business transfer takes place.

To offer some flexibility to taxpayers interested in undertaking a genuine intergenerational transfer, two options are available: Either an immediate transfer over three years based on arm's length conditions of sale, or a gradual transfer over five to ten years based on the traditional characteristics of estate freezing. Immediate transfers offer greater certainty earlier in the process, but entail more stringent conditions, whereas the progressive transfer approach offers added flexibility.

Let's now turn to the sharing of confidential taxpayer information for the purposes of the Canadian Dental Care Plan. Part 1(o) of Part 1 of Bill C-59 seeks to change the tax law to give Public Services and Procurement Canada access to confidential taxpayer information so as to help implement the permanent Canadian Dental Care Plan. Employment and Social Development Canada will be able to retain the services of Public Services and Procurement Canada to help administer the Canadian Dental Care Plan.

Senators will recall that the government's plan includes the Canada Dental Benefit, which gives families with incomes below $90,000 direct payments of up to $1,300 per child under the age of 12 years, over the next two years, to cover their dental care costs.

Employee ownership trusts are Senator Omidvar's special initiative. Part (q) of Part 1 of Bill C-59 aims to establish a standard framework for what constitutes an employee ownership trust and its associated tax treatment. These rules define which employees qualify as beneficiaries of an employee ownership trust, or EOT, and their rights to receive distributions from the trust and to vote on the trust's basic affairs. It also contains provisions to prevent former owners of the company from participating as beneficiaries or exercising undue influence on the governance of the EOT.

Regarding federal financial institutions, Division 1 of Part 5 of Bill C-59 would introduce legislative amendments to allow federal financial institutions to hold virtual-only shareholder meetings, and to allow the introduction of conditions guaranteeing adequate participation.

This amendment would align the laws governing financial institutions with the Canada Business Corporations Act, which allows federally incorporated companies to hold virtual-only shareholder meetings.

Division 5 of Part 5 of the bill amends the Canadian Payments Act to extend eligibility for membership in Payments Canada to three types of regulated entities, specifically payment service providers supervised under the Retail Payment Activities Act, local credit unions that are members of a central cooperative credit society, and operators of clearing houses designated under the Payment Clearing and Settlement Act and supervised by the Bank of Canada.

This measure will enable local credit unions and payment service providers to access Payments Canada systems, thus improving their electronic payment services and offering faster, more predictable transfers to and from unaffiliated accounts. It also demonstrates progress towards stakeholder-supported payments modernization.

• (1530)

[*English*]

Public post-secondary educational institution insolvency is my project. In Division 7 of Part 5, the government is proposing to amend the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act to exclude public post-secondary educational institutions from becoming subject to proceedings under these laws. The government has engaged with provinces and territories and sought feedback from universities, colleges, experts, lenders and other post-secondary education stakeholders to explore ways to better protect the public interest functions of post-secondary educational institutions in insolvency and restructuring situations.

The amendments propose preventative solutions to financial distress that consider the important public interest functions of these institutions, as well as the provincial and territorial jurisdictions over post-secondary education.

I will now speak on Division 8 of Part 5, which concerns money laundering, terrorist financing and sanctions evasion. The government is committed to maintaining a robust anti-money laundering and anti-terrorist financing, or AML/ATF, regime to protect Canadians and the financial system's integrity. The *2023 Fall Economic Statement* proposed several legislative amendments to strengthen this framework.

In a nutshell, Bill C-59 proposes the following changes:

On sanctions evasion, it amends the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, or PCMLTFA, to enable the Financial Transactions and Reports Analysis Centre of Canada, or FINTRAC, to combat sanctions evasion and to disclose findings to law enforcement.

On operational effectiveness, it amends the Criminal Code to target third party money laundering, update crime-related search and seizure provisions, and adopt financial data production orders for digital assets.

On trade-based money laundering, it amends the PCMLTFA and the Customs Act to enhance the Canada Border Services Agency's authority to regulate trader compliance and enforce laws.

On white label ATMs, it broadens the PCMLTFA framework to include intermediary companies offering cash withdrawal services for white label ATMs.

On environmental crime, it amends the PCMLTFA to allow FINTRAC to share intelligence with Environment and Climate Change Canada and Fisheries and Oceans Canada.

On strategic intelligence, it improves FINTRAC's intelligence products by listing foreign entities and addressing technical inconsistencies.

These measures will improve the AML/ATF regime and help modernize financial crime prevention.

[*Translation*]

Division 9 of Part 5 of Bill C-59 seeks to amend the Federal-Provincial Fiscal Arrangements Act to clarify the government's intention to publish details regarding payments related to the major transfer programs in order to meet its publishing obligations. This will give Canadians access to detailed and up-to-date information on equalization payments and the other major transfers to the provinces and territories.

Division 10 of Part 5 of Bill C-59 makes adjustments to the composition of the board of directors of the Public Sector Pension Investment Board and to the process for recalling funds. Under the new version, the number of directors would increase from 11 to 13, and the two new seats would be occupied by labour representatives.

Honourable senators, Bill C-59 advances key components of the government's economic plan by delivering on the main elements of the 2023 Fall Economic Statement. It represents a significant step toward achieving our economic objectives and it strengthens our commitment to the prosperity and well-being of all Canadians.

The number of projects that I spoke to you about today gives you a good idea of the scope of this bill and the elements it contains.

With that, I thank you for your attention.

Hon. Clément Gignac: Will Senator Moncion take a question?

Senator Moncion: With pleasure.

Senator Gignac: Colleague, thank you for your leadership on this file. Thank you as well for your open-mindedness when we come to you voicing our concerns and looking for reassurance.

One of the tax measures in this bill that concerns me a great deal relates to the 3% tax on digital services. Although the Minister of Finance tabled a notice of ways and means motion in

December 2021, it took almost two and a half years before a bill was introduced. I think the minister wanted to negotiate a multilateral agreement with other OECD countries, but that did not work out. As a result, companies are being charged a 3% tax, retroactive over two years. To the extent that the businesses involved are large American companies, like Netflix and Disney, which boast 30% profit margins, no one is shedding any tears for them. However, for smaller businesses, like travel agencies, which have a 6% profit margin, a 3% retroactive tax could hurt.

Given that the American ambassador to Canada has warned our government that it is embarking on something contentious — he even used the words "big fight" when talking about what could happen — can you give us some reassurance, especially on the verge of a change in Washington? Do you have any guarantees that all these measures will not be challenged and that, ultimately, we will not be forced to amend this bill?

Senator Moncion: Thank you for the question, Senator Gignac. You're asking me to give you guarantees. I can never give you any guarantees, either as a senator or from a decision-making standpoint.

Thank you for reminding us of the chronology of events. The digital services tax was announced in the fall of 2020. At that time, a sort of agreement was reached whereby the government would try to negotiate with the various companies to reach an agreement. In October 2021, the government postponed the imposition of the digital services tax until late 2023. At the end of 2023, the government presented its economic statement for 2023 and announced its plans. This gave businesses time to begin setting aside funds to pay this tax.

In the meantime, given the absence of a firm timeline for implementing pillar 1, and since other countries continue to collect the tax — because other countries have this tax in place — the government said it would protect Canadians by ensuring that companies pay their fair share of taxes. That is what we heard. The bill, published in draft form in December 2021, with amendments made in December 2023, comes into effect on January 1.

I cannot give you any guarantees, and I just gave you the chronology of events. Businesses could get ready. This may affect the negotiations with the government and the government is the one that will have to deal with those businesses on the basis of this situation when negotiations are held. We know that intimidation tactics can be used during negotiations to get a government to back down in situations like this. However, I believe that the government is well placed to negotiate an agreement that could eventually be acceptable for both countries, regardless of who is leading the country.

Senator Gignac: Thank you for your reply. I understand that you can't offer any guarantees. I'm sure you will agree that the way things are being done now is definitely not great. For a bill to be introduced so long after a notice of ways and means motion is not ideal. Yes, companies were aware of this, but when I read what was published at the time, it said that, in the meantime, the government would do this and didn't intend to introduce anything before 2024, but hoped to negotiate a treaty with the other OECD countries.

If I understand correctly, companies like Expedia and Booking were supposed to have set aside money or collected a 3% tax in case the government went ahead with the bill if talks with other OECD countries didn't work out. That's not an easy thing for companies to do given the delay between tabling a ways and means motion and introducing the bill. When a bill is introduced, lawmakers can debate it, hear witnesses, submit amendments and take action. With a ways and means motion, people can take notes, but things can change.

Do you agree that this way of proceeding is not ideal and is detrimental to businesses?

• (1540)

Senator Moncion: Thank you for the question, senator.

We can debate about how this might not be the ideal approach, but it is the approach that the current government decided to take.

From what we have seen from the negotiations with Australia and Europe, there were delays in the negotiations, but in the end the parties came to an agreement and found some common ground. I think that Canada is at that point with its American partner.

This may not be ideal, but you're a banker, just as I was, and you know that we had no choice but to include provisions for all sorts of scenarios and contingencies. I would imagine that the businesses that do their accounting properly and that know that such contingencies exist must put money away to prepare for such situations.

Hon. Rosa Galvez: Honourable senators, I rise today in this chamber to speak to Bill C-59, the Fall Economic Statement Implementation Act, 2023.

I will focus my remarks on clause 236, which amends the Competition Act, and on the importance of these changes.

[*English*]

More and more, we are seeing environmental legislation added to budget bills, and Bill C-59 is not an exception. This is because climate- and nature-related risks are associated with significant costs to Canadians. Addressing issues of environmental pollution and global warming while we transition to a low-carbon economy requires a whole-of-government approach, one that uses environmental levers as part of a horizontal approach to policy development and legislation.

Indeed, given the climate and overlapping, cascading crises, and the fact that Canada is progressing neither with greenhouse gas emissions reduction nor with reduction of pollution, the federal government must do more to protect Canadians.

Since 1990, after the implementation of more than 10 climate change mitigation plans, Canada has yet to reach its climate targets or succeed in achieving its emissions reduction targets.

The United Nations notes, and it is clear, that:

> Greenwashing undermines credible efforts to reduce emissions and address the climate crisis. Through deceptive marketing and false claims of sustainability, greenwashing misleads consumers, investors —

— responsible investors —

> . . . hampering the trust, ambition, and action needed to bring about global change and secure a sustainable planet.

Division 6 of Part 5 of Bill C-59 contains measures to modernize Canada's competition framework by proposing amendments to the Competition Act. The provision as amended was adopted unanimously in the other place. I encourage you, colleagues, to vote for Bill C-59 as amended by the elected chamber and accept the report with the observations of the National Finance Committee.

The Competition Bureau has long had the ability to enforce against greenwashing, that is, false or misleading representations of the benefits of a product toward the environment that are not based on proper and adequate testing. However, the existing provisions could capture only few greenwashing claims and, most importantly, did not require firms to have evidence to back some of the environmental claims. This has limited the power of the Competition Bureau to effectively enforce against greenwashing.

In Canada, greenwashing unfortunately is a systemic issue. Just last week at the House of Commons Standing Committee on Environment and Sustainable Development, it was made clear that Canadian banks, while claiming to be on the path to net zero, are investing more in fossil fuels compared to renewables. They favour fossil fuel investments over clean energy at the ratio of almost 4 to 1, even though these investment ratios should be exactly the opposite. These investments should be effective before 2030 if we hope to achieve a 1.5 °C scenario.

The same committee at the other place met with the Pathways Alliance, a coalition of six companies representing 95% of oil sands production in Canada. This group advertised their net-zero 2050 goals and lobbied the government to approve and subsidize a carbon capture and sequestration project. This, they claim, will help them achieve net-zero emissions despite several scientists raising concerns about the scientific validity of this technology.

Indeed, according to a joint report of the U.S. Senate Budget Committee and the House Committee on Oversight released just last April, oil companies' massive public-facing campaigns portray carbon capture and storage as a viable and available solution to allow them to continue increasing their greenhouse gas emissions while they internally acknowledge that they are not planning to deploy the technology at the scale needed to solve the climate crisis.

The U.S. report also finds that "the industry's true goal is to prolong, perhaps indefinitely, the unabated use of fossil fuels." Based on these facts, are we surprised that one of our five big banks and the Pathways Alliance are the subject of the investigation by the Competition Bureau or that the Pathways Alliance lobbied to amend this clause of Bill C-59?

Greenwashing can give a company an unfair advantage, allowing them to continue business-as-usual polluting practices while benefiting from deceptive claims of environmental stewardship. This can make it more difficult for responsible business corporations that are not greenwashing and that are, in fact, doing the hard work required to stand out in the marketplace.

Over time, greenwashing has eroded consumer faith, which makes consumers more likely to dismiss environmental claims, even those that are, in fact, legitimate.

A 2023 report revealed that 57% of Canadian consumers do not believe most green claims brands make. Thus, companies are likely to gain an advantage by closing the perception gap and validating their sustainability and environmental claims.

Even more concerning is that companies producing greenwashed products or running greenwashed businesses and facilities also have a history of locating these polluting businesses in equity-deserving communities, including low-income and racialized communities and, of course, Indigenous people's lands. Greenwashing puts at risk not only the environment but also public health. Notably, this is why we needed a framework for the prevention of environmental racism.

The amendments to the Competition Act in Bill C-59 will make it easier for consumers to identify genuine green products, as well as businesses with sustainable practices.

A 2021 survey found that 49% of Canadian consumers agreed they made purchases from companies that supported environmental protection, and 46% of survey respondents agreed they purchased more biodegradable and eco-friendly products. Colleagues, there is a strong demand and a strong-growing market for green products, and we know consumers can drive the market, but up until now this ability in the context of the green market has been hindered by greenwashing.

On May 31, 2024, in a letter to the Chair of the Standing Senate Committee on Banking, Commerce and the Economy, sent on behalf of the Competition Bureau, it was stated:

> As a general principle, when companies make claims to promote a product or a business interest, they should be able to back them up. Bogus claims are false or misleading and undermine competition on the merits. In the context of greenwashing, the harm of unfounded claims is even more pernicious given the existential threat posed by climate change and the need to accelerate a green transition.

The letter goes on to say that:

> A substantiation requirement protects competition by ensuring that consumers can trust the statements that are made about businesses and business activities. It safeguards honest and reputable manufacturers and merchants who compete with those making claims about the environmental impacts of production. Increasingly, consumers make purchasing decisions based on the environmental impacts of production, and as such, the harm from unsubstantiated claims in relation to businesses and business activities is just as serious a harm to competition as the harm in respect of unsubstantiated claims in respect of individual products.
>
> These amendments will strengthen our ability to police deceptive greenwashing claims. . . .

• (1550)

I am aware that concerns were raised by a few stakeholders and some colleagues at committee about what qualifies as an "internationally recognized methodology" in the context of adequate and proper substantiation with respect to the benefits of a business or business activities as they relate to environmental claims. However, I am confident that while this term is not defined in the bill, Canadians and Canadian businesses can place their trust in the Competition Bureau, the Commissioner of Competition and the Competition Tribunal.

As noted at committee, the Competition Bureau has a distinguished and unsullied reputation. They have a history of professionalism, demonstrated understanding of legislation and awareness of what is happening in Canada, as well as the ability to monitor what goes on in the United States and elsewhere in the world.

With regard to "internationally recognized methodology," I will also note that there are such methodologies for most environmental claims, including the following: the Science Based Targets Initiative, which is commonly used for net-zero targets; the International Sustainability Standards Board, which is commonly used for climate-related disclosures; and the Taskforce on Nature-related Financial Disclosures, which is commonly used for nature-related disclosures, to only name a few. I'm told that if you do the research, there will be 15 other standards, including the family of the International Organization for Standardization.

Furthermore, this type of substantiation requirement is not unique to Canada. California has a requirement that is almost identical, and the European Union and the United Kingdom are developing rules and guidance that are intended to regulate and require evidence of certain environmental claims, including those related to carbon neutrality and climate friendliness.

Finally, I would like to highlight that the amendments to the Competition Act proposed in clause 236(1) are not an attack on free speech, nor do they intend to foster green hushing or eco-silence. While these amendments may lead to organizations being more careful when making green claims, this should be viewed as a positive consequence. The bottom line is that an organization should not make any claim — green or otherwise — that it cannot substantiate with sound evidence.

While there remains opportunity to further strengthen the Competition Act and greenwashing regulations in general, I recommend that this be left for future consideration, including giving more power to the commissioner, as he has expressed.

As the intensity of environmental and social crises increases, we must take a horizontal approach to budget bills, and we must consider all aspects of the Canadian budgetary cycle through a climate lens.

[*Translation*]

I support this legislative approach, designed to horizontally fill the gaps that are making our environment, economy and society vulnerable. For the reasons I have just outlined, I support Bill C-59 and I ask you to vote for it. Thank you. *Meegwetch*.

[*English*]

Hon. Colin Deacon: Honourable senators, what a day of robust discussion about competition law reform in the Senate. That's a great day from my standpoint, and I've long awaited the arrival of Bill C-59, the fall economic statement implementation act, 2023. Bill C-59 includes several specific measures that will increase competition, drive innovation, improve productivity growth and, ultimately, improve our prosperity. However, I think it is worth repeating our collective frustration in receiving not one but two complex spending bills from the House of Commons in the last couple of weeks.

The 546-page Bill C-59 was tabled in November — nearly seven months ago. Yet, it arrived just before the 686-page Bill C-69, the current budget implementation act, 2024, No. 1, which was tabled only two months ago. I think it's irresponsible to force the Senate to rush our study of these highly consequential bills.

That aside, I am thrilled to be speaking about three of Bill C-59's legislative changes that I think will drive innovation into our economy. These include changes to the Canadian Payments Act and the investment tax credits for clean technology projects. I will delve into those in a moment, but first I want to review the important changes to the Competition Act and the Competition Tribunal Act.

