Understanding Canadian Parliamentary Discourse on Cryptocurrency

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Motivation

- Cryptocurrencies have been described as a threat to financial stability, a tool for illicit finance, and raise broader policy issues, such as the need for consumer/investor protection.
- Canada's parliamentary response has been fragmented, slow and often disconnected from these broader policy issues. Cryptocurrency is a revealing case for examining the institutional capacity of Parliament to process emerging and technically complex issues.
- What role do political parties play in shaping digital asset policy? What does parliamentary discourse reveal about how the House of Commons processes emerging technological issues?

Cryptocurrency Policy Landscape in Canada

2014

Canada became the first G7 country to formally regulate virtual currencies through existing financial legislation (AML/ATF).

2019

QuadrigaCX collapses, affecting 76,000 Canadians and $215 million in losses.

Federal government failed to act. Provinces fill the regulatory void.

2022

Freedom Convoy connections to cryptocurrency.

Poilievre's Bitcoin advocacy.

2023

Committee Report on Blockchain and Cryptocurrency.
16 recommendations made, no federal framework followed.

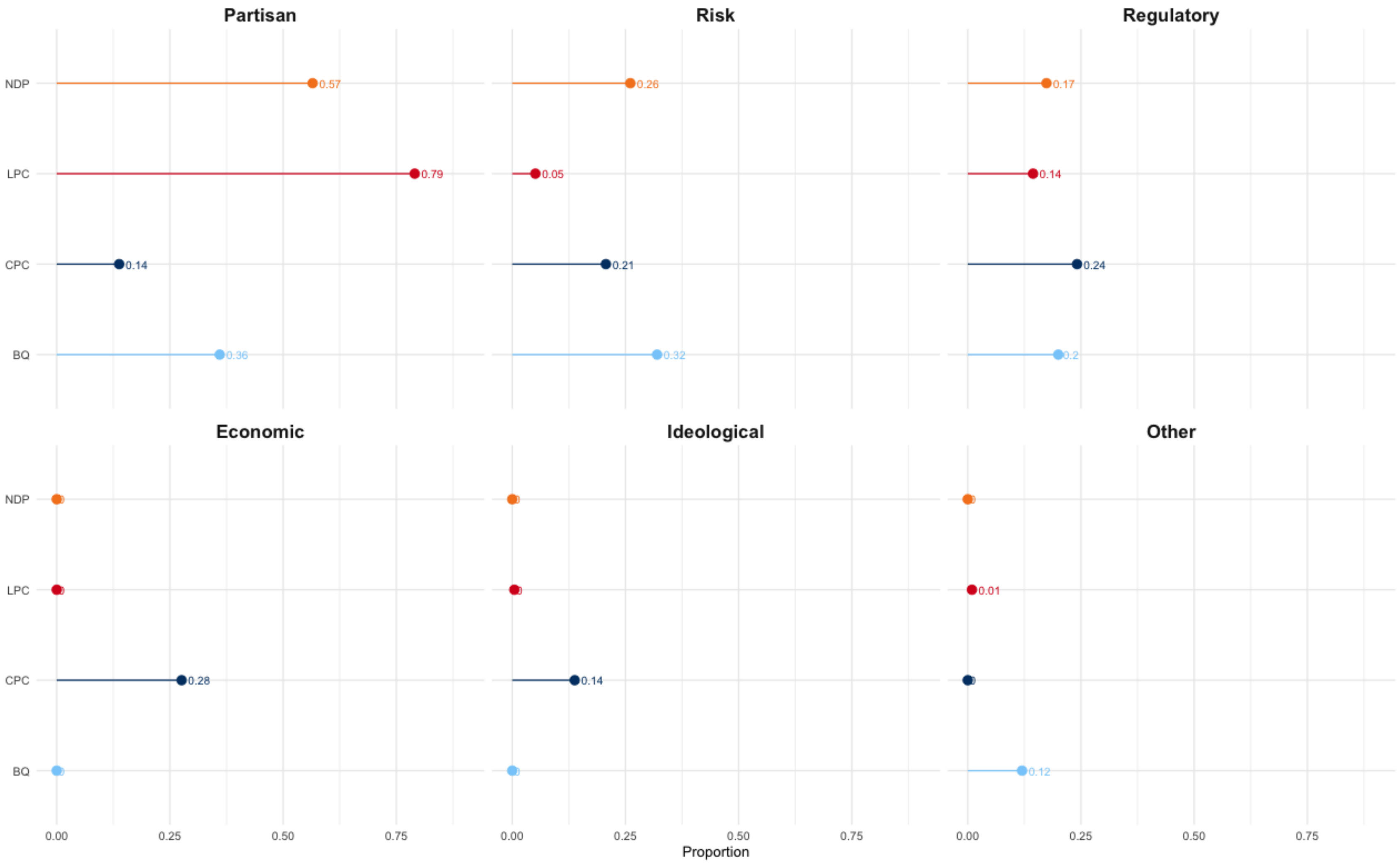
Parliamentary Discourse

- Parliamentary discourse helps us understand which issues are worthy of attention and how public policy evolves over time.

- Parliamentary debate is an ideal setting for studying competitive framing, as government and opposition parties are institutionally positioned to construct the same issue in fundamentally different ways.

Data and Methods

- Hansard Debates, between 2014-2024
- Keywords: bitcoin, crypto, cryptocurrency* and digital currency*
- Total of 292 statements
- Qualitative discourse analysis
- 6 discursive frames: partisan, risk, regulatory, economic, ideological, and other.



Partisan
Risk
Regulatory
NDP
LPC
CPC
BQ
0.57
0.79
0.14
0.36
0.26
0.05
0.21
0.32
0.17
0.14
0.24
0.2
Economic
Ideological
Other
0.28
0.14
0.01
0.12
0.00
0.25
0.50
0.75
Proportion

The Conservatives

"Virtual currencies should not be treated differently from any other asset, and this bill would help address that divide. [...] This is a simple and positive legislative change, and I hope that all parties will support it." *— Dan Albas*

2014

- Crypto enters parliamentary discourse as an emerging risk, potential threat to financial integrity.

2018-2024

- MPs acknowledge the risks associated with crypto while also engaging with the issue in broader policy areas.
- Stronger economic and regulatory frames employed post-2019.
