



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

45th PARLIAMENT, 1st SESSION

Standing Committee on Finance

EVIDENCE

NUMBER 002

PUBLIC PART ONLY - PARTIE PUBLIQUE SEULEMENT

Wednesday, September 17, 2025

Chair: Karina Gould



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• (1810)

[*English*]

The Chair (Hon. Karina Gould (Burlington, Lib.)): We're re-summing.

Monsieur Garon, you raised your hand.

[*Translation*]

Jean-Denis Garon (Mirabel, BQ): Thank you, Madam Chair.

I would like to take this opportunity to say hello to all of my colleagues and welcome them back to what we've been told will be a new era of all-party collaboration and a new economy in the new reality of a changed world.

With that, welcome to Parliament, everyone.

I wish to move the following motion. We have just sent the text of the motion to the clerk.

That,

considering Standing Orders 83.1 of the House, which authorizes the Standing Committee on Finance to examine proposals concerning the government's budgetary policies as early as September in anticipation of the budget for the coming fiscal year;

considering that it is customary for the committee to conduct pre-budget studies and to table a report of its observations and recommendations to the House in accordance with the rules established by the Standing Orders;

considering that the fiscal year ends on March 31 of each year and that a new fiscal year begins on April 1 of each year;

considering that the last budget was tabled in April 2024 and that the new government has not tabled a budget for the year 2025;

considering that the government has announced that it will table its budget on November 4, 2025, and that no public consultation has been held in anticipation of this budget;

considering that the Minister of Finance has not yet announced whether his government will table a budget for the year 2026;

considering that, as a result, the committee is unable to carry out its parliamentary work and that citizens and organizations participating in this pre-budget exercise do not have the opportunity to comment on and make recommendations regarding the government's budgetary policies;

the committee request that the Minister of Finance appear no later than Wednesday, September 24, to answer the committee's questions so that the committee can then carry out its work properly and effectively and fulfill its mandate; and

That the committee report to the House.

It brings us no joy to have to do this today. We had an election last spring under what we were told were emergency circumstances, perhaps rightly so in some respects. As a result, there was no budget in March or April, which is an unusual situation that generally occurs during major crises such as COVID-19 or in wartime.

When an election is called against a backdrop of economic emergency, the government must table a budget without delay and follow normal budgetary rules and cycles. It did not do so. Several opposition parties rightfully pressured the minister to table a budget. That pressure may be the reason we're getting a budget this fall rather than an economic statement or update. This is a deeply troubling situation.

The normal budget cycle is a long-standing tradition that involves the Standing Committee on Finance, whose agenda is dictated by the budget cycle. Normally, we return to Parliament in the fall and begin pre-budget consultations after asking hundreds of groups over the summer to go to the trouble of submitting their recommendations, which deserve at least minimal, if not significant, attention. These are community groups and business groups, people whose time and resources are scarce and precious, so Parliament, parliamentarians and the committee must respect that time. It shouldn't be just the minister holding consultations in private, behind closed doors, in his office. The committee needs to do its job, too.

So, normally, we meet in the fall and take the time to meet with these groups. I'll talk about what the government has said or implied. We meet with these different groups and keep meeting with them after the holidays, because it is a huge job, as you know, Madam Chair. There are analysts and people here who work very hard for the committee, for the House of Commons, and they deserve to be recognized for their work, to be allowed to work diligently, and to be provided with the necessary resources. Normally, as part of this cycle, we leave for the holidays, we let the analysts work, and we come back in late January or early February with a substantive report on pre-budget recommendations worthy of study and debate by all parliamentarians so that we can be ready to present our recommendations to the Minister of Finance, who can consider them before the budget is finalized.

• (1815)

That's what the budget cycle is. But the government has broken the cycle. The government can't tell us that it didn't have the opportunity to respect the budget cycle.

During the election campaign, the Minister of Finance travelled all over the place. Judging from his comments, it seemed he thought his party had already won the election. He said he was busy drafting a budget, but he didn't table a budget this spring.

We can't just hold "a few" consultations. I have a habit of calling Mr. Leitão "the member for Robert-Baldwin" because I can't remember the name of his federal riding. I'll have to break that habit.

As I said, we can't just hold a few consultations. We have to hold comprehensive consultations over a period of two, three or four weeks. We can't rush it and make people come to us out of expediency just to make them think the committee heard them and the minister will consider their recommendations in a timely member when that won't be the case. Nor can we say we'll have the time to bring in representatives of our biggest industries—forestry, aerospace and steel—over a period of two weeks or over the course of four, eight or 12 meetings. That's impossible.