Over the past two years, this government has introduced the most consequential changes to Canada's competition laws since the Competition Act was first introduced in the 1980s. Why is this important? Last October, the Competition Bureau released a 20-year analysis of the steadily diminishing levels of competition and steadily increasing levels of corporate concentration right across Canada. More and more sectors now have too few competitors, much to the benefit of our largest firms and to the detriment of consumers. Consumers are finally becoming frustrated, because profits and markups have steadily risen in every industry where concentration is high. Hard-working innovators are frustrated because regulations, initially designed to protect consumers, now represent an all too costly barrier to entry. This regulatory barrier protects oligopolies from

competitive threats posed by new innovators, and the lack of robust competitive threats means the incumbent oligopoly feels less pressured to innovate.

Stronger competition policy across the whole of government is now broadly seen as being crucial to stimulating market forces that will do the following: first, help increase business investment; second, improve fairness in the marketplace; and, third, reduce prices for consumers.

What are the proposed changes in Bill C-59, and why are they important? Division 6 of Part 5 includes several important changes to the Competition Act and the Competition Tribunal Act. These changes are the final elements of those considered in Innovation, Science and Economic Development Canada's consultation on the future of competition policy in Canada, conducted between November 2022 and March 2023. It was a consultation that — as Senator Moncion mentioned — was very much encouraged by Senator Howard Wetston's earlier work.

The changes in this bill build upon amendments first introduced in Bill C-19, the Budget Implementation Act, 2022, No. 1, which was on wage-fixing and no-poaching agreements, and Bill C-56, the so-called Affordable Housing and Groceries Act, which enabled the initiation of market studies by the Competition Bureau and removed the efficiencies defence.

I entirely support the government and the House of Commons Standing Committee on Finance's amendments to the Competition Act and the Competition Tribunal Act.

Critics often observe that these legislative changes have occurred in a piecemeal manner over the last two years. In my opinion, this criticism overlooks the fact that these amendments have been intensely focused on giving our competition cops meaningful enforcement powers.

Allow me to share some data to illustrate how incredibly bad things were prior to 2022. The Competition Act amendments in section 92, section 93 and section 97 focus on changing how mergers will be reviewed, primarily by the following: First, the criteria that triggers the requirement for parties to send the Competition Bureau a pre-merger notification are being widened.

For context, Keldon Bester, a fellow and researcher at the Centre for International Governance Innovation, identified that there were 16,000 mergers in Canada between 2016 and 2022. However, he found that the bureau was notified in only 8% of those mergers, and our laws at that time enabled the bureau to challenge only 33 of those mergers in some way. In the last six years in this country, 33 mergers were challenged out of 16,000. That is only 0.2%.

Second, market concentration and dominant market position will now be explicit factors for the tribunal to consider. For context, the C.D. Howe Institute found that since the 1980s, the tribunal heard only eight merger cases. Seven involved concentration levels that created or preserved market shares above 60%, and four of these mergers would create monopolies or near-monopolies. Yet, the tribunal only ordered remedies in two of those cases.

• (1600)

Third, the time frame when the commissioner can challenge a non-notified merger will increase from one year to three years, giving the Competition Bureau the ability to more broadly address "killer acquisitions" and harmful mergers. An especially egregious recent example is Dye and Durham's purchase of real estate software. The company behaved for a year until the bureau no longer had the ability to act. Over the following months, the company introduced a massive, tenfold price hike.

Fourth, it will ensure that merger reviews consider the effects on labour markets. This will force the tribunal to explicitly consider the lessening of competition in the labour market as a factor in a merger review.

Bill C-59 also introduces private rights of action. This is a highly consequential change because, under specific circumstances, it would allow for private claimants to apply to the tribunal to exercise this right.

Importantly, the tribunal holds a gate-keeping role as it relates to these new rights and could deny cases, particularly if they are considered frivolous or vexatious. This gate-keeping role is not new to the tribunal. Additionally, these rights will come into force one year after the bill receives Royal Assent.

Bill C-59 also responds to growing calls to empower a consumer's right to repair their products by broadening the "refusal to deal" provisions in the Competition Act. These amendments complement the proposed amendments to the Copyright Act in the two right-to-repair bills currently at committee stage here in the Senate, Bill C-244 and Bill C-294. I'm sure you all recall my riveting speech on Bill C-244 as it relates to technological protection measures.

Lastly, and very importantly, Bill C-59 includes a timely response to the shocking decision rendered by the Competition Tribunal on August 28, 2023, when the tribunal awarded Rogers Communications and Shaw Communications $13 million to offset their legal fees. You may recall that beginning in April 2022, the bureau undertook to challenge the Rogers and Shaw merger under Canada's completely outdated Competition Act. When the bureau lost this challenge, the tribunal ordered the bureau to pay the merging parties' legal fees because of how vigorously the bureau fought this merger based on compelling evidence. I think the decision caused a "WTF" moment across the country — that stands for "what the fuddle duddle" — because of the realization that taxpayers would be paying these legal fees.

As a result of this outrageous decision, I was especially pleased to see the government amend the Competition Tribunal Act to ensure that, in the future, the robust defence of competition in case adjudication would not result in legal cost awards.

Those are, broadly speaking, the government's proposed amendments introduced in Bill C-59.

Additionally, the Competition Bureau submitted several recommendations to further strengthen Bill C-59, and most of these were accepted at committee stage in the House of Commons. These amendments included, firstly, removing legislative loopholes to further prevent companies from hiding additional fees through drip pricing and to encourage price transparency. We've all seen drip pricing cause prices to creep up as much as 30% through the addition of a convenience fee, a processing fee, a cleaning fee, a resort fee — you name it. The bureau's objective is simple: Businesses should advertise and compete based on their fully costed price.

The second amendment recommended that businesses who promote their interests using environmental claims be required to substantiate those claims if and when challenged by the bureau. I think we heard our colleague speak strongly about this.

The third involved adopting a reverse onus approach where businesses must prove their discounts are legitimate if challenged by the bureau.

The fourth dealt with implementing new remedies for anti-competitive mergers specifically intended to restore or preserve the level of competition that existed prior to an anti-competitive merger.

I want to pause for a second on this one. Historically, increased concentration was guaranteed in the Canadian economy. Why? Because until now, if a merger was expected to cause a substantial reduction in competition, the remedy could only remove the word "substantial," not the word "reduction." We were guaranteed that every merger in this country would make an industry less competitive and more concentrated. With the implementation of this amendment, the pre-merger levels of competition must be restored. That's a very good thing and a big change.

Finally, the House Finance Committee went beyond the original request from the Competition Bureau and made an amendment in clause 236 that broadened deceptive marketing practices to include environmental misrepresentations that would be assessed using, and we heard this before, ". . . internationally recognized methodology . . . ." This was intended to capture greenwashing claims, but instead the definition introduces uncertainty because no specific methodology exists. Uncertainty is anything but helpful for anyone, including the Competition Bureau.

At the Senate's National Finance Committee, Senator Ross introduced an amendment to remove these three words but it was defeated. I completely support the concerns that were compellingly argued by Senator Ross and Senator Tannas and that were cited in the committee's observations. However, I believe that we will be seeing clarifying guidance well before this provision comes into force, which the bureau committed to in a letter to the committee.

The fact that we were only able to discover and address this problematic issue at the last minute is yet another illustration of the challenges created when the Senate is not provided with sufficient time to fulfill our legislative responsibilities.

Colleagues, over the past two years, tremendous progress has been made in competition law reform. I commend the government for their efforts. However, we are far from done. We still require a robust, whole-of-government approach to removing anti-competitive policies, programs, regulations and legislation across each department and agency. Why? Because Canada has Organisation for Economic Co-operation and Development, or OECD-leading levels of regulatory burden. We have too many command-and-control regulations that describe the process that must be followed rather than the desired outcome to be achieved. This eliminates the ability to innovate.

We need to act with national urgency across our government and economy. A leading researcher in this field, Professor Thomas Ross, provided compelling testimony at the House Industry Committee on June 10 when he observed that:

> . . . the Competition Act, the bureau and the tribunal really just take care of one big slice of competition in Canada but not the whole pie.

Outdated and anti-competitive programs, policies and regulations exist across the whole of government, and Canada's global competitiveness will never improve until we begin to streamline this burden.

I've long said that you can never regulate a company into becoming customer-centric; only competition can achieve that all-important goal. I want to give you an example that I was just reminded of today. Australia's National Competition Policy encompasses all levels of government and has reviewed and updated over 1,800 laws and regulations. Federal transfer payments enable states and territories to be important partners, and the effort has been conservatively estimated to result in a permanent 2.5% increase in Australia's GDP worth roughly $5,000 per household per year.

The return on investment from streamlining our regulations and our legislation is significant. Australia has proven it, and Canada can do it.

Continuing on the theme of increased competition driving innovation, Part 5, Division 5 of Bill C-59 includes changes to the Canadian Payments Act. These changes will allow new members to join Payments Canada, specifically those who are payment service providers supervised by the Bank of Canada under the Retail Payment Activities Act, which was an important part of Budget 2022.

The Bank of Canada's accreditation process for payment service providers has been developed in a robust and inclusive manner. Many of these new regulated participants are innovative, Canadian-based financial technology companies that will

introduce responsible regulated innovation into Canada's payment systems, which manage roughly 20 billion transactions worth about $10 trillion a year in this country.

They also include credit unions that are part of a credit union central. A credit union central is a service provider that manages the financial infrastructure for multiple member institutions. Credit unions can often be the only financial institution in our rural and remote communities, and they'll finally have a direct voice at Payments Canada. They'll also be able to access the Bank of Canada's liquidity support.

• (1610)

Additionally, proposed changes to the Canadian Payments Act will make sure that the Payments Canada Stakeholder Advisory Council cannot include any Payments Canada members. This change will help the advisory council to better represent the views of all users in the payment system, like merchants, when giving advice to the Payments Canada board. It's a small step towards good governance in the Payments Canada world, and good governance is crucial to establishing trustworthy payment systems.

My consistent concerns with Payments Canada's governance are primarily due to repeated delays in implementing Canada's Real-Time Rail payment system. Canada is now dead last in the G7 in introducing real-time payments, something that is crucial to providing Canadian businesses and citizens with instant financial transaction processing, improved cash flow and better and quicker fraud detection.

While it was first initiated in 2015, Payments Canada says it now expects Canada's Real-Time Rail to begin to be implemented in 2026. I'm compelled to note that 56 other countries never had these lengthy delays that put their citizens and businesses at a competitive and costly disadvantage, so I'm glad that we're seeing progress, but I continue to worry that tomorrow may never come.

Lastly, I'm incredibly happy to see Part 1 of Bill C-59 includes clean technology investment tax credits that were first introduced in the *2022 Fall Economic Statement* and then again in Budget 2023. This is a refundable tax credit for businesses that invest in eligible clean technology equipment, including things like carbon capture, low-carbon heating equipment, zero-emission equipment and other energy systems that do not consume fossil fuels, systems like wind power.

How does this work? Businesses investing in these technologies can get a refundable tax credit of up to 30% on their investment costs, making it easier to support clean technology projects that might otherwise be too expensive. With the federal government's goal of reaching net-zero emissions by 2050, including attaining net-zero electricity by 2035, it's imperative that we continue to align incentives to catalyze innovation.

The Nova Scotia government expects these tax credits to generate, in our province, more than $450 million in construction activity and create about 1,700 direct and indirect jobs over their lifetime, mostly in rural Nova Scotia. Additionally, they're expected to deliver tangible savings to Nova Scotians by lowering the average cost of electricity, saving taxpayers an estimated $100 million annually over the next 25 years — that's $100 million annually in reduced electricity costs. The projects will be operational by the end of 2025 and will reduce Nova Scotia's greenhouse gas emissions by more than one megatonne annually, continuing to accelerate Canada's net-zero transition.

Colleagues, each of these initiatives in Bill C-59 harnesses innovation to improve the lives of Canadians. For this reason, I'm very happy to support this bill — thrilled, in fact.

One other thing came to mind when Senator Moncion was speaking. You may recall in 2021, three years ago, we were debating Bill C-208, a private member's bill from the House of Commons. It was working to make fair the intergenerational transfers between farming, fishing and small business operations that were not being given access to the lifetime capital gains tax exemption that everybody else in Canada had access to. There was significant pushback on this bill from the government in June 2021, but we held firm in the Senate and supported that bill supported by the House of Commons. A lot of us felt a lot of pressure at that time, and Minister Freeland was very concerned that this would unlock a whole series of inappropriate transactions, inappropriate intergenerational transfers. In fact, she fought back even on the coming-into-force date.

In the end, two and a half years later, there wasn't evidence of a whole lot of fraud, but she did come through and put in place restrictions in this bill to make sure those would not occur in the future. We held firm. We did our job and were independent from pushback against that bill, and in my mind, we did the right thing. It's wonderful to see the loop being closed now, eventually by the government, and we can be very proud of the work that we did.

I want to congratulate Senator Moncion for her speech, for her work and also for her work around bankruptcy and insolvency in post-secondary institutions. It's great to see that in the bill as well, Senator Moncion. Congratulations.

Thank you, colleagues.

(On motion of Senator Martin, debate adjourned.)

[*Translation*]

COUNTERING FOREIGN INTERFERENCE BILL

TENTH REPORT OF NATIONAL SECURITY, DEFENCE AND VETERANS AFFAIRS COMMITTEE PRESENTED

Leave having been given to revert to Presenting or Tabling Reports from Committees:

Hon. Jean-Guy Dagenais, Deputy Chair of the Standing Senate Committee on National Security, Defence and Veterans Affairs, presented the following report:

Tuesday, June 18, 2024

The Standing Senate Committee on National Security, Defence and Veterans Affairs has the honour to present its

TENTH REPORT

Your committee, to which was referred Bill C-70, An Act respecting countering foreign interference, has, in obedience to the order of reference of Monday, June 17, 2024, examined the said bill and now reports the same without amendment but with certain observations, which are appended to this report.

Respectfully submitted,

JEAN-GUY DAGENAIS

Deputy Chair

(*For text of observations, see today's* Journals of the Senate*, p. 2949.*)

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

(On motion of Senator Dean, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.)

[*English*]

PUBLIC COMPLAINTS AND REVIEW COMMISSION BILL

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Ratna Omidvar moved second reading of Bill C-20, An Act establishing the Public Complaints and Review Commission and amending certain Acts and statutory instruments.

She said: Honourable senators, I am pleased to speak about Bill C-20, An Act establishing the Public Complaints and Review Commission and amending certain Acts and statutory instruments.

Bill C-20 seeks to enact a new stand-alone statute to establish the public complaints and review commission, or PCRC, as an independent civilian review body for both the Royal Canadian Mounted Police, the RCMP, and the Canada Border Services Agency, the CBSA. For the first time in our history, both law enforcement agencies would fall under scrutiny of one external review body. Combined, the CBSA and the RCMP are the largest government-related agencies in Canada that are not the military. At this point, only the RCMP has an external review body, called the Civilian Review and Complaints Commission, or the CRCC, and this bill seeks to fold in the RCMP review body into a combined review body covering both the CBSA and the RCMP.

Colleagues, even as I make these introductory remarks, I am challenged by the many acronyms which are an alphabet soup — the RCMP, the CBSA, the CRCC, the PCRC. With your indulgence, I'm going to refer to the new commission, which is the Public Complaints and Review Commission, as simply "the new commission," just to help me with my wording here. Often, I will refer to the CBSA and the RCMP as "the agencies," although there are moments when I will have to refer to each in particular.

• (1620)

For the better part of my remarks, consider this as a play with three main actors: the commission, the CBSA and the RCMP. Every now and then, the Minister of Public Safety will also make an appearance.

At a broad level, this bill will enhance reporting mechanisms and improve our ability as parliamentarians to hold the agencies and the minister to account with reference to complaints and systemic reviews of the two agencies.

Let us remember, colleagues, that we rely on the CBSA and the RCMP to provide us, our citizens and our residents with protection and security. This legislation will close the gap created by the absence of an external review body for the CBSA and bring Canada up to the high standards set by some of our allies in this field, such as our Five Eyes partners.

Bill C-20 finally responds to a very long-standing yet unfulfilled commitment from the government's first mandate in 2015 to introduce legislation to create a review body for the CBSA.

Let me take us back to a very dark chapter in our history, the Maher Arar affair. In 2002, Mr. Arar was wrongfully detained during a layover in the United States. He was subsequently deported to Syria, where he endured severe torture and inhumane treatment because, colleagues, erroneous information was provided by the RCMP to U.S. authorities, falsely implicating Mr. Arar in terrorist activities.

The public outcry that followed this horrific ordeal led to the establishment of a comprehensive government inquiry headed by Justice Dennis O'Connor. The inquiry's findings in 2006 unequivocally exonerated Mr. Arar, laying bare the significant flaws and misconduct in the actions of the RCMP and the CBSA.

One of the most crucial outcomes of this inquiry was recommendations aimed at preventing such tragedies in the future. Foremost among these was the call for a robust, independent oversight mechanism for both agencies. The purpose of these recommendations is clear: to enhance accountability, ensure strict adherence to legal standards and protect the rights of individuals from being violated.

That was in 2006. Almost 10 years later, in 2015, the Standing Committee on Public Safety and National Security recommended that the government establish an independent civilian review and complaints body for all CBSA activities, as the agency had existed since 2003 without such an independent review mechanism.

Former senator Wilfred Moore introduced Bill S-222 and Bill S-205 in 2014 and 2015, respectively, to provide for the appointment of an inspector general of the Canada Border Services Agency. Both bills died on the Order Paper, but as some of you may recall, the government committed to the intent of Bill S-205, which went all the way through the Senate. However, the government did not agree with the proposed model, which involved the appointment of an inspector general.

Subsequently, the government introduced Bill C-98 in 2019. That was followed by Bill C-3 in 2020. I remember Senator Moore very well. He used to sit right over there. He was an outstanding senator. I remind you of Bill S-222 and Bill S-205 as examples of how many good legislative ideas start here in the Senate and are then adopted into government legislation.