- PMBs introduced.

The Liberals

“Mr. Speaker, […] Unlike the Conservative approach of Bitcoin and buzzwords, we are talking about real action to make life more affordable for all Canadians.”

— Justin Trudeau

2019-2024

- Early engagement focused on tax compliance and consumer fraud.
- 2021: Chrystia Freeland acknowledges crypto as “an important issue that must be addressed.”
- 2022-23: Discursive strategy can best be described as a partisan jab.

Regardless of the subject under debate, Liberal MPs found a way to pivot to cryptocurrency as evidence of Conservative recklessness.

The NDP

"Both the current Liberal government and the Conservative government before it have failed to devote adequate resources to the fight against the increase in money laundering [...] This is becoming an increasing challenge with technological change and with the emergence of cryptocurrencies, which are quite often used for obscuring the sources of funds." — *Randall Garrison*

2014-2024

- 2014: Early engagement focused on money laundering and tax evasion.
- 2022: Discourse was shaped by the Freedom Convoy and debate over Bill C-249.
- 2023: NDP statements converge with the Liberal pattern of using crypto as a shorthand for Conservative recklessness.

The trajectory of NDP statements captures the broader story of how cryptocurrency discourse in the House evolved from a technical regulatory question into a site of partisan performance.

The Bloc Quebecois

"In preparing for my remarks today on Bill C-26, I started thinking that we need to examine how we can build on the security standards of Quebec companies like Shakepay and that we need to determine whether the bitcoin and cryptocurrency industry should also be considered in Bill C-26. Whether we like it or not, technology and customer habits may be leading us in that direction."

— Sébastien Lemire

2021-2024

- Early engagement focused on money laundering and terrorist financing.
- Bloc MPS offered some of the most detailed critiques of the crypto-asset sector.

The level of policy specificity stands in contrast to Liberal statements, which invoked risk in general terms primarily to discredit the CPC leader rather than to advance a regulatory argument.

Discussion

Over the course of a decade, parliamentary discourse largely avoided substantive policy engagement.

Cryptocurrency was used a shorthand for Conservative recklessness, no incentive to engage with the issue seriously.

Pattern extends beyond crypto: Bill C-22 and the ‘phone book’ analogy suggest a structural failure of parliamentary deliberation on technically complex legislation.

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