Let me just count the number of groups that have submitted recommendations to the committee. I have 11 pages of groups from Quebec alone, and that's in small print. In what they're calling a spirit of co-operation, the government members are suggesting that we can rush through this in two or three weeks even though the budget is pretty much a done deal. We know the minister has already written it. There may be some details to iron out, but we know the budget will go to print in two to four weeks. Even if it we had six weeks, that wouldn't change anything.

The way the Prime Minister and the Minister of Finance are behaving renders parliamentarians' work irrelevant. They may all of a sudden think of themselves as the CEOs of Canada, but they need to remember that they are minority shareholders.

I am not questioning their motives, but we should keep one fact in mind. Until the committee knows the minister's plan for how the budget process will unfold, it won't be able to move forward with its work. There's not enough transparency on the part of the Minister of Finance, the Prime Minister or the government, nor is there enough dialogue.

I know the parliamentary secretary will keep telling us that he spoke to the minister two days before Parliament resumed, but that's not what we mean by dialogue.

Pre-budget submissions have been showing up in our inboxes over the past month. Now we're being told that they don't even know if there will be a budget next March. The minister announced that he'll release his budget in November. If the Liberals don't know whether the November 4 budget will cover a six-month period or an 18-month period, if they don't know whether it will be for 2025-26 and 2026-27, that's very troubling. They're not taking this seriously enough, and that's very troubling. If they do know but aren't telling the committee, they're taking away the one and only tool the committee needs to schedule its work.

We are unable to draw up a schedule. They need to tell us if there will be a budget in the spring and what time period the November 4 budget will cover. We simply can't work unless we have that information.

I'm sure the parliamentary secretary will tell us that the committee has enough time if it hurries up and if the opposition parties stop doing what they're doing. He's predictable.

I worked on Bill C-27 with the parliamentary secretary for 10 months, but made no progress because of this type of behaviour. He'll tell us that we have time to get the job done, but if he rejects any schedule that would allow the committee to hold any pre-budget consultations whatsoever, there's no way we can complete a report before the budget implementation bill goes before the House.

• (1820)

What does that mean? It means we'll invite people here and tell them that nobody's going to listen to them or hear them, that they'll have wasted their time and be laughed at, but that they can come and say their piece if it makes them feel better. We'll pretend to be psychologists. Then, when it's time for the clause-by-clause study of the budget implementation bill, maybe the government will change a comma if it feels like being nice. That's exactly how the minister, the department, and the Prime Minister are treating Quebecers who have sent in very useful pre-budget submissions.

What this means is that the minister is not giving us a choice, and he knows it. Either transparency is lacking or competence is. Either way, that's a problem. The minister needs to come here and make a public announcement, because closed-door discussions with ministers have no public value. The minister needs to come here as soon as possible and give us the information we need to set up a pre-budget schedule and demonstrate a modicum of respect for the people who made submissions. He needs to come and tell us if he is going to table a budget in the spring, which is what almost all normal governments of all stripes have done for years, except in times of national emergency or war.

We're asking the minister for the bare minimum, and he knows that his way of doing business is wrong. He'll tell us—

Ryan Turnbull (Whitby, Lib.): [*Inaudible—Editor*]

Jean-Denis Garon: The Liberals think this is funny. The parliamentary secretary is loving this. He thinks the lack of transparency is funny.

The minister will tell us that the current government is more transparent than any other government in Canadian history because it announced the earliest budget date ever. That's true. It's mid-September, and they announced that they will release a budget on November 4, even though they didn't release a budget in the spring. This is like the guy who shows up at a party five hours late and tells us how thoughtful it was of him to call us 10 minutes beforehand to let us know what time he would be arriving. That's the kind of transparency the Liberals have to offer.

We tried to resolve the impasse, but it didn't work. We're asking for the bare minimum. As parliamentarians, we have our backs to the wall and we need to fulfill our most basic responsibilities. That's why this motion is a good one. It is clear, justified, and necessary to enabling the committee to do the work that is very clearly set out in the Standing Orders.

The Chair: Thank you, Mr. Garon.

[English]

Mr. Hallan, I see that you want to speak.

Jasraj Hallan (Calgary East, CPC): Thank you, Chair.

Thanks to our colleague, Jean-Denis, for bringing this forward.

I agree with everything he's saying. The only thing I don't agree with him on is the reason why they didn't come out with a budget. I think they were afraid of the massive deficit it would show. I think that's the reason they were trying to hide the budget.