Both bills died on the Order Paper. This time, we must ensure we get over the finish line.

Colleagues, we can all recall our interactions with the CBSA and the RCMP. Every time I return to Canada from overseas, I have only the most friendly, polite and efficient interactions with officials of the CBSA. I experience a huge surge of pride every time I see an RCMP officer. They have a stressful job and keep our borders safe. They keep us safe by dealing with difficult issues like terrorism, contraband and smuggling. Their jobs are not easy, and they're called on to make significant sacrifices in the fulfilment of their duties. Nothing in this bill detracts from that.

However, I am the first to admit that not everyone shares my experience. The CBSA has been scrutinized multiple times for infringing upon individual rights, raising serious concerns about its practices and the need for greater oversight.

One prevalent and persistent issue is the treatment of detainees in the CBSA facilities. Reports and investigations have revealed instances of inadequate medical care, poor living conditions and prolonged detention periods, often without timely legal recourse. Such conditions, colleagues, not only violate basic human rights, but also exacerbate the physical and mental health of detainees.

You might remember one such prominent case: that of Lucia Vega Jimenez. She was an undocumented Mexican woman who died in CBSA custody in 2013. She was detained for overstaying her visa and held in a CBSA detention centre in Vancouver. While awaiting deportation, she took her own life after enduring harsh conditions and inadequate mental health support. This tragic incident sparked outrage and highlighted the severe consequences of the CBSA's detention policies and practices.

Another significant concern is the arbitrary and discriminatory application of CBSA powers. There have been numerous incidents of racial profiling, in which individuals from certain ethnic, religious and racial backgrounds were disproportionately targeted for searches and detention. This came to light in the Senate Human Rights Committee's report on Islamophobia, which read:

> Ahmad Attia (Member of the Peel Police Services Board and CEO of Incisive Strategy) highlighted that CBSA officers have a great deal of discretionary power with little scrutiny, and are therefore "much more prone to abuse through systemic discrimination but also individual biases, the consequences of which have been devastating to the Muslim community."

This not only violates the principles of equality and non-discrimination, but also erodes trust in the agency's ability to enforce laws justly and fairly.

Colleagues, at the heart of this legislation is the human quality of trust. I would be the first to say that certain communities do not trust our law enforcement agencies at this time, and for good reason. There are claims of racism against individuals; indeed, there are claims of systemic racism. A public opinion survey from 2022 found that only one in three Canadians agree that the RCMP treats members of visible minority groups and Indigenous groups fairly. We must restore this trust.

No one is above the law. This includes those who are responsible for law enforcement and border security.

The CBSA and the RCMP are entrusted with broad powers that must not be abused or misused. If and when they are, we expect that any allegation of misconduct will be reviewed and addressed when warranted. Colleagues, it is therefore within our power to maintain, restore and enhance the public's trust and confidence in our law enforcement agencies, by ensuring that the two largest, most significant law enforcement agencies are required to demonstrate their ongoing commitment to justice and fairness.

The PCRC — the new commission — would replace the existing Civilian Review and Complaints Commission, which is attached to the RCMP, and extend its mandate to the CBSA with increased accountability tools at its disposal.

• (1630)

For example, complainants and eligible third parties, such as lawyers and civil rights groups, would now have access to an external body that could independently initiate, review and

investigate Royal Canadian Mounted Police, or RCMP, and Canada Border Services Agency, or CBSA, related complaints with reference to employee conduct or level of service.

In general, the new commission will first refer the cases to the agencies themselves — in this case the RCMP and the CBSA. This would ensure that the deputy heads remain accountable for the actions taken by their employees. If an individual or a third party is not satisfied with how the complaint has been handled, they could apply to the new commission to review it. At the end of the commission's review, the commission would report its findings and make recommendations to the two deputy heads of the two agencies. Tracking these recommendations and their implementations by the RCMP and the CBSA will allow us to hold these agencies to account.

Further — I think I already mentioned it — third parties are able to also file complaints on behalf of complainants. Vulnerable individuals are sometimes reluctant to file a complaint or may be unable to proceed with the complaints process due to language barriers, distrust of law enforcement or other reasons. In some cases, a complainant could be someone who is already in detention. This is where the inclusion of third parties in the complaints process provides an avenue for greater representation from individuals who may be reluctant or unable to complete the complaints process.

With this change in the law, the complaints process becomes accessible to a far greater number of individuals who interact with the RCMP and the CBSA, including those in immigration detention centres, provincial facilities or any future designated immigrant stations, as proposed in Bill C-69.

There is also a second kind of review that the new commission can undertake as part of its mandate, and that is the conduct of specified activity reviews, or SARs, on the commission's own initiative, at the request of a third party or at the request of the Minister of Public Safety. These are systemic investigations. They would allow the commission to identify systemic issues and develop recommendations around policies, procedures or guidelines relating to the operations of the CBSA and the RCMP beyond just the one case — so the two cases. It's a systems-wide thing. These investigations provide the new commission with the tools to identify broader concerns in Canadian law enforcement and to contribute to solutions to address them.

For instance, if the commission notes a trend in multiple individual complaints that highlight the excessive use of force and poor conditions in detention centres managed by the CBSA, the new commission could initiate a specified activity review. The new commission could initiate such an activity to examine all related complaints collectively rather than addressing them one by one. Through this review, the new commission might uncover systemic problems, such as inadequate funding, gaps in training for officers, insufficient medical care for detainees or non-compliance with international human rights standards. Based on these findings, the public complaints and review commission, or PCRC, could then develop comprehensive recommendations to reform policies, procedures and guidelines, improve the treatment of detainees and prevent future misconduct across the board.

Colleagues, because the bill has been through two previous iterations and extensive study at the House, it comes to us much stronger and provides the commission with enhanced tools to fulfill its complaint and review procedure.

First, it establishes the commission under stand-alone legislation to reinforce its independence from both agencies that it reviews. The current oversight commission that is attached to the RCMP, which will be absorbed into the new commission, is embedded within the statutes governing the RCMP and is therefore not completely independent. Therefore, this is a move to ensure greater independence.

Second — this is really important — the bill creates codified timelines for the heads of the two agencies to respond to interim reports, reviews and recommendations, leading to increased accountability. For example, this would help deliver on some of the recommendations by the Mass Casualty Commission in Nova Scotia with regard to creating more timely and transparent reporting of federal law enforcement agencies.

Third, the deputy heads of the two agencies would be required to submit an annual report to the Minister of Public Safety to inform him or her of actions they have taken in response to the reports and recommendations made to them by the commission. These annual reports will be tabled in both houses, allowing for parliamentary scrutiny, which will further strengthen the accountability process.

Fourth, in order to identify and contribute to efforts to address systemic issues around vulnerable populations, the new commission, in consultation with the two agencies, would be required to collect disaggregated, demographic and race-based data on complainants where such information has been voluntarily provided.

Finally, this bill would seek to improve law enforcement's interaction with the public by mandating that the commission conduct outreach and education activities, including with Indigenous and/or racialized communities, raising their awareness of their right to file a complaint.

I'd like to assure you that while this commission is independent, it does not act in isolation. It would maintain a collaborative relationship with the National Security and Intelligence Review Agency to ensure that matters related to national security-related complaints are handled with requisite expertise and confidentiality.

Further, the bill will create a statutory framework in the Canada Border Services Agency Act to govern the agency's response to serious incidents, which are now governed only by internal policy. This will require the CBSA to conduct internal

investigations into alleged serious incidents and inform the police in the jurisdiction, the public and the PCRC when these incidents occur.

Suppose an incident occurs at a border checkpoint and someone is seriously hurt as a result, and the CBSA officer is alleged to have used excessive force resulting in a serious injury to a traveller. Under the new statutory framework, the CBSA would be required to launch an internal investigation into the incident as soon as possible. This process would be governed by standardized procedures outlined in the act, ensuring consistency and thoroughness in the investigation.

Additionally, the CBSA would have to notify both the police of the jurisdiction where the act occurred and the new commission about the incident, and the police could then determine if any criminal investigation is warranted. The commission would have the role of examining whether the investigation done by the CBSA is impartial. If it is not impartial, then the commission can launch its own review.

The bill as you see it today has been enhanced through its legislative process. Following widespread consultations with individuals and communities most impacted by the work of the RCMP and the CBSA, amendments were made in the House to strengthen the process by increasing accountability and transparency. This includes an amendment to provide the commissioner of the PCRC with increased autonomy to conduct systemic investigations and thereby be in a better position to target fundamental concerns about law enforcement, including systemic racism.

• (1640)

The commission will also be able to receive, review and investigate reports on complaints about RCMP reservists, which were not previously covered in Bill C-20. This amendment will avoid potential confusion about who can be the subject of a complaint and who can't, because, in many instances, the public can't distinguish between a member of the RCMP and a reservist.

A "due regard" clause was also included to respond to recommendations around ensuring diversity among the members of the new PCRC. This clause would require the Minister of Public Safety to consider the diversity of Canadian society when recommending Governor-in-Council appointments to the commission.

Further, the commission would now be required to collect and publish demographic and race-based data on complainants in an annual report to the Minister of Public Safety, thus allowing parliamentarians to better detect systemic discrimination and hold the minister to account.

Colleagues, Bill C-20 is more than just reviewing the actions of the CBSA and the RCMP; it is about law enforcement reform and reaffirming this country's commitment to principles of justice, equality and the rule of law. The creation of the public complaints and review commission would mark a significant advancement in our continuous pursuit of a fair and just society.

Before I conclude my remarks — and I think this is the longest speech I have ever made — I'd like to thank all of those who have participated throughout the development of this bill and made key recommendations that have helped make it what it is today. I would like to thank, in particular, the many civil society organizations and lawyers, particularly immigration lawyers, who have contributed to improving this bill. All of them to whom I have spoken support independent oversight of these institutions. They have been calling for this for many years, and this is a crucial step to ensuring accountability and transparency.

Finally, colleagues, I would like to point out that this bill passed unanimously in the other place at third reading. As we know, that is not a usual situation, but it does happen from time to time. This time, it did happen.

With that, colleagues, I urge you to join me in supporting this bill and getting it to committee for study in the fall. Thank you.

Some Hon. Senators: Hear, hear.

(On motion of Senator Martin, debate adjourned.)

PHARMACARE BILL

SECOND READING—DEBATE

On the Order:

> Resuming debate on the motion of the Honourable Senator Pate, seconded by the Honourable Senator McBean, for the second reading of Bill C-64, An Act respecting pharmacare.

Hon. Pat Duncan: Honourable senators, I rise to speak at second reading of Bill C-64, An Act respecting pharmacare. I am deeply appreciative of your time in light of the hour and of the particular date in our legislative calendar. Mindful that it's our desire to refer Bill C-64 to committee for further study, I rise to share with you a personal perspective with the intent that this story of my region will provide some insights and some questions for the committee's study.

You are aware that I served as the Yukon premier from 2000 until 2002. At that time, it was also customary for the premier to serve as the finance minister. It was also a time of intense negotiations and discussions about health care costs, especially in the Yukon case, because the Martin government had reduced the Canada Health and Social Transfers quite significantly. In the Yukon's case, that was especially significant for a small territorial budget of less than $1 billion.

My term also included Team Canada Trade Missions trips with then-Prime Minister Chrétien. For colleagues who may have forgotten, Team Canada trips were trade missions organized by the Prime Minister that included all provincial and territorial premiers, as well as business and community leaders. Relationships are built when leaders break bread together and share a common purpose of promoting our great country.

There are two specific actions that could be attributed to the premiers and the Prime Minister travelling together that relate to our discussions today. One was that Prime Minister Chrétien tasked Roy Romanow with the Commission on the Future of Health Care in Canada. One of the key recommendations from the Romanow commission was to introduce a limited pharmacare program to cover high-price drug treatments. Another recommendation was that:

> Canada Health Infoway should continue to take the lead on this initiative and be responsible for developing a pan-Canadian electronic health record framework built upon provincial systems, including ensuring the interoperability of current electronic health information systems and addressing issues such as security standards and harmonizing privacy policies.

The premise underlying Canada Health Infoway was the concern expressed by Prime Minister Chrétien that when physicians were treating a former colleague of his in a hospital in British Columbia, they should have been able to access all of his health information via his provincial health care record.

Honourable senators, I continued to serve until 2006 as a member of the Yukon legislature following the defeat of our government. My retirement as a legislator began a career in the public service in health care administration. You might say I'd been well inoculated during discussions surrounding health care. I was often heard to say, "Wow, I wish I'd known then what I know now."

My tasks as the manager of health care registration included the administration of what had been discussed on those Team Canada missions some years previously: the challenges of interprovincial reciprocal billing; ensuring Canadians maintain their health care registration when moving between provinces; and how Canadians longed for a health care card that would provide health care providers with as much information as possible, no matter where they received treatment in the country, and still protect their privacy.

My responsibilities also included claims — the payment of physicians who operated on a fee-for-service basis — which gives me a particular view on the current debate regarding the capital gains tax and how the fee-for-service structure with physicians has shaped and continues to shape medical care in this country. Over the summer months, I look forward to reading former health minister Jane Philpott's recently released book *Health for All*: *A Doctor's Prescription for a Healthier Canada*.

My duties included managing medical travel. Honourable senators will be aware that Canadians from remote communities are flown to major centres to receive health care treatment. For those who are referred medically out of the Yukon, travel is paid for by the Yukon government, whether by medevac plane or commercial aircraft.

The Romanow commission also called for a rural and remote access fund to provide timely access to care in rural and remote areas. During my term as premier, at my first Western Premiers' Conference, the first conference hosted by then-Manitoba premier Gary Doer, he stated that Canada must recognize they are the fourteenth province at the table. Canada is responsible for health care costs for Indigenous peoples; the Canadian Armed Forces; and, in some instances, federal government employees, such as the RCMP.

In the context of medical travel at that Western Premiers' Conference, Premier Doer was talking about the high costs of bringing patients from the North to the South for dialysis. What medical travel meant for me as the manager of registration claims for the Yukon government was that I would regularly be dealing with Canada when the Yukon paid for travel — for example, a one-way $15,000 flight for a status First Nations person — that Non-Insured Health Benefits should have been paying for.

So when medical travel forms a good portion of the health care budget, every $15,000 bill that you can submit to another government — in this case, the Yukon government submitting it to the Government of Canada — is critical.

I am sharing this example and story to highlight for senators the responsibilities that Canada has in health care delivery in our country, which must be included in the discussions of any program that is to be made available to all Canadians. Canada's responsibility includes being more than the legislative lead and a primary funder in this discussion.

Most importantly, my manager responsibilities also included working closely with the manager of the extended health care benefits and Pharmacare program for the Yukon health care system. That program provided then, as it does today, pharmaceutical drugs for persons over the age of 65 and persons married to someone over the age of 65. Submissions are made to a drug plan — if you have one — and the government pays the balance. If a senior citizen does not have a drug plan, they do not go without physician-prescribed drugs in the Yukon. They are paid for by Yukon health care. If you are a First Nations citizen, Non-Insured Health Benefits pay for those drugs.

• (1650)

Honourable senators, I have to share a story with you, again from my experience working in the health care department. At that time, Avastin, a drug for bladder cancer, was being used off-label to treat macular degeneration. We had an individual come in who could access Avastin through non-insured health benefits, but not the Yukon extended health benefits because our formularies were different.

Yukon ultimately matched the non-insured health benefits formulary. But the formulary, administration and slow approval of drugs for First Nations children are some of the reasons why tragedy occurred in Manitoba, and why we have the program Jordan's Principle.

Also, the stated purpose of Bill C-64 is ". . . to support the development of a national formulary . . ." This will be challenging. We have all borne witness to the stories in the news, most recently one from British Columbia concerning a specific drug to treat multiple sclerosis. It was approved in Alberta, but the client in British Columbia was unable to access it due to the cost. I don't know of a provincial or territorial legislator or official who has not dealt with questions from constituents regarding access to drugs.

A framework for drugs for rare diseases poses extraordinary costs for smaller jurisdictions, and these concerns must be recognized. Also, the Western provinces have been discussing and/or negotiating a collaborative purchase of drugs for some years, as the larger provinces have done individually. Acting together, as one country, we will be better served in our discussions with pharmaceutical companies.

A final note about the extended benefits program in the Yukon — if you have a chronic disease or a disability, you are most likely able to receive help with your costs. For example, if your health care practitioner recommends prescription drugs or medical surgical supplies to treat diabetes, support is provided through the Chronic Disease and Disability Benefits Program. The list of chronic diseases is comprehensive, and so is the assistance.

Bill C-64 is a legislative framework to plan for national programs similar to what the Yukon already has in place. Senator Pate has described Bill C-64 as:

> . . . a plan to work with all provinces and territories willing to provide universal single-payer coverage of necessary medicines, starting with a number of contraceptive —

— medications, which are not currently covered in the Yukon —

> — and diabetes medications. . . .

— which are covered.

You've heard me state on many occasions that federalism is challenging work. I believe we have all stated that the devil is in the details. I appreciate that the details and actual administration of implementing legislation are, in the eyes of some, not necessarily the purview or responsibility of this august chamber.

However, just as we must be assured that all legislation adheres with the Charter and our goals of reconciliation, I'm of the view that in providing our sober second thought to legislation, we also have a responsibility to ensure that the legislation can meet the stated goals. In this situation, a plan for pharmacare in Canada as intended by Bill C-64 can be achieved. The importance of this bill has been eloquently stated by others, including the medical professionals among us. I agree with them.

The committee that will study this bill should consider how a plan that is to be developed between Canada and all the provinces and territories will deliver a pharmacare program for Canadians.

I have shared with you today that this is not a new debate or discussion. I have used only one of the many studies and reports that have recommended a national pharmacare program. I've referenced the Romanow Commission.

I have also shared with you my experience in the Yukon, both front line and political. I have shared this purposely as we refer this bill to committee. I will borrow a quote from the June 13, 2024, report of the Standing Senate Committee on National Finance, which stated:

> Finally, your committee notes that Bill C-69 contains many measures whose successful implementation requires close collaboration with provincial and territorial governments . . . .

Bill C-64 will require close collaboration with provinces and territories. In relaying this example, I hope I have convinced my colleagues to pay close attention in their study of this bill to the experiences of the territories and provinces, and to recognize Canada's responsibilities.

Ultimately, I hope the committee will conclude — perhaps with observations, after reviewing all the evidence from the many reports, commissions and speeches recommending a national pharmacare program — that bill will be enacted and the program will come to be.

In the languages of the Yukon First Nations, *shâw níthän*, *mahsi'cho*, *gùnáłchîsh*. Thank you.

Hon. Judith G. Seidman: Honourable senators, I rise today as the opposition critic to speak at second reading to Bill C-64, An Act respecting pharmacare. I want to thank Senator Pate, the sponsor of Bill C-64, and Senators Osler, Moodie, Simons, Bernard and Duncan for their insights on this important piece of legislation.

I will now look at the bill.

Colleagues, Bill C-64 seems to propose two distinct policies. On the one hand, Bill C-64 proposes national universal pharmacare and sets out the essential principles that the Minister of Health is to consider when working toward the implementation of this policy.

On the other hand, the bill codifies a structure and processes which oblige the Minister of Health to make payments to those provinces with which the federal government has made bilateral agreements in order to increase any existing public pharmacare coverage for specific prescription drugs and related products intended for contraception or the treatment of diabetes. It's a tale of two policies.

Colleagues, I will consider some of the issues that confront us in Bill C-64, both in the proposal for national universal pharmacare and the incremental plan for drugs and products intended solely for contraception or the treatment of diabetes. I will also consider three overarching, structural concerns which I believe should be examined at committee.

The national universal pharmacare framework proposed in Bill C-64 seems to express principles in keeping with the policy envisioned by *A Prescription for Canada: Achieving Pharmacare for All*, the final report of the Advisory Council on the Implementation of National Pharmacare.

The advisory council was launched in June 2018 and chaired by Dr. Eric Hoskins. Its final report, published in June 2019 and often referred to as "the Hoskins Report," proposed ". . . the government enact national pharmacare through new legislation embodying the five fundamental principles in the *Canada Health Act*. . . ."

In keeping with the Hoskins Report, commitments have been made for foundational elements, including the Canadian Drug Agency, the National Formularly and the National Strategy for Drugs for Rare Diseases.

In 2021, the federal government invested $35 million with Prince Edward Island for the Improving Affordable Access to Prescription Drugs Program as a kind of pilot study for fill-in-the-gap coverage.

In 2022, a multidisciplinary national panel convened by the Canadian Agency for Drugs and Technologies in Health, or CADTH, at the request of Health Canada, recommended a framework for developing a national formulary and a sample list of drugs.

In March 2023, the National Strategy for Drugs for Rare Diseases was launched with an investment of up to $1.5 billion over three years to increase access to and the affordability of drugs for rare diseases.

In December 2023, the Canadian Drug Agency was created with an investment of $89.5 million over five years starting in 2024-25.

Bill C-64, the government asserts, is the next step toward national universal pharmacare. However, there are considerable weaknesses to this particular proposal for national universal pharmacare. As my colleagues often hear me emphasize around proposed legislation, there may be serious unintended consequences. Let's explore that.

First, the national universal pharmacare policy envisioned by Bill C-64 infringes on provincial jurisdiction and complicates or interferes with programs the provinces and territories already have in place.

• (1700)

As we understand, in Canada, provincial and territorial governments are responsible for the management, organization and delivery of health care services for their residents. Quebec — which requires that all residents who do not have private drug insurance must enrol in the province's premium-based public plan — is the only province to have achieved universal drug coverage. Given this, Quebec's government objects to Bill C-64.

In February, the office of Christian Dubé, Quebec's Minister of Health and Social Services, told The Canadian Press:

> The Quebec government has repeatedly pointed out that health is an exclusive Quebec jurisdiction. If the Government of Canada goes ahead with this drug insurance project, the Government of Quebec will demand the right to opt out with full compensation . . . .

Quebec is not alone in this objection. The Government of Alberta has expressed similar sentiments.

All provincial and territorial governments offer prescription drug coverage programs, albeit of different types, for their residents. Let me provide just an overview of some of the public programs across Canada which cover prescription drugs, medical devices and supplies. Some are based on income, some are based on age, and some add specific disease entities, which require expensive medications.

Alberta has a plan that covers adults from low-income households with high ongoing prescription needs or who are pregnant; children in low-income households; residents who are 65 years of age and older; and the Non-Group Coverage program — administered by Alberta Blue Cross — which charges monthly premiums and is available to all Albertans.

British Columbia has a plan that covers residents receiving income assistance; residents of licensed residential care facilities; and Fair PharmaCare, which helps B.C. families pay for prescription drugs. Fair PharmaCare is based on income — the less a family earns, the more assistance they receive.

Manitoba's Pharmacare program provides income-tested benefits for residents whose prescription costs are high.

New Brunswick has a plan that covers residents over 65 years of age; those in a nursing home; children in the province's care; social development clients; and a plan that provides income-tested benefits for residents who do not have private insurance.

Newfoundland and Labrador has a plan that covers low-income individuals and families; and residents over 65 years of age who receive Old Age Security and the Guaranteed Income Supplement.

The Northwest Territories has a plan that covers eligible residents 60 years of age and older and residents diagnosed with specific diseases, and a plan that covers Indigenous Métis residents.

Nova Scotia has a plan that covers all residents without any other drug plan, or who have excessive drug costs.

Nunavut has a plan that covers seniors and residents diagnosed with certain illnesses, and residents receiving income support.

Ontario has plans that cover residents over 65 years of age; residents receiving social assistance; residents in long-term or special homes; residents receiving home care; and residents with high prescription drug costs — based on income — who do not have private coverage or another provincial plan. And Ontario has a plan that covers more than 5,000 drugs at no cost for anyone 24 years of age or younger who is not covered by a private plan.

Prince Edward Island has a plan that covers low-income families; residents 65 years of age and older; residents under age 65 who do not have drug insurance; and residents who need assistance to pay for drugs and supplies for a range of specific medical conditions. Further, in 2021, P.E.I. entered into a partnership with the federal government for a pilot program that reduced co-pays for eligible medications to $5 — including medications for cardiovascular disease, diabetes and mental health — for residents covered under certain programs.

In Quebec, the Public Prescription Drug Insurance Plan covers all residents who are not covered by a private plan.

Saskatchewan has a plan that covers all residents except those on federal programs.

The Yukon has a plan that covers residents over age 65 and children from low-income families, and that provides benefits for Yukon residents who have a chronic disease or a serious functional disability. Our colleague Senator Duncan has very well described their plan in much more detail.

Depending on program design, national universal pharmacare could simplify the complex array of programs in place across Canada. But there is institutional knowledge regarding program delivery in each of our provinces and territories, and there are tailored programs in place to meet the needs of our communities. Quebec, for instance, has almost 30 years of experience with its program.

Furthermore, most Canadians do have existing drug coverage. Statistics vary depending on the source you reference. As the Advisory Council on the Implementation of National Pharmacare notes in the Hoskins report:

> Our research turned up different estimates of how many Canadians are uninsured or underinsured: some studies put the number of uninsured at 5 per cent of Canadians . . . . Other surveys tell us closer to 20 per cent of Canadians . . . are either uninsured or underinsured . . . .

Those who don't have existing drug coverage may be eligible for a program in which they are not enrolled. In a 2022 pan-Canadian analysis of prescription drug insurance coverage, The Conference Board of Canada estimates that more than 97% of Canadians are eligible for some form of prescription drug coverage. That leaves a 2.8% gap of Canadians who are not eligible for coverage. In addition, The Conference Board of Canada notes that approximately 10% of Canadians are not enrolled in a public or private plan for which they are eligible.

Second, the national universal pharmacare policy contemplated by Bill C-64 may have a negative impact on pharmacists' practice. In testimony to the Standing Committee on Health in the other place, pharmacists expressed concerns about a national universal pharmacare plan. Joelle Walker from the Canadian Pharmacists Association highlighted the administrative burden involved in switching patients from one plan to another:

> . . . the potential for significant disruption can't be overstated. . . . changing drug plans can be very disruptive for plan members and for pharmacists.
>
> The reality is that public drug plans across Canada are far less comprehensive than private plans, which means that if the legislation shifts patients from their private plans to a public plan, pharmacists and physicians will likely have to spend a considerable amount of time switching patients to new therapies, especially if their drug is no longer covered under a public plan; filling out paperwork to get special exemptions; and communicating these changes to patients.

Benoit Morin, President of the Association québécoise des pharmaciens propriétaires, told the Standing Committee on Health that under a public single-payer principle, dispensing fees would be a single amount negotiated for covered drugs. He explained that this would have a significant impact on Quebec proprietor pharmacists because dispensing fees are higher for drugs covered by private plans, including the private component of Quebec's Public Prescription Drug Insurance Plan.

Here's the importance of that point. He said:

> The current funding of Quebec pharmacies relies mainly on professional fees associated with the dispensing and monitoring of prescription drugs. Variations in those fees can influence pharmacies' ability to provide services to patients. . . .
>
> It is precisely the flexibility of the present mixed public-private model that enables Quebec pharmacies to develop, operate in all regions and provide a host of services to patients. . . . Without that flexibility, the financial health of the pharmacy network would be undermined, and the impact would be even greater in remote regions.

Mr. Morin also noted:

> Some 371 pharmacies shut down when a universal plan was introduced in New Zealand.
>
> We're afraid that, if there's no mixed system in Quebec, pharmacies will find it hard to be profitable, which will result in closures and force them to set up in major centres rather than rural areas.

The federal government has a pattern of not consulting pharmacists on policies which will directly impact both them and the Canadians whom they serve. In a press release issued after Bill C-64 was tabled in the other place, the association lamented that there were no pharmacists on the 2018 Hoskins Advisory Council on the Implementation of National Pharmacare.

The care that Canadians receive at pharmacies is irreplaceable. According to research conducted for the Canadian Pharmacists Association by Abacus Data in September 2023, 37% of Canadians visit a pharmacy at least once a month, and 23% speak with a pharmacist at least once a month.

Pharmacists' scope of practice varies across the country, but, depending on jurisdiction, pharmacists can prescribe medications, make therapeutic substitutions and change drug dosages, formulations, regimens, et cetera. In all provinces and in the Yukon, pharmacists can inject drugs and vaccines. In Alberta and Quebec, pharmacists can even order and interpret lab tests.

• (1710)

Pharmacists' scope of practice continues to grow. As more and more Canadians report not having a family doctor, a majority of those surveyed by Abacus agreed that expanding the range of services offered at pharmacies — including walk-in clinics for common ailments, vaccinations, testing and lab services, chronic disease management and prescribing contraception — would enhance access to and quality of health care.

Such ambitions could be realized in a context in which local pharmacies can thrive. In an op-ed in *The Hill Times*, Sandra Hanna, a community pharmacist and pharmacy owner in Guelph and the Chief Executive Officer of the Neighbourhood Pharmacy Association of Canada, notes that:

> Over the past few years, pharmacies and their teams have played an increasingly important role as primary health-care providers, particularly in rural and remote regions. . . .

She warns, however, that a single-payer pharmacare program would cost the pharmacy sector $1 billion annually, which is equal to cutting approximately 20 million pharmacist hours.

Currently, Canadians have excellent access to pharmacies. According to Organisation for Economic Co-operation and Development, or OECD, data, in 2021, Canada had 30 pharmacies per 100,000 population, more pharmacies than the OECD average. Can we, in our current health care ecosystem, afford to jeopardize the success of our pharmacies and pharmacists? This is a potential unintended consequence that we should examine at committee.

Third, the national universal pharmacare policy contemplated by Bill C-64 could erode access to drugs and exacerbate drug shortages. The Standing Committee on Health, or HESA, heard from several stakeholders who were concerned that, depending on the ultimate contents of a national formulary, the national universal pharmacare plan proposed in Bill C-64 may worsen drug availability.

Angelique Berg, the President and Chief Executive Officer at the Canadian Association for Pharmacy Distribution Management, told the committee:

> . . . Because they run so efficiently, reduced funding means that distributors have few options left but to reduce services. Some examples are that they could stop carrying money-losing products . . . reduce safety stock . . . or reduce delivery frequency to high-cost regions . . . .
>
> . . . When the government awards a contract to a single manufacturer, that firm effectively becomes a monopoly, so competitors have little incentive to stay in the market. Concentrated marked power increases the risk of limited supply, and therein lies our concern.

The Canadian Pharmacists Association shared Ms. Berg's concern about drug shortages. Ms. Walker said:

> One thing that we've noted is that the number of available medications in each drug class can decrease significantly, depending on how many companies are in the market, and we are most vulnerable to drug shortages if only one or two manufacturers are producing a particular drug.
>
> Let's say that there's a national disaster in one country that's producing some of the API, and the one company there can't produce that drug, and the other companies aren't able to readily increase their production. . . . there's a really complicated ecosystem that this pharmacare approach needs to also recognize.

The Montreal Economic Institute has also flagged concerns that if national universal pharmacare was implemented in Canada, drug distribution could be interrupted. They write:

> . . . if certain drugs are no longer covered by an insurance plan, it is very likely that pharmaceutical companies will stop distributing them in Canada. The variety of medications in circulation in this country is therefore at risk of shrinking,

preventing previously covered patients from having access to these drugs, even if they were disposed to pay for them out of their own pocket.

Drug shortages are not uncommon in Canada. In December 2018, I asked the Leader of the Government in the Senate about a Canada-wide shortage of the antidepressant Wellbutrin. In February 2020, I asked about a shortage of tamoxifen, a drug used as part of hormone therapy to treat breast cancer. In June 2020, I asked about shortages of thyroid drugs, inhalers, blood pressure medication and glaucoma eye drops. In November 2022, I asked about a shortage of pediatric amoxicillin.

Pharmacists already navigate drug shortages in Canada. Committee hearings should carefully consider the unintended consequences of fewer available medications in Canada.

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, it being 5:15 p.m., I must interrupt the proceeding. Pursuant to rule 9-6, the bells will ring to call in the senators for the taking of a deferred vote at 5:30 p.m., on the third reading of Bill C-50.

Call in the senators.

• (1730)

CANADIAN SUSTAINABLE JOBS BILL

THIRD READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Yussuff, seconded by the Honourable Senator Boehm, for the third reading of Bill C-50, An Act respecting accountability, transparency and engagement to support the creation of sustainable jobs for workers and economic growth in a net-zero economy.

The Hon. the Speaker: Honourable senators, the question is as follows: It was moved by the Honourable Senator Yussuff, seconded by the Honourable Senator Boehm:

> That Bill C-50, An Act respecting accountability, transparency and engagement to support the creation of sustainable jobs for workers and economic growth in a net-zero economy, be read the third time.

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

YEAS
THE HONOURABLE SENATORS

Anderson	Hartling
Arnot	Jaffer
Aucoin	Kingston
Bellemare	Klyne
Bernard	LaBoucane-Benson
Boehm	Lankin
Boniface	Loffreda
Burey	MacAdam
Busson	Massicotte
Cardozo	McBean
Clement	McNair
Cordy	McPhedran
Cormier	Mégie
Cotter	Moncion
Coyle	Moodie
Cuzner	Omidvar
Dagenais	Osler
Dalphond	Oudar
Deacon (*Ontario*)	Pate
Dean	Petten
Downe	Quinn
Duncan	Ross
Forest	Saint-Germain
Francis	Sorensen
Galvez	Varone
Gerba	White
Gold	Woo
Harder	Yussuff—56

NAYS
THE HONOURABLE SENATORS

Ataullahjan	Plett
Batters	Poirier
Black	Ravalia
Carignan	Richards
Housakos	Seidman
MacDonald	Simons
Manning	Smith
Marshall	Tannas
Martin	Verner
McCallum	Wallin
Miville-Dechêne	Wells—23
Patterson	

ABSTENTIONS
THE HONOURABLE SENATORS

Deacon (*Nova Scotia*) Gignac—2

PHARMACARE BILL

SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Pate, seconded by the Honourable Senator McBean, for the second reading of Bill C-64, An Act respecting pharmacare.

Hon. Judith G. Seidman: Honourable senators, I will continue to address some of the issues that confront us in this plan and the possible unintended consequences.

The fourth issue I bring to your attention is the national universal pharmacare policy contemplated by Bill C-64. It has no mechanism for exceptions to be made to allow a patient to access a drug that is not on the formulary.

This concern was raised at the House of Commons Standing Committee on Health by John Adams, Chair of the Board of Directors of the Best Medicines Coalition. The Best Medicines Coalition represents 30 patient organizations from Parkinson's, arthritis, hemophilia and blindness to cancers and other complicated and rare diseases.

He told the House of Commons Health Committee:

> . . . not every patient responds in the same way to the same drug. We need some variety and some choice. Quebec has a mechanism where a doctor can apply to a truly independent scientific review committee that is outside of the health bureaucracy for a drug that the doctor knows the patient needs . . . .
>
> It would be a great improvement for national pharmacare, as a concept, to always have that safety valve for the exceptional patient.

Committee hearings should examine the merits and potential mechanisms for exceptions to the formulary.

Fifth, costs for a national universal pharmacare program, as outlined in the principles of Bill C-64, could balloon.

• (1740)

In its report on Bill C-64, published on May 15, the Office of the Parliamentary Budget Officer:

> . . . assumes that any medications that are currently covered by provincial and territorial governments, as well as private insurance providers will remain covered on the same terms.