In fact, if I can remind the committee, they weren't going to come out with a budget at first after the election. They said no budget. It was our leader, with our Conservative team, who put on the massive pressure that forced them. First, he said that it would be a half budget. Then, through more pressure, they said they would come up with a full budget.

We already know, through the Prime Minister's own words, that he's going to spend even more than Justin Trudeau did, believe it or not. That means more inflation. We saw inflation go up. It's higher deficits and higher borrowing costs. Taxpayers today will be paying more on the interest on the government's collective debt than what goes for health care to the provinces, unfortunately.

We fully agree with this motion. I think it's a good motion. I'll just leave it there. We're looking forward to the vote right away.

• (1825)

The Chair: Is there anyone else who would like to debate this?

Mr. Turnbull.

Ryan Turnbull: There's obviously a difference of opinion here. I understand where the members opposite stand. Obviously, the budgetary cycle was interrupted by an election. I see that you're giving me this face, but that's the truth.

What we're proposing to do here is to have our committee hear from witnesses. That's what we propose. Let's hear from the witnesses who have submitted. We had 940 submissions come in to this committee. Obviously, no finance committee in the past has heard from every single person who submitted a brief, but in past years—and I was a part of this committee for the last budget that passed—we heard from witnesses right up until the clause-by-clause analysis.

I think what you're saying is that you want to hear from witnesses and give people a chance to have input in the budget process, but at the same time, you're proposing to not study and not get the consultation process under way. I don't understand how that makes any sense from a transparency perspective when we know the federal budget is coming on November 4.

I remember opposition parties ranting and raving in the House of Commons, wanting a budget as soon as possible. The government, in due course, spent time to work on consultations across the country and take a lot of input. There were 83,000 submissions to the survey. There were over 50 different consultations across every province and territory and every industry, including those that have been impacted by tariffs.

I get that this committee should hear from many witnesses, and we have 940 of them. I've taken meetings just this week and heard great suggestions from groups for the budget implementation act. Why can't we make use of this committee's time right now by getting into the pre-budget consultation work and hearing from those witnesses? I think their testimony is valuable, and our time is valuable.

I see this as throwing a wrench into the works of this committee to slow us down so that we can't hear from witnesses. The demand is to hear from witnesses, with the claim that somehow, if we hear from them now, it's a waste of time. What then? Are we going to delay hearing from those witnesses because we don't want to hear from them now? We just proposed to hear from witnesses, and it looks like the opposition parties don't want to hear from them.

I remember being in this committee for the last budget that got through Parliament, when the Bloc and Conservative members on the committee made the argument that we needed enough time to hear from enough witnesses before we got into clause-by-clause. I was here for that. I'm not making this up in my head. We had quite a number of meetings and we heard from a number of witnesses. Their testimony was very useful, and I think was really valued by all committee members.

I'm struggling to understand what the path forward might be. It sounds like Mr. Garon is more interested in hearing from just the minister. I thought you wanted to hear from stakeholders. Why wouldn't you want to hear from stakeholders from Quebec and all across Canada as part of this pre-budget process? We have the time. Let's use it wisely here this fall, leading up to the November 4 budget.

The claim that somehow the budget is completely pre-baked is just patently false. It's false. There is certainly work going on internal to the Department of Finance and the minister's office to prepare the budget, but by no means is it completely prepared in advance.

I think we can all agree that there's a considerable amount of work yet to do on the budget. There are still decisions that need to be made, and there's still time to hear from witnesses at this committee and to have their input incorporated into the eventual formulation of the budget that will be released on November 4.

• (1830)

I really feel like this is setting us back. We could be moving forward on that valuable testimony. I really think there are a lot of stakeholders who would love to come. I've been getting lots of requests for people to come to this committee. Maybe we should just sit late and hear from more witnesses and use our time over the next few weeks to hear from as many of them as possible. I would be up for that. That's the hard work that I'm into. I want to make sure that we get this budget right for Canadians.

Thanks.

The Chair: Thank you, Mr. Turnbull.

Go ahead, Mr. Leitão.

[Translation]

Carlos Leitão (Marc-Aurèle-Fortin, Lib.): Thank you, Madam Chair.

I have to say that I find the member for Mirabel's position very surprising. I really didn't expect that, and I'm kind of confused. Will the government release a budget or not? I don't know. We'll have to wait until March 2026 to find out. I don't understand, but I'll respond to what Mr. Garon said.