They state, and the language is really important, ". . . The aim of the program is to expand and enhance, rather than replace . . . ."

This assumption informed the PBO's estimate that universal national pharmacare will increase federal program spending by $1.9 billion over five years.

In my briefing with department officials, I was assured that the government, in its bilateral agreements with the provinces, will negotiate to ensure that the provinces maintain their own current public plan coverage for diabetes and contraception. However, there is no way for the federal government to guarantee that private drug plans will maintain their coverage.

If private drug plans were to cease providing coverage for diabetes and contraception drugs and devices, according to the PBO public program spending would more than double. Instead of costing $1.9 billion over five years, the program would be projected to cost $4.4 billion over five years.

Honourable senators, aside from the stated "universality" principles, the actual propositions in Bill C-64 oblige the Minister of Health to make payments to provinces and territories with which the federal government has made bilateral agreements to provide coverage for specific prescription drugs and related products intended for contraception or the treatment of diabetes.

Clause 6(1) of the bill specifies that the payments are intended to ". . . increase any existing public pharmacare coverage . . . ." The wording of this clause informed the assumptions made in the PBO's report on Bill C-64.

The wording of clause 6(1) seems to indicate that the coverage for specific prescription drugs and related products intended for contraception or the treatment of diabetes would fill gaps in existing coverage.

This seems to contradict other clauses in the bill. Is it confusing? Indeed it is. As Stephen Frank, the President and Chief Executive Officer of the Canadian Life and Health Insurance Association, told the House of Commons Health Committee:

> . . . in Canada there are 27 million Canadians with private drug coverage. It's very broad coverage, much broader even than that of the best public system available across Canada, and they value that coverage greatly—90% of them value their coverage to a high amount or to a great amount—so they want to protect it and they are very strongly opposed to having it put at risk. Overwhelmingly, if you ask them what their preferred approach is and you give them a choice, they would like government to target their efforts to where the need is.

Colleagues, should we displace the existing coverage that 90% of Canadians value?

Confusion remains regarding how private insurance and this new public plan would be coordinated at the pharmacy counter. If a patient has existing private coverage for 80% of the cost of a medication, will the public plan cover the remaining 20%? Or will 100% of the cost shift to the public plan, thereby shifting costs from the private insurer to taxpayers?

In my briefing with department officials, when asked, they replied that these "back office" details had not yet been worked through. In its study, committee hearings should pursue answers to these foundational questions.

Coverage for specific prescription drugs and related products intended for contraception or the treatment of diabetes will not be administered centrally by the federal government, unlike the new dental benefit. Instead, the new coverage will be administered by the provinces and territories in accordance with forthcoming bilateral agreements.

Bilateral agreements entail myriad challenges. For instance, in March 2023, the government announced an investment, as I already said, of up to $1.5 billion over three years in support of the National Strategy for Drugs for Rare Diseases, which is supposedly part of this plan. This is meant to help increase access to, and affordability of, promising and effective drugs for rare diseases.

It has been more than one year, and those bilateral agreements have not been signed and, as a result, that money has yet to help Canadians with rare diseases.

Dr. Durhane Wong-Rieger, the President and Chief Executive Officer of the Canadian Organization for Rare Disorders, or CORD, told the House of Commons Health Committee:

> . . . we've seen that the majority of that money, $1.4 billion out of $1.5 billion, is to be allocated through bilateral agreements. . . .
>
> What we know is that, well over a year later, none of these agreements have been put in place. We don't even know if there have been discussions around them. Whether it's just bureaucracy, whether it's just the cumbersome nature of the process, whether it's really hard to get provinces to agree, I don't know. However, this is not the way it's needed to be.

Dr. Wong-Rieger wondered whether other medications would suffer the same tardiness in rollout as the drugs for rare diseases. Committee hearings would benefit from CORD's lessons learned.

We have heard over the years how very difficult it is for the federal government to get comprehensive and comparable data from the provinces, even if data reporting is a requirement of a bilateral agreement.

For example, late last year when the Social Affairs Committee was studying Bill C-35, An Act respecting early learning and child care in Canada, we heard from Gordon Cleveland, who is the chair of the National Advisory Council on Early Learning and Child Care's Data Indicators and Research Working Group. He told us:

> . . . . the trouble is that the provinces and territories, in many cases — either haven't been able to —

— improve data collection —

> — or it's not high enough of a priority. They are not reporting in the way the agreements foresaw. They're not providing information in as timely a way as we thought they would, and even when they do, there will be major problems of lack of comparability.

If, as the minister has indicated, coverage for specific prescription drugs and related products intended for contraception or the treatment of diabetes is to be a pilot project for more universal coverage, then we will need excellent data for evaluation purposes. Colleagues, committee hearings should consider whether bilateral agreements can facilitate such data collection by including data-specific requirements.

The Government of Canada will be launching discussions with provinces and territories based on the list of diabetes drugs attached to a backgrounder published on Health Canada's website on February 29, 2024. In that backgrounder, the government also announced its intention to establish a fund to enable work with provincial and territorial partners to support Canadians' access to supplies that diabetics require to manage and monitor their condition and administer their medication, such as syringes and glucose test strips.

Many stakeholders have weighed in on the list provided in the backgrounder. The Association québécoise des pharmaciens propriétaires noted:

> If you compare Quebec's formulary to the one being proposed, even though it's not final, you can see that several millions of diabetes-related prescriptions would be lost. . . . we manage stock shortages every day in community pharmacies. . . . We really need to ensure that this formulary at least covers Quebec's formulary, even though the Quebec one is generous.
>
> Broad coverage is needed for diabetes. . . . This wide range of covered drugs is essential in maintaining the health of Canadians.

Furthermore, the proposed fund for medical supplies for diabetics is, at this point, no more than a commitment. It is not included in Bill C-64. Mike Bleskie, an advocate with Type 1 diabetes, told the House of Commons Health Committee that his out-of-pocket costs stand at about $450 per month, mostly from his continuous glucose monitor, which is not covered in Ontario, and his insulin pump supplies. Bill C-64 would not help diabetics with those expenses.

Committee hearings should include the potential consequences of such a limited formulary and should study the formularies of different jurisdictions, both within Canada and internationally.

Colleagues, there are three other overarching problems with Bill C-64 that should be examined at committee. The first is the lack of oversight of the newly created Canadian Drug Agency, or CDA.

Bill C-64 envisions a broad and important role for the Canadian Drug Agency. Part 7 of Bill C-64 explains that the CDA will advise the minister on the clinical effectiveness and cost effectiveness of prescription drugs and related products compared to other treatment options; the prescription drugs and related products that should be included in prescription drug coverage plans in Canada and the conditions of that coverage; the collection and analysis of data on prescription drugs and related products; information and recommendations to be provided to health care practitioners and patients on the appropriate use of prescription drugs and related products; and improvements to be made to the pharmaceutical system, including through greater coordination between health system partners, patients and other stakeholders. It's a big list.

• (1750)

The Canadian Drug Agency, or CDA, will prepare the national formulary that will inform the Minister of Health's discussions with the provinces, territories, Indigenous peoples and other partners and stakeholders regarding national universal pharmacare. The CDA will also develop a national bulk purchasing strategy for prescription drugs and related products.

The problem, honourable senators, is that the Canadian Drug Agency was established at the direction of the Minister of Health, not by legislation. Serious questions should be asked as to whether, instead, the CDA should be subject to parliamentary oversight, the Access to Information Act, Auditor General scrutiny and interventions by a patient ombudsperson.

In his testimony at Standing Committee on Health, or HESA, John Adams of Best Medicines Coalition elaborated:

> This bill gives the minister substantial new powers. It could be improved by building in various forms of transparency and accountability . . . .
>
> . . . I think it defers too much to the black box called the Canadian drug agency and doesn't put transparency or accountability mechanisms around what could become a very important role in system reform. . . .

The second overarching problem is that although the CDA will advise the minister on the creation of the national formulary, decisions regarding which drugs will be included will ultimately be made by the minister. This is an extraordinary power.

In her testimony before HESA, Linda Silas, the President of the Canadian Federation of Nurses Unions, said:

> . . . when I met the minister yesterday, I said that it wasn't really up to him to decide what was on the formulary, which diabetic drug, and that a group of experts should deal with it. . . .

Committee hearings should consider whether it is appropriate for the minister on the advice of an agency that is not overseen by Parliament — to decide what drugs and devices will be listed on the national formulary.

The third overarching problem with Bill C-64 is its lack of definitions. This concern was raised by many members of Parliament and stakeholders during HESA's study.

Clause 6(1) of the bill tasks the minister with making payments to provinces or territories:

> . . . in order to increase any existing public pharmacare coverage — and to provide universal, single-payer, first-dollar coverage — for specific prescription drugs and related products intended for contraception or the treatment of diabetes.

But the bill does not define "universal," "single-payer" or "first dollar." This has led to unnecessary confusion. Committee hearings should include the consideration of amendments to the bill to introduce definitions.

According to the Canada Health Act:

> In order to satisfy the criterion respecting universality, the health care insurance plan of a province must entitle one hundred per cent of the insured persons of the province to the insured health services provided for by the plan on uniform terms and conditions.

This is how Canadians have understood the term "universal" since 1985.

Although Canadians may have an intuition as to what "single-payer" means, the term must be defined. As a 2017 article in the *Journal of General Internal Medicine* notes:

> Single-payer systems are heterogeneous. Acknowledgment of what is considered as single-payer and the characteristics that are variable is important for nuanced policy discussions on specific reform proposals.

The government should be asked to provide a precise definition of "single-payer" so that the term can be defined in Bill C-64.

The term "first dollar" has also caused confusion. At HESA, Michelle Boudreau, the Associate Assistant Deputy Minister in the Strategic Policy Branch of Health Canada, explained that:

> . . . "First dollar" means that as soon as an insurable event occurs — in this case, having a prescription filled — the insurance would apply: That is, the coverage would apply before any other payments.

Similarly, the Canadian Medical Association defines "first dollar coverage" as, "Health services covered 100% by public insurance, with no charges to patients seeking care." This would seem to indicate that there will not be coordination of benefits when a patient has private insurance.

If public coverage will apply before private coverage, the government has underfunded its program:

> Budget 2024 proposes to provide $1.5 billion over five years, starting in 2024-25, to Health Canada to support the launch of the National Pharmacare Plan.

The Parliamentary Budget Officer, or PBO, meanwhile:

> . . . estimates that the first phase of national universal pharmacare will increase federal program spending by $1.9 billion over five years. . . .

We must remember, however, that the PBO's estimate:

> . . . assumes that any medications that are currently covered by provincial and territorial governments, as well as private insurance providers will remain covered on the same terms.

If medications for contraception and diabetes that are currently covered by private insurance providers are instead covered by the public plan, the PBO estimates that this phase of pharmacare will cost $4.4 billion. There would therefore be a $2.9 billion dollar budget shortfall.

The government must explain what precisely is meant by "first dollar," and the committee should consider amending the bill to include this definition.

The Hoskins report says:

> . . . Canada is the only country in the world with universal health care that does not provide universal coverage for prescription drugs. . . .

However, colleagues, universal coverage need not mean single-payer coverage. We can endorse universal coverage without endorsing a system funded exclusively by the federal government.

In conclusion, honourable senators, when Bill C-64 is sent to committee, there is much to consider — even as for the very essence of what is being proposed in this legislation. Is it indeed a universal system, as we understand the concept, or is it a fill-in-the-gap system? There seems to be confusion even about these very principles.

Colleagues, Canadians are counting on us.

Thank you for your attention. I look forward to study at committee.

Hon. Donald Neil Plett (Leader of the Opposition): Honourable colleagues, I was not planning on speaking on this bill because I was quite convinced that our critic, Senator Seidman, would do a remarkable job, and she indeed did that just now. However, Senator Simons drew me into this debate last week during her speech on this topic. Quite frankly, colleagues, I would have preferred not to dignify the senator's comments with a response, but I feel compelled to correct the record as she twisted my words and my position on something that carries very deep significance to me.

Since I am already on my feet, I will take the opportunity to share some of my thoughts on this newest piece of bad legislation coming from this NDP-Liberal government.

In her speech on June 12, Senator Simons quoted me quoting *The Washington Post* article about the fact that the Taliban had banned birth control in Afghanistan. For the record, I am going to repeat the quote from *The Washington Post* as it was powerful, and I stand by my words in their entirety. This was the quote:

> Because of their diminishing educational and economic prospects, women and girls are increasingly forced into early marriage, with families resorting to selling their elementary-school-aged daughters to put food on the table. As many as 9 of every 10 of these child brides will experience gender-based violence, and many will be placed at further risk because of Taliban-imposed obstacles to health-care access. Today in Afghanistan, one woman dies every two hours during childbirth, and birth control has been banned. These conditions exacerbate the grave humanitarian crisis in a country full of war widows.

• (1800)

Colleagues, all of this behaviour is despicable and reprehensible. It is cruel and dehumanizing. It should not be.

Yet, in an incredible display of intellectual dishonesty, Senator Simons twisted this quotation and misrepresented my position when she stated the following:

> . . . I think it is far more revolutionary that this plan will cover birth control, including the pill, the patch, the implant and the IUD, as well as emergency "morning-after pills" such as Plan B.
>
> In the Senate just last week, Senator Don Plett himself spoke with considerable passion on the need for access to contraception. He quoted a *Washington Post* piece which explained that one of the ways the Taliban was oppressing woman in Afghanistan was by banning birth control.
>
> I had not realized that the Leader of the Opposition in the Senate was such an outspoken and stalwart advocate for reproductive choice for women. However, I am grateful that he raised his voice — and loudly — to support a woman's right to control her own body and fertility.

Colleagues, everyone who has been here for longer than one week knows my personal convictions on the sanctity of life — that it extends from conception to natural death. Having said that, I am also respectful of other people's right to their convictions and opinions, including those of Senator Simons'.

Yet, in an incredible display of disrespect, Senator Simons used a quotation from my speech — where I was denouncing the vile actions of the Taliban towards women and girls in

Afghanistan — to suggest that I was supportive of terminating a pregnancy by utilizing what is commonly known as morning-after pills.

For a former journalist, this either displays a shocking level of ignorance about the parameters of one of the most contentious public policy debates in the last century or reveals an alarming lack of concern for an honest representation of facts. Either way, it is troubling.

However, there is one interesting thing about Senator Simons' speech. As usual, she will be supporting Justin Trudeau, against the wishes of the Alberta government. However, on this bill, at least we know where she stands from the start of the debate. We will not have to listen to her long speeches about why she is unsure about which way to vote and watch the drama unfold as she gnashes her teeth, feigning anxiety and uncertainty about whether she will support the people of Alberta, before finally voting with Justin Trudeau.

You may recall that in her speech, Senator Simons attacked the Alberta government for its decision to refuse to participate in the NDP-Liberal pharmacare plan. She even concocted a conspiracy theory that to be opposed to Bill C-64 somehow aligns you with some right-wing ideology about women.

I am sure that would be news to the Quebec National Assembly, which unanimously voted to denounce Bill C-64. We have a number of Quebec senators. I'm wondering how they will vote on Bill C-64.

Once again, we can see from some politicians around here that the "Ottawa knows best" approach is alive and well. They are ready to use any argument, even a far-fetched one, to attack the provinces that are ready to defend their rights: "You don't agree with the federal government invading your jurisdiction? It is because you hate women."

Senator Simons is a good example of those NDP-Liberal politicians who are so quick to use the parts of the Constitution that they cherish, such as the Charter of Rights and Freedoms, but are quick to dismiss other parts, such as sections 91 and 92 of the British North America Act on the separation of powers.

Any first-year law student will tell you that health care is a provincial matter, that it is an exclusive jurisdiction of the provinces.

So why is the Trudeau government getting involved in this? Did any of the provinces ask for this? No, not one of them did. They all said they would prefer more money for health care. Did a majority of Canadians ask for this? No. They also want more money for health care.

We all know the answer: It is the NDP that wanted pharmacare. With their sagging polling numbers, they needed a spark — something, anything.

And Justin Trudeau was ready to do exactly that — anything — to keep power, even the things that the Liberal Party has fought against for years. This NDP-Liberal coalition and their supporters have decided to throw the Constitution on the side, once again, and create a new program in an area that is exclusively provincial jurisdiction.

Of course, the provinces don't want that. They know full well how this movie will go: The federal government will impose conditions, promising to pay for the program. Then, when costs balloon, it will no longer cover its share and will leave the provinces holding the buck. This is the same thing it did with health care and the same thing it is already starting to do with child care.

This idea that the federal government has to get involved in provincial jurisdictions is the biggest threat not only to the federal treasury but to the unity of our federation. However, the superiority complex of the NDP-Liberals vis-à-vis the provinces knows no bounds. The leader of the NDP wrote to Quebec's health minister, asking for a meeting so that he could school him about the benefits of a pharmacare system. He did that, even though Quebec has a system where everyone has been insured since 1996.

Peter Julian said in his speech in the House of Commons on April 16, 2024, "It is no secret that Quebec's current system is not working. People are falling through the cracks." This is a politician from British Columbia, House leader of a party with one elected member in Quebec who has decided he knows what's best for Quebecers.

Senator Simons is in good company when she pretends that she knows better than the Alberta government what is good for Albertans. I find it strange that the same people who say that senators should not oppose legislation adopted by the House of Commons because it was adopted by elected officials don't have any problem opposing legislation voted through by elected officials in their own provinces. We can see this attitude that provincial governments and elected members are somehow inferior to their Ottawa counterparts.

They are not. Our federation is not constructed that way. Provinces are the masters in their own jurisdictions, such as health, which includes pharmacare. If there is a place in Ottawa where that constitutional reality should be not only understood but defended, it is here in the Senate.

Both Quebec and Alberta have indicated that they will not participate in any plan, and should the NDP-Liberal program be implemented, they expect full compensation.

I find it worrisome that the Trudeau government refuses to confirm that any province that refuses to take part in their scheme would be fully compensated.

I want to remind you, colleagues, that our role as senators includes the protection of provincial rights. I hope that all senators will keep that in mind when they make up their minds on Bill C-64. There is no place for simplistic arguments and conspiracy theories in our analysis of the positions of the various stakeholders.

• (1810)

This bill is about to be sent to committee. I hope that our Social Affairs Committee will shed some light on each of the provinces' positions on the bill and on the Trudeau government's commitment to accept giving full compensation in case of opting out, and that members of the committee will respect their duty as defenders of provincial rights.

I also hope we will get answers on this question: What is the federal government trying to achieve with Bill C-64? Because as I said, no one except the NDP wanted this bill. So why introduce it, other than just to make Jagmeet Singh happy and keep him onside? One theory is that there is no other reason. This is what I would call "the theory of the nothing burger."

A lot of people have claimed this is not a pharmacare plan; it is only a plan to have conversations with the provinces about the federal government covering some of the cost for some medications for diabetes and some contraceptives. In other words, this bill is a PR exercise. It would be the legislative equivalent of the health minister inviting his provincial and territorial counterparts for a conference to discuss an issue with the knowledge that something may or may not happen.

Considering the political circumstances surrounding the birth of this legislation, I think these skeptics may be right. You have two parties with bad polling numbers trying to come up with an idea, any idea, to move the needle. They don't have the money to fund a big program, but they have to show something sexy enough to make people believe something will change. But they must be careful — too much change would scare people. So they come up with a bill so vague that it does not mean anything, but it means everything. They hope that the radicals will see the promised revolution, while everyone else stays asleep, thinking that nothing will happen to them.

The brains behind this PR stunt thought they could add a kicker: the idea of including contraceptives is clearly designed for women, who are leaving the Justin train in droves.

So, this was the plan: introduce a bill that does not commit you to anything other than to more talks with the provinces, don't budget anything yet, prepare a list of what would be covered but with the caveat that this may change. The government put that list on Canada.ca, which creates hope for Canadians. Canadians will say, "Well, these are the medications that are going to be covered." But then some people will ask, "Well, why not this? Why not that?"

For example, senators will know that Ozempic is not on the list. The government's answer to this is, "Hey, this is not the final list." According to the theory of the nothing burger, the Liberals would dance around the issue until the next election, blaming the provincial Conservative governments for the delay. This way, they don't touch the plans that the large majority of Canadians use, and they will use the issue for their election platform in 2025.

This bill would be another of those "Seinfeld" bills that the Trudeau government is so fond of — a bill about nothing, a nothing burger. Or it may be more than this — and this is where it becomes dangerous. This is the theory of the Trojan Horse.

The NDP-Liberal deal said that the two parties would be "continuing progress towards a universal national pharmacare program by passing a Canada Pharmacare Act . . . ." So, the ultimate goal would be this universal program. Liberal MP Chandra Arya said in his speech in the House that Bill C-64 is ". . . a new chapter in our social contract" — nothing less. So maybe it is a big thing, but what exactly?

Over 97% of Canadians are already eligible for some form of prescription drug coverage, so there are about 1.1 million Canadians without any coverage for pharmacare. Why didn't the government focus on offering coverage to those 1.1 million Canadians?

Compare this to the over 27 million Canadians who rely on privately administered workplace plans. Are they to scrap their plans altogether? What happens to those 27 million Canadians who already have a plan?

As usual, the Trudeau government is speaking from both sides of its mouth. Parliamentary Secretary Mark Gerretsen said:

> This is about accepting, realizing and coming to the conclusion that we all deserve the exact same level of coverage, regardless of who we are, where we work or what our income is.

So for him, there would no longer be any private plan — we would all have the same coverage. But wait: Minister Holland, from the same government, said:

> . . . the 70% to 80% or so of Canadians who have private insurance can be at least somewhat reassured that they would not lose private coverage.

But wait again. The government designated sponsor of the bill in the Senate, Senator Kim Pate, issued a press release saying that Bill C-64 reflects a step-by-step process and that:

> Incremental expansion of coverage from contraceptive and diabetes medication toward a full public, universal pharmacare system will require the buying power of a single-payer system purchasing medications for 40 million Canadians through processes that are evidence-based and publicly accountable. . . .

So, it is clear for the sponsor — the ultimate goal is to strip the 27 million Canadians who have private plans of their coverage. Let me read again from the press release:

> "We start by insisting that access to pharmacare does not vary from one person to the next," said Senate sponsor of Bill C-64, Kim Pate. "Pharmacare must remedy Canada's patchwork of literally thousands of independent private and public drug plans. It must be a cohesive system that brings together and ensures Canada's purchasing power when negotiating prices and supply guarantees with multinational

> pharmaceutical companies. It must support individual households and employers by relieving them of the costs of drug coverage."

Earlier this month, the co-leader of the NDP-Liberal coalition said:

> We believe in a universal single-payer program. We included that language in the bill. This bill isn't perfect, but this bill does lay the foundation.

Let me then quote *The Hill Times* of June 8:

> "The [bill's] language is fatally flawed because of its ambiguity," said Dr. Steve Morgan, a professor at the University of British Columbia and a well-known pharmacare expert who has advocated for a single-payer program for many years. "[Pharmaceuticals are] a critical and massive component in the health-care system, and yet this legislation doesn't define terms such as what does 'single payer' mean? What does 'universal' mean? What does 'first dollar' mean? What does 'public' mean?"
>
> None of those terms are defined in the legislation, which is an outcome of the supply-and-confidence agreement between the Liberals and the New Democratic Party. Instead, definitions are limited to the following: "Indigenous Peoples," "Minister," "pharmacare," and "pharmaceutical product."

Why did the government come up with such vague legislation? Why do some supporters say this is the first step of a complete overhaul of how medicine is distributed in Canada, while the minister keeps on telling us, "Move on; nothing to see here"?

You would think that facing such uncertainty about the impact of such an important bill as Bill C-64, the government would have clarified its intentions during House committee proceedings, but, no, it refused amendments to clarify what would happen to private coverage. Isn't it strange — a government that insists that the program should be universal but refuses to define the term?

• (1820)

I hope that when the bill comes back for third reading, this will be clarified. Otherwise, we will have to conclude that Bill C-64 is indeed a Trojan Horse, and that the ultimate goal of the government is what Senator Pate and Jagmeet Singh stated: to get rid of all private coverage to the benefit of one single government-run program.

If that is the plan, the government should have the courage to say so. If Mark Holland wants to annul all the collective agreements whereby unions and their members obtained superior coverage for drugs, then he should have the courage to say so. I fully hope that Senator Yussuff would see to it that he does.

The Liberals should also have the courage to tell us the cost of their pharmacare plan. As usual, the Trudeau government is gaslighting Canadians on the costs of its measures. Mark Holland said:

> We can't afford this to be a massively expensive program. We're not in a time where the fiscal framework can absorb massive costs. And so that absolutely is a consideration . . . .

In October 2023, the Parliamentary Budget Officer said that a single-payer universal drug plan would cost federal and provincial governments $11.2 billion in the first year and $13.4 billion in five years. So what is it? Is $11 billion no longer considered a massive cost to this government, or is Minister Holland hiding the truth? Once again, this is a question for our committee.

Finally, I hope the committee will clarify what coverage Canadians will have once we have a single national program. On March 3, expert Emmanuelle Faubert wrote in the *National Post* that if coverage similar to Quebec's public drug insurance plan were to be extended across the country, the coverage quality of 21.5 million Canadians would be jeopardized if a government monopoly were to be imposed, and a loss of coverage could mean a loss of access to drugs.

I remind you that even the supporters of Bill C-64 admit that the Quebec model is too expensive. Our committee and our Senate should take a careful look at what happened in New Zealand, where drugs are no longer available due to the constraints of the public plan. Is this what would be in store for Canadians with Bill C-64: more money, less choice and inferior coverage? Is that what is in this Trojan Horse?

In conclusion, colleagues, we have in front of us a badly written bill for which the objectives remain unclear. Is this a "nothingburger" or is this a Trojan Horse that will reduce the existing coverage that 21 million to 27 million Canadians enjoy today? We don't know. The government, in their usual format, rushed this bill in the House, with the committee having only 10 hours of witness testimony and the minister saying one thing one day and something contrary another day.

Canadians are fed up with their health care system. Why should we impose a similar single-payer pharmacare system with lack of choice, rationing of care and worse outcomes? Former president Ronald Reagan famously said, ". . . the nine most terrifying words in the English language are: I'm from the Government, and I'm here to help." I would say that just as terrifying are the words, "I'm Justin Trudeau, and I'm going to set up a new program to replace what you have now."

We need to know where the government is going with this, and the committee has a lot of work to do on this bill. I would imagine that Senator Pate will have the same interest as me in clarifying what Bill C-64 is all about because — so far — this is what we have with Bill C-64: We don't know what will be covered. We don't know who will be covered. We don't know how coverage will be delivered. We don't know how much this will cost. Yet the government wants us to just rush this through.

We don't know the impact on the 97% of Canadians who already have pharmacare. I sincerely hope our Senate committee will obtain the answers from the government. I don't think Canadians have any more faith in Justin Trudeau and his incompetent ministers. The "trust me" message from Minister Holland on this bill is not acceptable.

Thank you.

Hon. Marilou McPhedran: Will Senator Plett take a question?

Senator Plett: No. Senator Plett is tired, and he has another speech to deliver on Bill C-59, so he'll save his words for that.

Thank you.

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

Some Hon. Senators: Agreed.

An Hon. Senator: On division.

(Motion agreed to and bill read second time, on division.)

REFERRED TO COMMITTEE

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

(On motion of Senator Pate, bill referred to the Standing Senate Committee on Social Affairs, Science and Technology.)

FALL ECONOMIC STATEMENT IMPLEMENTATION BILL, 2023

THIRD READING—VOTE DEFERRED

Leave having been given to revert to Government Business, Bills, Third Reading, Order No. 2:

On the Order:

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

Hon. Pierre J. Dalphond: Honourable senators, I will briefly address one aspect of Bill C-59 — one of the government's omnibus budget bills. I would like to place on the record concerns raised by many stakeholders in respect of an amendment added to Division 6 of Part 5 of Bill C-59, dealing with the Competition Act.

Bill C-59 implements certain provisions of the budget tabled on March 28, 2023, as well as the *Fall Economic Statement 2023*. However, this bill also continues the government's bad habit of including numerous non-financial measures. For example, Part 5 entitled "Various Measures" contains over 130 pages, including two new statutes: An Act respecting the Canada Water Agency; and An Act to establish the Department of Housing, Infrastructure and Communities. It also amends over 10 existing statutes, including the Competition Act.

Bill C-59 makes proposals in relation to private actions before the Competition Tribunal, as contrasted with proceedings initiated by the Competition Bureau. It also amends the Competition Act to add a new reviewable practice regarding deceptive environmental claims about products. This new prohibition will target deceptive, misleading or false statements, warranties or guarantees made about the environmental benefit of a product. This bad practice is called greenwashing.

For example, think of Keurig, the manufacturer of coffee pods. In 2022, the company had to pay a settlement in both the United States and Canada in a class-action lawsuit that alleged Keurig deceptively advertised its K-Cup pods as recyclable. Keurig had to pay $10 million in a settlement and suffer advertising restrictions moving forward.

• (1830)

Pursuant to subclause 236(1) of Bill C-59, the Competition Bureau Canada — and potentially private actors — will be able to initiate proceedings in Canada before the Competition Tribunal in a case of product greenwashing.

In case of an action before the Competition Tribunal, the onus will rest on the manufacturer to prove that the representations made about a product were based on adequate and proper tests.

The government-proposed amendments on representation of environmental benefits of products have generated significant concerns among economic stakeholders, such as the Canadian Chamber of Commerce, the Aluminium Association of Canada and Pathways Alliance, a consortium of the largest oil sands companies. They don't argue that they were not consulted during the pre-budget process but rather that this is a major change in the regulatory framework governing the sale of their products.

In my view, they're complaining about policy decisions made by the government after years of consultation, as pointed out earlier today by Senator Moncion in her speech. I accept such decisions, including reverse onus on the manufacturer of a product to show that they conducted proper testing. However, these measures should have been part of a separate bill dealing exclusively with the Competition Act. Instead, they are part of an omnibus bill, depriving Parliament of the time necessary to thoroughly review the proposed amendments.

More concerning is the addition by the House of Commons of another significant prohibited practice not contemplated by the government and somewhat on the fly at the Standing Committee on Finance in the other place. This was what happened with Bill C-59 when it was amended by opposition parties at clause by clause at committee to target claims or representations made about a business or brand as a whole in connection with benefits to the environment.

This amendment proposes to create a new form of reviewable conduct defined as follows:

> . . . makes a representation to the public with respect to the benefits of a business or a business activity for protecting or restoring the environment or mitigating the environmental and ecological causes or effects of climate change that is not based on adequate and proper substantiation in accordance with internationally recognized methodology, the proof of which lies on the person making the representation . . . .

The origin of this amendment is a misunderstanding regarding comments made by the Commissioner of Competition before the Finance Committee in the other place. This was confirmed by the Competition Bureau in a letter to our Standing Senate Committee on Banking, Commerce and the Economy, which stated:

[*Translation*]

> The reality is that a significant portion of the greenwashing complaints the Bureau receives do not involve claims about products, but rather more general or forward-looking environmental claims about a business or brand as a whole (e.g. claims about being "net zero" or "carbon neutral by 2030").

As a result, the Competition Bureau made the following recommendation to policy-makers:

> Study whether the approach to greenwashing taken in Clause 236(1) could be expanded to cover all environmental claims made to promote a product or business interest.

It goes on. This is the Commissioner's office talking. It said, and I quote:

> Although we recommended a more in-depth study, we respect the decision of the House of Commons Standing Committee on Finance to make amendments to clause 236 on this important issue. As we mentioned above, the committee made that decision after hearing from various stakeholders. In the end, the amendments were unanimously adopted by the House of Commons at third reading on May 28, 2024.

[*English*]

In other words, we have before us a bill that contains a significant amendment to the Competition Act not introduced by the government and adopted without any prior consultation with stakeholders while the commissioner was inviting MPs to carefully study that issue and perhaps come up with an answer.

Unsurprisingly, our National Finance Committee, as well as the Banking Committee, received briefs about this unexpected amendment and heard from many organizations raising concerns about the new reviewable conduct and the vagueness of a concept such as "internationally recognized methodology." This is coupled with the onus of proof placed on the business and the risk of private actions.

During the clause-by-clause stage at the National Finance Committee, Senator Ross proposed to delete the words ". . . in accordance with internationally recognized methodology . . ." After a respectful debate, the committee declined this amendment and instead included strong observations in its seventeenth report, dated June 13, 2024, which I want to highlight and bring to the attention of the Competition Bureau through this debate:

> The Committee notes that a meaningful proportion of industry players active in Canada have made real efforts to support the move to a net-zero economy and to differentiate their products and firms on this basis. These legitimate efforts should not be deterred or impeded, for fears of the unintended consequences of the pursuit of greenwashing actions.
>
> Your committee believes that meaningful consultation by the Competition Bureau, to set out clear guidelines in this area, is important, and for any private right of action to be informed by such guidelines as to what may be considered deceptive in the area of environmental pursuits.
>
> Furthermore, while clause 236 (1) of Bill C-59 notes the importance of internationally recognized methodology to substantiate such claims, the Committee believes that the analysis should also include federal and other Canadian best practices, such as those set out by Environment and Climate Change Canada.

Today, colleagues, we are asked to adopt Bill C-59 as a whole, even though it contains significant changes to the Competition Act for which there was no prior consultation by the government in its pre-budget process, nor by the Competition Bureau. However, I invite Minister Champagne — who is in charge of the Competition Act — and the government to consider ways to follow up on our observations, including potential legislative amendments after meaningful consultations with stakeholders.

Finally, I urge the Competition Bureau to live up to its May 31, 2024, letter, wherein it committed to adopt the principled approach to the enforcement of these new provisions. This approach should be informed by the observations made by our Standing Senate Committee on National Finance and developed further after a meaningful consultation process with all stakeholders.

• (1840)

Dear colleagues, thank you very much for listening to these concerns. *Meegwetch*.

Hon. Donald Neil Plett (Leader of the Opposition): Honourable senators, I rise today as well to speak to Bill C-59, An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28, 2023, also known by its short title as the "Fall Economic Statement Implementation Act, 2023."

At her second reading speech, Senator Marshall gave an excellent overview of the many problems with this legislation. As you will recall, she had insufficient time to cover all its problems. I'm certain that if she had unlimited time, she would put it to very good use.

However, I must admit that I am constantly perplexed that senators applaud the speech and then — even after the veneer has been stripped from the government's legislation, showing the utter sham of their talking points — support the legislation anyway.

I am fully anticipating that Senator Dalphond will vote against Bill C-59 when we vote on this, but we'll see what happens.

We see this repeated here on almost a weekly basis: Senators walk into this chamber and into committee meetings with their minds seemingly made up. No matter how compelling the arguments or convincing the evidence, the outcome is always the same: The evidence is ignored, arguments are brushed off and the government gets a pass. We have government officials saying a bill is out of scope, yet we pass it anyway.

There are numerous examples of this, but allow me to illustrate it by referencing the journey of one piece of legislation: Bill C-234, An Act to amend the Greenhouse Gas Pollution Pricing Act. As you may recall, this bill created additional on-farm exemptions from the carbon tax. The legislation was supported by every sector of the agricultural industry.

Senators were warned that making any amendments to this bill would result in the government filibustering its progress in the other place and effectively kill the bill.

Despite this warning, the majority of senators decided they knew better and voted in favour of amendments by Senator Dalphond and Senator Woo.