I'll also comment on what Mr. Hallan added. He said that everything was some kind of ploy to try to hide a deficit.

However, the budget will be released on November 4.

I don't have any inside information at this time, but the deficit, whatever it may be, will be announced very clearly. Everyone will know what it is. We are not hiding anything. We may frame the deficit in a slightly different way, but that is all. We are not trying to hide anything.

Since returning to Parliament, my Conservative Party colleague has been saying the word "inflation" constantly in the House. He keeps saying that it's out of control, that prices are rising, and so on. However, Statistics Canada's report on the August inflation rate came out yesterday, and the published rate is 1.9%. That means we're back within the Bank of Canada's target range of 1% to 3%. The bank's official target was 2%. We're at 1.9%.

So why are people saying that we've lost control and inflation is a huge problem? I think there's some confusion. Our colleague from Mirabel is well aware that inflation is the rate at which prices are rising.

After three years of post-pandemic inflation, the price level is obviously very high, but this year, in 2025, price growth remains within the range that was desired, desirable, and set by the Bank of Canada.

In fact, just today, the Bank of Canada lowered interest rates because inflation is no longer a problem. That's why I was so surprised to hear people insist that inflation is out of control, because it isn't.

Our colleague also said that interest payments on the debt were appalling.

It goes without saying that, when debt increases, interest payments increase slightly. However, interest rates remain under control. As the Prime Minister said this afternoon in the House, interest rates in Canada are even lower than in the United States, which means that the financial markets still have complete confidence in Canada's ability to manage its public debt.

Furthermore, in terms of debt servicing, the interest rates we pay are among the best in the world. I would also add that, as of now, debt servicing in Canada as a percentage of GDP is well within the range established for countries in the Organisation for Economic Co-operation and Development, the OECD. If I remember correctly, I think interest payments account for about 3% of GDP.

In the 1990s, Canada had a major problem with fiscal policy and public debt management. At that time, I believe interest payments

on the public debt were 6% or maybe even close to 7% of GDP. That was enormous. It was a serious problem.

That's not at all the situation we're in. The circumstances are not the same at all. There's no financial crisis. I know that our colleagues, especially the Conservatives, like talking about a devastating crisis, but everyone knows that someone much wiser than me once said that everything that's exaggerated ends up being insignificant. I think our Conservative colleagues have been exaggerating quite a bit lately.

● (1835)

Let's get back to what the member for Mirabel said. I was really surprised, and I'd like him to be a bit clearer. What would he have us do? We're going to release a budget on November 4. Should we do nothing and consult nobody? People went to the trouble of sending submissions and telling us what they think. My colleague, the Parliamentary Secretary to the Minister of Finance and National Revenue, the minister himself, several other ministers and I have also held pre-budget consultations. We have met with all kinds of groups from Quebec and elsewhere. We would like to continue the process. We still have time. We still have almost a month and a half.

Anyway, I find it very surprising that people are now forgetting all about the 2025 budget and trying to figure out when the 2026 budget will come out. It might be in February. It might be in March. I don't know. It might be in April. I have no idea. Obviously the minister will table a budget in 2026. I know that for sure. As to the date, it is up to the government and the minister to select the appropriate date. We talked about an unusual, anomalous situation, and that is the kind of situation we're in right now.

The Canadian economy is slowing down, and that's because of tremendous uncertainty caused by our neighbour, the U.S. government, and its tariffs, its conflicts and its assault on global trade, which it is destroying. Nothing has been left untouched.

Given this tremendous uncertainty, I think it was entirely justifiable and, I would argue, responsible, to wait as long as possible before releasing a budget. Had we rushed to table a budget in June, I think that would have been irresponsible because we didn't have all the information we needed. We have a little more information now. We have a somewhat better understanding of where we stand. Where we stand is not a good place. Our neighbour is unpredictable. It has clearly stated that it wants to bring all industrial production back into the United States. That means we have to protect our companies and our workers. We have to invest heavily in our economy to reduce our dependence on our American neighbours.

The budget will be released soon, in November. Many of the measures in the budget have already been announced, of course. We'll table a proper financial framework. After that, we'll start talking about the 2026 budget. Why are people talking about the 2026 budget before the 2025 budget has even been released? That's what I find a little odd about our colleague from Mirabel's proposal, and that is why, Madam Chair, as my colleague said, we cannot support it.

• (1840)

The Chair: Thank you, Mr. Leitão.

[*English*]

Given the fact that it's past 6:30, I'm going to adjourn this meeting now until the next sitting.

Thank you.

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