Today, the bill languishes in the House of Commons, just as we said it would. Farmers are still suffering. It has risen to the top of the Order Paper three times in the other place. Each time, the Liberals run out the clock so that it cannot come to a vote. Senators did not improve the legislation by amending it; they killed it. Farmers are paying the price.

I find this pattern of ignoring facts and arguments to be troubling and somewhat mystifying, but I have accepted it as the current reality and do not want you to mistake my remarks as an attempt to change your minds on this bill. I am well aware that such an attempt would be an exercise in futility, as the vote at second reading demonstrated. Instead, I speak to give voice to the concerns of the growing majority of Canadians who do not feel represented by either this Liberal government or its appointed senators.

Many of them have almost lost hope in our country and institutions. They watch helplessly as their dream for a better tomorrow slowly drains away while the government mishandles the economy, exacerbates inflation, increases the national debt, piles on more taxes, drives up the price of energy, pushes home affordability out of reach, erodes business confidence, ignores plummeting productivity numbers and flirts with policy decisions with potential repercussions from key trading partners.

These are the people who email me and call my office on a daily basis. They have watched, bewildered, as this government systematically destroys the country they love and then berates anyone who dares to express a different view.

We are constantly berated here for our views by our government leader at Question Period.

These are the people who feel invisible and silenced: those who have been written off as conspiracy theorists simply because they cannot believe that anyone with the country's best interests in mind would do the things this government is doing; those who struggle to maintain hope and to feel they are being heard.

These are the people I am speaking for today, colleagues, and these are the people who wish for you to hear what I am about to say.

Colleagues, the bill before us today was tabled in Parliament on November 30 of last year. It implements some of the measures contained in the *2023 Fall Economic Statement* and some of the measures contained in the March 2023 Budget.

This means that the 526-page document we are considering today enacts policies which were first announced between 7 and 15 months ago and envisioned long before then. Most of them are policies which were bad then and are even worse now.

Normally, if you know you are going in the wrong direction, you change course — but not this government. For the last nine years, the Liberals have been introducing policies which have consistently driven the country into a dangerous economic position, and they show no signs of letting up.

We see overwhelming evidence of this everywhere. Let me give you just a few examples.

The first is a record number of food bank visits. Last year, food banks had to handle a record 2 million visits in a single month, with 1 million more people expected in 2024. The other week, Nanos released survey results which show almost one in five Canadians say that they or someone they know used a food bank within the last 12 months.

The second is escalating housing costs. Housing costs have doubled — yes, Senator Gold, doubled — over the past eight years, making it significantly harder for Canadians to afford homes. This includes both purchase prices and rental costs, Senator Gold.

The third is rising mortgage payments. Mortgage payments have increased by 150% since the current administration took office. This surge in costs is contributing to the financial strain on Canadian households. The Bank of Canada has warned that

these are expected to go higher yet, with the median monthly payment increasing by more than 60% for those with a variable-rate mortgage.

The fourth is the housing affordability gap. The cost of housing has risen 40% faster than incomes, creating the worst affordability gap in the G7 and the second worst of all 40 Organisation for Economic Co-operation and Development, or OECD, nations.

The fifth is with respect to saving for down payments. It now takes 25 years to save up for a down payment on an average home for a typical family in Toronto, a significant increase from previous years.

The sixth is persistently high inflation. Despite warnings from financial experts, government spending continues to fuel inflation, eroding the purchasing power of Canadians. High inflation rates mean the government is getting richer while Canadians get poorer.

The seventh is with respect to interest rates and mortgage risks. The Bank of Canada has highlighted the risk of a mortgage default crisis, with $900 billion in mortgages due to renew over the next three years at much higher rates. This creates a severe financial risk for many homeowners. The Office of the Superintendent of Financial Institutions, or OSFI, is reporting that many Canadians will face a payment shock when they renew their mortgages at much higher rates over the next two years, which could affect as many as 76% of Canadians with outstanding mortgages. As a direct consequence of this, the Office of the Superintendent of Financial Institutions, or OSFI, is expecting that these payment increases will lead to more Canadians defaulting on their mortgages.

• (1850)

Next is proximity to bankruptcy. Over 50% of Canadians are now $200 or less away from financial insolvency, indicating a widespread, precarious financial situation among the population. OSFI has noted:

> . . . mortgage payments are taking up a larger part of some households' income, leading to increases in the number of borrowers not being able to make payments on other loans and debts.

In fact, Desjardins has reported that Canadian households are the most indebted in the G7 by a wide margin.

There is overwhelming debt. Household credit market debt has reached a staggering $2.9 trillion, meaning that household debt was 179% of disposable income of Canadians at the end of last year.

Business insolvencies have increased by 87% just this past year, reflecting the challenging economic environment and its impact on the business sector. There has been a 39% increase in violent crime, contributing to a growing sense of insecurity among Canadians.

We see a rising poverty rate. Just today, Food Banks Canada released a report that suggests that the poverty rate is rising and that 25% of Canadians likely have a poverty-level standard of living. Imagine, colleagues, that in our country, 25% of Canadians likely have a poverty-level standard of living.

Homeless encampments have become a common sight in almost every major city, indicating a significant rise in homelessness and housing instability.

Canada has seen a decline in its global competitiveness, falling from fourth place in the World Bank's Ease of Doing Business Index in 2007 to twenty-third place in 2020. This decline is coupled with a decrease in Canada's share of global GDP and a slow rate of domestic innovation.

Currently, Canada is ranked eighteenth in productivity with its GDP per hour worked at only 42.5% of the top-ranked country, which is Ireland. We are one of the few advanced countries that have not recovered its pre-pandemic level of per capita GDP, and the Organisation for Economic Co-operation and Development, or OECD, projects that Canada will rank dead last among the OECD members in real GDP per capita growth until 2060.

Colleagues, common sense Conservatives have consistently warned Justin Trudeau that his out-of-control spending is forcing the Bank of Canada to keep interest rates higher for longer, yet, despite this, the bill before us introduces new measures that will further reduce the budgetary balance by almost $21 billion according to the Parliamentary Budget Officer.

The Governor of the Bank of Canada confirmed that Trudeau's spending was "not helpful" in his efforts to bring down interest rates, and Bank of Canada Senior Deputy Governor, Carolyn Rogers, has warned that Canada's economic productivity levels are so bad that she referred to it as an emergency.

Yet, despite all of this, Justin Trudeau decided to pile on an additional $23.9 billion of new spending in the Fall Economic Statement and $61 billion of new spending in the April 2024 budget. Together, these will reduce our budgetary balance by $60 billion over 2023-24 to 2028-29.

Six months ago — when the Fall Economic Statement was produced — the Parliamentary Budget Officer warned us of the following:

> Since Budget 2021, the Government has projected a total of $212.8 billion in new fiscal room. Essentially all of this fiscal room has now been exhausted through increased spending (on a net basis), with only $0.5 billion used to reduce the deficit (on a cumulative basis).

Just one month ago, the Parliamentary Budget Officer released his report, *Budget 2024: Issues for parliamentarians*, in which he sounded the alarm once again:

> Budget 2024 marks the third consecutive fiscal plan in which the Government's new measures—even after accounting for revenue-raising and spending reviews—have exceeded the incremental "fiscal room" resulting from economic and fiscal developments. Indeed, the $39.3 billion

> in (net) new measures announced in Budget 2024 more than exhaust the $29.1 billion in new fiscal room over 2023-24 to 2028-29.

In other words, while our economy struggles to get back on its feet, the government is determined to knock it back down over and over again.

Taken in isolation, Bill C-59 may not seem like a big deal, but if you take a step back and look at where we have come from and then look ahead to see where we are going, you will see that Bill C-59 continues to nudge us in a direction in which we do not want to go.

This bill is fraught with missteps and misjudgments that will burden Canadians, hinder our progress and exacerbate existing challenges. Allow me to briefly point out four of them.

First is economic impact and inflation. As I said earlier, this bill proposes more than $20 billion in new spending. We can argue about how much of an inflationary impact that $20 billion will have, but there is no argument over the fact that it will have an impact.

For those who may not know, the government does not have a bottomless pot of money somewhere that it magically dips into every time it announces new spending, although it certainly appears as if Justin Trudeau does not know that. When the government needs more money, it either has to pull it out of the economy through increased taxes or extract it from the capital markets through increased borrowing.

The net result of this is downward pressure on economic growth, upward pressure on inflation and interest rates or both. As my colleagues and I have repeatedly emphasized, this mini budget can be summed up very simply: prices up, rates up, debt up, taxes up, time's up for a reckless fiscal policy, yet this warning is just brushed off.

The Liberal government and liberal-minded senators may find it easy to dismiss such criticisms when they come from members of the Conservative Party, but I would remind you that those warnings have been echoed by the Bank of Canada and the financial sector where they have unequivocally stated that government spending is contributing to our nation's high rate of inflation.

Yet, despite these calls for moderation, the government is driving ahead with its inflationary agenda, and the majority of senators in this chamber will support them in their determination to do so.

The result is that we now have a financial environment where Justin Trudeau will spend more money next year servicing his debt than he will spend on health care transfers. This projection is not just a testament to his fiscal irresponsibility, but a harbinger of the sacrifices that Canadians will be forced to make when those costs climb even higher due to the government's failure to lock in its COVID debt at low rates.

You might, however, be quick to point out the latest consumer index numbers that showed inflation coming down — as Senator Gold pointed out to us today — and the corresponding move by the Bank of Canada to decrease the interest rate by 25 basis points. That is welcome news, but we need to understand —

• (1900)

The Hon. the Speaker: Senator Plett, I'm afraid I have to interrupt.

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

Is it agreed to not see the clock?

Hon. Senators: Agreed.

Senator Plett: Thank you, colleagues. I will continue.

That is welcome news, but we need to understand it in its context, colleagues.

First of all, a government that has habitually pushed inflation higher through its reckless fiscal policies is in no position to take credit when inflation moves in the opposite direction. This government has done nothing to help lower inflation, and has only made it worse. Any decrease in inflation has come at a huge cost to Canadians through the sacrifices they have made and the hardships they have endured, as the Bank of Canada used monetary policy to fight against foolish fiscal policy.

Second, we must remember that as inflation comes down, prices do not. This government boasts about declining inflation like they are somehow responsible for it and life is about to return to normal — a time we enjoyed just before Justin Trudeau became the Prime Minister. That is false, colleagues. The damage has been done, and I suspect there is more to come as long as this incompetent Prime Minister and his government are in power.

Third, we would do well to note that the Bank of Canada has warned that risks to the inflation outlook remain. The Bank of Canada stated:

> . . . we will continue to closely watch the evolution of core inflation. We remain focused on the balance between demand and supply in the economy, inflation expectations, wage growth and corporate pricing behaviour.

Scotiabank has expressed its concerns as well:

> . . . we remain concerned about upside risks to inflation given rising wages and falling productivity, the surprising strength in consumption, the serial over-stimulation by the federal and provincial governments, and the potential for a housing market rebound. . . .

Simply put, our progress is tenuous, and the government's failure to align fiscal policy with monetary policy remains concerning. While the Bank of Canada is trying to constrain spending, the Minister of Finance has no such preoccupation.

The second way that Bill C-59 moves us in the wrong direction is via tax increases. Bill C-59 introduces measures that will place an undue burden on middle-class Canadians, exacerbating the cost of living crisis. The digital services tax, known as DST, is a prime example. While it's intended to target large corporations, the reality is that this tax will be passed on to consumers, increasing the cost of digital services and other goods at a time when Canadians are already struggling to make ends meet.

The Retail Council of Canada voiced its concerns about the new tax, highlighting the broader than intended consequences on the retail ecosystem. They rightly point out that the DST would impose significant administrative burdens, raise double taxation concerns and ultimately harm Canadian consumers by driving up prices. The Canadian Chamber of Commerce said:

> The timing couldn't be worse: affordability is top of mind for nearly all Canadians right now, and cost-related concerns are six of the top 10 business obstacles expected . . . .

They warned that the tax will negatively affect the daily life of Canadians and the economy in at least five ways: Daily digital services will cost more; consumer loyalty programs will do less; business growth and innovation will decrease; start-ups and small businesses will be the most affected; and Canadian trade relationships will take a hit.

The retroactive nature of the DST compounds the problem further, undermining business confidence and potentially igniting trade tensions with our largest trading partner, the United States.

That is not an exaggeration. Last year, U.S. Ambassador David Cohen said:

> . . . if Canada decides to proceed alone, you leave the United States with no choice but to take retaliatory measures in the trade context, potentially in the digital trade context, in order to respond to that.

The U.S. House of Representatives Committee on Ways and Means and the U.S. Senate Finance Committee have both raised concerns, urging their Trade Representative to take retaliatory action if Canada proceeds unilaterally with this tax. The Ways and Means Committee wrote the following:

> We write as Members of the Ways and Means Committee to express our disapproval of Canada's decision to move forward with a digital services tax (DST) that, if imposed, would seriously harm American companies and workers. Despite nearly all 140 economies participating in the Organization for Economic Cooperation and Development's (OECD) work to reach agreement on updated international tax rules approving a one-year extension of the moratorium on DSTs through December 31, 2024, we are disappointed that Canada is unfortunately moving against this global consensus with a punitive DST scheduled to take effect next year. We urge you to impress upon your counterparts in Canada that its unilateral approach is discriminatory and, if enacted, could face significant consequences.

Yet, in spite of all this, the Liberal government is just plunging ahead, with fingers in their ears, heads in the sand, and living in some kind of a la-la land because it is desperate to scratch out a few more tax dollars to support its spending addiction.

Third, in addition to inflationary spending and tax increases, Bill C-59 also impacts energy affordability. The proposed excessive interest and financing expenses limitation, or EIFEL, rules are designed to prevent unreasonable deductions of interest and other financing costs. However, those rules are so broadly drafted that they will apply to Canadian energy utilities, which means higher energy costs for consumers.

As was explained at our National Finance Committee by Mr. Francis Bradley, President and CEO of Electricity Canada, utilities are required to pass tax costs on to consumers. This means that the proposed EIFEL rules will lead to increased utility bills, exacerbating the financial strain on households already grappling with rising costs. In some provinces, consumers will pay EIFEL-related costs on their gas bills but not on their electric bills and vice versa, creating a patchwork of affordability winners and losers.

While many of our peers in the Organisation for Economic Co-operation and Development, or OECD, including the United States, Ireland and the United Kingdom, have extended exemptions to utilities from their application of those rules, the Liberal government is refusing. When Conservatives proposed an amendment to facilitate this at committee in the House of Commons, it was defeated.

The fourth area where this legislation falls short is with respect to the housing policy. Bill C-59 proposes measures to address the severe housing shortage. Those measures are grossly inadequate. They would create a new department of housing, infrastructure and communities, which would merely add another layer of bureaucracy. That is something they're good at. We currently have a shortage of 1.8 million homes, and the measures in Bill C-59 will do nothing to fix this crisis. The signature policy in this mini-budget is to pour $15 billion into a fund that's building barely 1,500 homes a year when we need 5.8 million new homes built by 2030 to meet the demand.

It is a classic case of too little, too late.

A few weeks ago, builders told the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities that

there is no way the government is going to meet its target for housing starts. MP Tracy Gray asked the following question:

• (1910)

> Claims were made in Liberal budget 2024 that they will build 3.87 million homes by 2031 . . . .
>
> . . . how realistic is this?

Richard Lyall, President of the Residential Construction Council of Ontario, responded by saying, "Not a chance." That's because housing starts are currently decreasing, not increasing, due to high financing costs and development charges. Mr. Lyall went on to say:

> . . . we're slowing down. We have hundreds of framing crews sitting at home now. It's working its way through the process.

He also said:

> The changes to the purpose-built rental taxation situation is very helpful in keeping some projects going, but we're headed down in a big way.

And:

> We're in a crisis moment.

Colleagues, Canadians have had to fight like a swimmer caught in a riptide to survive the pull of this government's reckless policies as they drag everything out to sea, where it drowns. While taxpayers are fighting to survive, the government keeps moving the goalposts by which its measures its own performance.

In 2015, Justin Trudeau's Liberal government committed to its first fiscal rule: balancing the budget by fiscal year 2019-20. That should have been an easy thing because, according to the Prime Minister, we all know the budget balances itself. Yet, that commitment did not even survive one single year. It was replaced with a second commitment to reduce federal debt relative to the size of the economy. This commitment was abandoned even before COVID hit, with the debt-to-GDP ratio increasing in 2019-20 and then rising sharply during the pandemic.

Then, in her initial Fall Economic Statement as Minister of Finance in 2020, Minister Freeland introduced another new fiscal guardrail, designed to link government spending to labour market outcomes. This guardrail was intended to signal when to reduce post-COVID stimulus spending. However, as the job market recovered more rapidly than anticipated, the anchor was quickly abandoned.

In Budget 2022, the government reinstated the declining debt-to-GDP ratio as its fiscal anchor, yet, once again, they blew through that in 2022-23 and then in 2023-24. According to the Parliamentary Budget Officer, the government is projected to do the same again in fiscal year 2024-25.

The Business Council of Canada has noted that:

> The Trudeau-Freeland record on fiscal guardrails or anchors speaks for itself. Since 2020, the federal government has never met a fiscal target it imposed on itself.

That was the Business Council of Canada, Senator Gold, not the Conservative Party of Canada. Furthermore, they believe it is very improbable that this government will ever meet those targets.

Colleagues, the bill before us today is just one more illustration of this government's reckless incompetence. Bill C-59 is deeply flawed in its approach to addressing our nation's economic, social and regulatory challenges. It proposes increased spending, which will exacerbate inflation and interest rates; tax increases that will burden middle-class Canadians; energy policies that will raise costs for consumers; and inadequate housing measures. In a word, this is a failure. There's only one appropriate response to this, and that is to defeat this bill.

Colleagues, we have members of this Senate who are in the financial sector. We have members of this Senate who are bankers. I would like to know how they would treat an individual customer who would come in and ask them for a loan at their bank, whether they would approve that. We will see how they will vote on this because that would be an indication of how they would operate a bank.

I urge all senators to send the government a message that this is not good enough. Colleagues, we can defeat this legislation. It will not bring the government down. If we do the responsible, proper thing, we will defeat this legislation. And if you do, colleagues, Canadians coast to coast to coast will thank us for it. Thank you very much.

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

Some Hon. Senators: Yea.

The Hon. the Speaker: All those opposed to the motion will please say "nay."

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion the "yeas" have it.

And two honourable senators having risen:

The Hon. the Speaker: I see two senators rising. Any agreement on a bell?

The vote will be deferred. Pursuant to rule 9-10(1) and the order adopted on September 21, 2022, the vote is deferred to 4:15 p.m. tomorrow, with the bells to ring at 4 p.m.

THE SENATE

MOTION TO AFFECT PROCEEDINGS ON BILL C-69 ADOPTED

Hon. Marc Gold (Government Representative in the Senate), pursuant to notice of June 17, 2024, moved:

That, notwithstanding any provision of the Rules, previous order or usual practice, and without affecting provisions of the order of June 5, 2024, relating to proceedings on Bill C-69, An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024:

1. if the Senate receives the bill and adopts it at second reading, it stand referred to the Standing Senate Committee on National Finance;

2. the committee be authorized to meet for the purposes of its consideration of Bill C-69, even though the Senate may then be sitting, with rule 12-18(1) being suspended in relation thereto;

3. the committee be authorized to report the bill at any time the Senate is sitting, except during Question Period;

4. if the committee reports the bill without amendment, the bill be placed on the Orders of the Day for third reading later that sitting, provided that if the report is presented after the point where the Senate would normally have dealt with the bill at third reading, the bill either be taken into consideration at third reading forthwith, or, if another item is under consideration at the time the report is presented, the bill be placed on the Orders of the Day for consideration at third reading as the next item of business; and

5. if the committee reports the bill with amendment or with a recommendation that the Senate not proceed further with the bill:

   (a) the report be placed on the Orders of the Day for consideration later that sitting, provided that if the report is presented after the point where the Senate would normally have dealt with the report, it either be taken into consideration forthwith, or, if another item is under consideration at the time the report is presented, it be placed on the Orders of the Day for consideration as the next item of business; and

   (b) once the Senate decides on the report, the bill, if still before the Senate, be taken into consideration at third reading forthwith.

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

Hon. Senators: Agreed.

(Motion agreed to.)

DEPARTMENT OF EMPLOYMENT AND SOCIAL DEVELOPMENT ACT EMPLOYMENT INSURANCE ACT

BILL TO AMEND—THIRD READING

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

On the Order:

Resuming debate on the motion of the Honourable Senator Bellemare, seconded by the Honourable Senator Dalphond, for the third reading of Bill S-244, An Act to amend the Department of Employment and Social Development Act and the Employment Insurance Act (Employment Insurance Council), as amended.

Hon. Rose-May Poirier: Honourable senators, I rise today to speak at third reading as critic of Bill S-244, An Act to amend the Department of Employment and Social Development Act and the Employment Insurance Act (Employment Insurance Council). I would like to take the opportunity to thank Senator Bellemare for her tireless work and advocacy for the improvement to the Employment Insurance, or EI, program as well as to congratulate her on Bill S-244.

• (1920)

As you may remember, colleagues, Bill S-244 proposes to create a social dialogue within the EI program of our country with government, employers and employees with the proposed council.

During the committee's study, the Standing Senate Committee on Social Affairs, Science and Technology studied the bill for three meetings, which included the clause-by-clause consideration. They heard from both EI commissioners — Nancy Healey representing employers and Pierre Laliberté representing workers — as well as from labour unions — the Canada Labour Congress and Unifor — and stakeholders representing employers — the Canadian Federation of Independent Business and the Canadian Chamber of Commerce.

All of them are in favour of the bill. They believe formalizing the consultations through social dialogue will enhance their voices and bring about more suitable programs for their respective members. In my opinion, their approval of the bill is also indicative that the patience of both workers and employers has run out. They want to see substantial changes made to the Employment Insurance program now.

Everyone knows the Employment Insurance program is broken in Canada, and yet the government sits on its laurels instead of bringing the program into the 21st century as they promised.

As for government officials, they expressed clearly their concerns regarding Bill S-244:

> . . . Again, I'm not an expert; we didn't draft this particular bill, so I can't say that I have expertise on its policy intent. On read, there is a potential, without further clarity and determination, that the advisory role and the reporting functions of the new broad advisory council could have unintended results on the existing governance of the program.

As you see, colleagues, some concerns remain with this bill. I tend to share the concerns of the government officials on how the council will change the dynamic of the EI decision-making process. Their concerns are important to note and to be repeated in third reading.

Colleagues, during my second reading speech, I expressed the following concerns, which are still present today. A gap remains for representation on the Employment Insurance Council. As the bill states, the council is composed of the two EI commissioners, not fewer than five members from the most representative labour organizations and not fewer than five members who must be from the most representative employer organizations.

There are also two possible observing members — representatives of provinces and territories for the labour market policies and programs as well Indigenous representatives and Indigenous organizations.

Honourable senators, for people who work in seasonal economies, for folks who also perform multiple jobs as part of the gig economy and for those who are not unionized, how will they be represented? How will their voices be heard? My fear remains the same. By amplifying the voices of the biggest unions, which are focused on more populated areas, it could very well diminish the voices of rural Canada, of seasonal economy workers and of non-unionized workers. They all pay into the EI program, and their realities should not be left out in the decision-making process.

The current Liberal government has had over nine years to finally bring meaningful and necessary reform to the EI system, but they continue to drag their feet in reforming the Employment Insurance program to the realities of today's economy.

I see Bill S-244 as a symbol of the frustration and disappointment of Canadians over the government's inaction on this file. To say Canadians deserve better is overused, but for a reform of such importance, it is important to repeat it: Canadians deserve better.

The labour market is changing, and the Liberal government still won't proceed to bring the EI into the 21st century — and not only for the 21st century, but problems from the previous century persist. I must mention the infamous "black hole" period for seasonal workers.

In the latest budget, there was only one EI-related item — the renewal of a five-week pilot program for seasonal workers to cover the "black hole." As a reminder, the "black hole" is a period in the year where seasonal workers have no insurable hours left, but their seasonal jobs have not yet begun. Colleagues, is that how seasonal workers should be treated by their government? Every year, they live in limbo, wondering if the government will keep the pilot project going or if they will finally bridge the gap.

Imagine, colleagues, a family of four depending on a pilot project to make ends meet because the seasonal work hasn't begun yet. That cycle needs to stop. I take this opportunity to remind the chamber of their stories and their struggles because the federal government has certainly forgotten about them. The government prefers to continue with the untenable patchwork approach instead of a meaningful reform.

While I do have reservations with Bill S-244 for the underrepresented on the Employment Insurance Council, if this bill is to become law, I would urge the council's first order of business to be making room on their council to hear the voices of rural Canada, seasonal workers and non-unionized workers.

I would also encourage the House of Commons to look carefully at that question when they review this legislation. The EI program remains, to this day, a program funded by the workers and the employers. Prioritizing the voices of the biggest unions and the voices of the biggest employers' representatives could have the consequence of shutting out voices from non-unionized workers, seasonal workers and workers working in the regions who have different needs than workers in bigger urban centres who enjoy larger representation.

During all my years as a provincial legislator and now as a senator, I have always believed in consultation and effective dialogue by the government with its citizens. It is for that reason I tend to support the bill but with a caution of ensuring the council doesn't shut out people who need the social safety net of the Employment Insurance program. Thank you, colleagues.

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

Hon. Senators: Question.

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

Hon. Senators: Agreed.

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

[*Translation*]

THE SENATE

MOTION TO CONDEMN THE DEATH SENTENCE OF TOOMAJ SALEHI ADOPTED

Leave having been given to proceed to Motions, Order No. 213:

Hon. Julie Miville-Dechêne, pursuant to notice of June 17, 2024, moved:

That the Senate:

(a) condemn the death sentence of Iranian musician and vocal critic of the Iranian regime, Toomaj Salehi;

(b) urge the Government of Canada to impose targeted sanctions on the 31 judges, prosecutors, and investigators of Iran's Islamic Revolutionary Courts included on the "TOOMAJ" list, who are responsible for sham trials, torture, and the inhumane treatment of Iranian protesters and political dissidents;

(c) condemn gender apartheid, violations of civil liberties, killings, intimidation, and acts of violence initiated by the Islamic Republic against the people of Iran; and

(d) reiterate its unconditional support for Iranians advocating for human rights and democracy as part of the "Women, Life, Freedom" movement.

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

Hon. Senators: Question.

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

Hon. Senators: Agreed.

(Motion agreed to.)

• (1930)

[*English*]

AUDIT AND OVERSIGHT

TWELFTH REPORT OF COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the twelfth report (interim) of the Standing Committee on Audit and Oversight, entitled *Implementation of the risk-based audit plan*, presented in the Senate on June 17, 2024.

Hon. Marty Klyne moved the adoption of the report.

He said: Honourable senators, I rise today to move the adoption of the Standing Committee on Audit and Oversight's twelfth report, which deals with the implementation of the risk-based internal audit plan. As mentioned in the report, the Standing Committee on Audit and Oversight has adopted a three-year risk-based internal audit plan. This represents the latest stage in our journey to implement a robust internal audit function for the Senate.

As you may remember, the Standing Committee on Audit and Oversight was created in October 2020. The committee's first endeavour was to recruit two highly qualified executive-level candidates, through a fair and transparent process, to sit as external members on the committee, a first in the Senate's history. Madame Hélène Fortin and Mr. Robert Plamondon were appointed as external members of the committee on June 8, 2021, when the Senate adopted the committee's fifth report.

The committee then set about establishing its governance structure. This culminated with the adoption, by the Senate, of the *Senate Audit and Oversight Charter*. The charter sets out the governance, administrative practices and responsibilities of the committee. The charter came into effect on June 23, 2022, along with consequential changes to the Rules and the *Senate Administrative Rules*, including an independent budget process for the Standing Committee on Audit and Oversight, as detailed in the committee's sixth report.

The next step for the committee was to recruit a chief audit executive to lead the internal audit function. In October 2023, Mr. Amipal Manchanda was hired with the main task of drafting a multi-year risk-based internal audit charter. As best practices dictate, the plan was drafted following a detailed analysis of key corporate accounts in the Senate as well as a series of consultations with senators and officials from the Senate Administration.

Colleagues, the report before you is the next step in enabling the committee and the chief audit executive to implement the first year of the plan. Ideally, the report should be adopted before the summer adjournment, to enable your committee to make progress during the summer by starting the process of hiring two new resources and launching the competitive procurement process for the two audits planned for this year.

Colleagues, your committee, which for the purposes of integrity, independence, transparency and accountability, is authorized under rule 12-7(4) to act on its own initiative on certain matters, including retaining the services of internal and external auditors and overseeing such audits, and to report at least annually with observations and recommendations to the Senate, now reports as follows:

> Your committee will support the next steps in implementing the risk-based internal audit plan with the aim of ensuring that the work of internal audit is positioned to provide evaluation and analysis on the existence, effectiveness and adequacy of risk management, control and governance processes in the Senate.

> For the current fiscal year, your committee has approved the execution of two audits, under the responsibility of the Chief Audit Executive. The first audit is a review of contracting data analytics. The objective will be to identify trends in procurement and analyze procurement activity using data analytics. The scope of this audit will include procurement activity within the Senate and the Senate Administration from 2019 to 2024, and will consider trends in contract spending, sole sourced contracts, amendments and multiple contracts to individual vendors. This engagement will provide a review (limited) level of assurance.
>
> The second audit is on the financial management control framework of the Senate. The objective will be to assess the design and effectiveness of the financial management control framework over the expenditures of senators, senators' offices, and of the Senate Administration. The scope of the audit will include all expenditures, including expenses of senators, senators' offices, and the Senate Administration, but excluding those related to personnel (salaries, benefits, etc.) and to parliamentary partners. Procedures will include mapping the expenditure control framework and testing a sample of expenditures to validate the design and effectiveness of the control framework. This engagement will provide a high level of audit assurance.
>
> Your committee's budget is $313,124 for the fiscal year ending March 31, 2025, which was allocated as part of the Senate's Main Estimates process. Of that envelope, $120,000 is budgeted for the remuneration of the committee's two external members, as per the First Report, adopted by the Senate on December 9, 2021. An additional $28,600 is allocated to the contract for the external audit of the Senate's financial statements. The committee has also authorized the transfer of $50,000 to the Office of the Chief Audit Executive, for the remuneration of a casual employee and $1,277.40 for training purposes. Your committee intends to transfer the remaining $113,246 from the allocated budget for this fiscal year to the Office of the Chief Audit Executive, to undertake the specified audit work.

The report continues:

> Concurrently, your committee is seeking the authorization to create two new full-time equivalent (FTE) positions: an audit manager and a senior auditor. Your committee is of the view that these two positions are critical for the implementation and sustainability of the remaining audit plan. By integrating both contracted services and permanent staff, your committee aims to maintain a high standard of audit quality and efficiency, while ensuring oversight and compliance throughout the organization.
>
> Therefore, to facilitate an effective audit and oversight function that can carry-out the three-year risk-based internal audit plan, as approved by your committee, and to ensure that the Senate's internal audit function is properly staffed, your committee makes the following recommendations:
>
> > 1. That two new permanent FTE positions (one audit manager and one senior auditor with anticipated classification at MMG01 and SEN10 levels, respectively) be created, above the FTE cap approved by the Standing Committee on Internal Economy, Budgets and Administration (CIBA), in the Office of the Chief Audit Executive, with funding requirements as follows:
> >
> > (a) for the current fiscal year (2024-25), estimated at $90,000 to be funded from anticipated senators' office budget surpluses . . .

The report continues:

> (b) with permanent funding for subsequent years for the two new positions estimated at $249,152 (to be confirmed as per the results of the classification process), to be requested as part of the 2025-26 Main Estimates process.
>
> 2. That performance pay budget for the new FTE at the management level (MMG01) be allocated to the Corporate Account at an estimated amount of $4,670 (succeeded plus rating at 7% for 6 months) for the current fiscal year (2024-25) to be funded from anticipated senators' office budget surpluses and with permanent funding estimated at $9,340 for subsequent years to be requested as part of the 2025-26 Main Estimates process . . .

You will find a summary of the estimated funds required to implement the first year of the risk-based internal audit plan appended to the report. Based on the experience of executing the first year of the plan, your committee will follow up with assessments for the second and third years' funding.

Colleagues, your Standing Committee on Audit and Oversight and its chief audit executive are ready to go and prepared for launch over the summer, issuing requests for proposals, or RFPs, for the contracting out of the first two audits and recruiting two new permanent financial auditors.

On behalf of your Standing Committee on Audit and Oversight, I respectfully ask you to adopt the report. Let's get this Boeing going. Thank you.

The Hon. the Speaker: Do you have a question, Senator Deacon? Senator Klyne, will you take a question?

Senator Klyne: I will take a question.

Hon. Colin Deacon: Can you remind the Chamber when the Auditor General made its report recommending that the Senate establish independent oversight of its operations? Was it in 2015?

Senator Klyne: I believe that was a firm recommendation from the Auditor General following the internal audit, I suppose we'll call it. I see a lot of shudders already.

Yes, we followed that and the Senate approved it. The Standing Committee on Audit and Oversight was established and proceeded with preparing their framework for governance and a work charter, which was also approved in the Senate. It furthered approval of two external members to join the committee, which has been of great value, followed up by providing further reports to the committee, which have all been approved up to this point by the Senate. Now it is asking the Senate to approve this report.

[*Translation*]

Hon. Éric Forest: I rise to speak to this because I would like to share some concerns I have. I completely agree with the objectives of the audit committee. I think the recommendations are pertinent and clear. However, we are managing public funds and this is our budget. We often hear that the government can't manage the public purse properly, but it's our budget, and every effort is made to manage it as responsibly as possible.

• (1940)

I think that these recommendations are very relevant.

What makes me uncomfortable is the fact that, right now, the audit committee has a budget of $534,268 . With this report, we are requesting a 65% increase, which would bring the budget to $881,768, and a 50% increase to maintain the budgets from previous years at $797,420.

As the chair of the Subcommittee on Senate Estimates and Committee Budgets, I can say that we have made efforts. For example, we have cut towel service and meals, we have limited the number of phone lines to two and we have limited the number of computers. We have made a lot of effort.

The objectives are relevant, but aren't they too ambitious for a start? In terms of resources, we are getting two additional permanent employees. We also have to think about office space and all the work that will require. I am uncomfortable with this report, and I am going to vote against adopting it.

Hon. Raymonde Saint-Germain: I wish to join the debate. I clearly remember that the Auditor General's report tabled in 2015 recommended giving the Auditor General jurisdiction over the Senate. At the time, we considered — I've been a member of the Internal Economy Committee since 2017 — that a more independent audit and oversight committee would be more appropriate in the circumstances. The Internal Economy Committee respectfully heard the new internal auditor speak at its most recent in camera meeting. We asked him questions and are awaiting the answers. It is important that we receive those answers before voting on this report proposal. I therefore move adjournment of the debate for the balance of my time.

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

Hon. Senators: Agreed.

(On motion of Senator Saint-Germain, debate adjourned.)

[*English*]

BUSINESS OF THE SENATE

Hon. Patti LaBoucane-Benson (Legislative Deputy to the Government Representative in the Senate): Honourable senators, with leave of the Senate and notwithstanding rule 5-13(2), I move:

That the Senate do now adjourn.

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

Hon. Senators: Agreed.

(*At 7:43 p.m., the Senate was continued until tomorrow at 2 p.m.*)

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