



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

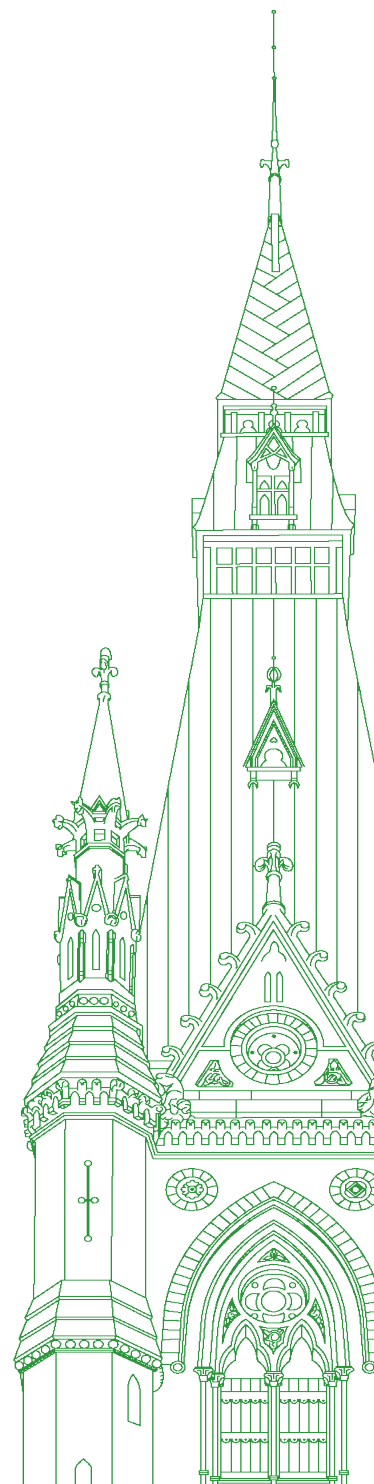
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Speaker: The Honourable Francis Scarpaleggia



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HOUSE OF COMMONS

Tuesday, October 20, 2026

The House met at 10 a.m.

Prayer

ROUTINE PROCEEDINGS

● (1000)

[*English*]

INTERPARLIAMENTARY DELEGATIONS

The Speaker: I have the honour to lay before the House the report of a Canadian parliamentary delegation concerning its visit to the United Kingdom on November 12 and 13, 2025.

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GOVERNMENT RESPONSE TO PETITIONS

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8)(a), I have the honour to table, in both official languages, the government's response to one petition. This return will be tabled in an electronic format.

* * *

CRIMINAL CODE

Michael Guglielmin (Vaughan—Woodbridge, CPC) moved for leave to introduce Bill C-293, An Act to amend the Criminal Code (violent home invasion).

He said: Mr. Speaker, Canadians deserve to feel safe in their own homes. Over the past several years, we have seen a rise in violent home invasions in Vaughan—Woodbridge and communities all across this country.

Crimes like these have a psychological impact on not only the victims, but their loved ones and the communities around them. In fact, 16 months after a home invasion, a four-year-old boy was asking his parents if the bad guys would be coming back.

That is why I am proud to stand in this House today to table my bill, the safe at home act, to protect Canadians against violent home invasions. This bill will do the following: create a stand-alone offence for violent home invasions carrying a maximum life sentence, create a mandatory minimum sentence of five years, ensure reverse onus on bail and provide DNA orders following conviction.

I look forward to the support of all members of this House because Canadians should be able to lock their doors at night, put their children to bed and feel safe in their own homes.

(Motions deemed adopted, bill read the first time and printed)

* * *

COMMITTEES OF THE HOUSE

HUMAN RESOURCES, SKILLS AND SOCIAL DEVELOPMENT AND THE STATUS OF PERSONS WITH DISABILITIES

Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, I move that the 10th report of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities presented to the House on May 26, be concurred in.

I will be sharing my time with my colleague, the hon. member for Montmorency—Charlevoix.

This morning we are talking about the jobs crisis facing our country, and in particular facing young people. If I may be indulged briefly, this morning I want to share how proud I am to be a Canadian and an Albertan. Yesterday, Albertans decisively endorsed remaining in Canada, recognizing our challenges, working through those challenges and doing so as part of the Canadian family. Albertans rejected the idea of divorce from the rest of the federation. We may still need counselling from time to time. Within the federation, things are not perfect and there is work to be done. However, what I have seen this morning shows that in almost every single provincial riding, a majority voted in favour of staying in Canada. I want to thank the member for Parkland for his excellent leadership as part of those efforts.

Routine Proceedings

This morning, we are back here fighting about a really important issue, jobs and opportunities for young people, moving the concurrence of the 10th report, an excellent report of the human resources committee. In that context, we also note really dire job numbers that we received for September. Here is where we are right now in Canada in terms of jobs. We are at a 29-year low in terms of labour force participation. Fewer people, as a proportion of the population, are in the labour force today than at any point in the last 29 years outside of the acute phase of the pandemic. That indicates not only are we seeing high and rising unemployment, but that many more people are dropping out of the workforce because they are losing hope.

Canadians who are trying to find jobs are struggling more. The job-finding rate, for example, is down to 30.6%, well below the pre-pandemic average. Youth unemployment is up to 13%. As well, the unemployment rate overall is up. In the last two months, Canada has lost 110,000 jobs. We are seeing all of these troubling indicators in terms of employment adding up to this 29-year low in workforce participation. This is the result of long-running policy failures of the government.

In the face of these policy failures, Conservatives have taken a constructive approach. Last fall, we put forward the Conservative youth jobs plan. At the same time, we were pursuing a study of the unemployment crisis, particularly the youth unemployment crisis, at the human resources committee. We were able to bring that committee to some key recommendations, a unanimous report that really aligned with what Conservatives had been saying in the Conservative youth jobs plan.

Our jobs plan had four key aspects: unleashing the economy, fixing immigration, fixing training and building homes where the jobs are. The recommendations in this report very much parallel those specific proposals that we brought in the Conservative youth jobs plan. Now it is time for the government to act. We see these dire job numbers. We have put our proposals on the table. Those proposals have been reflected in the 10th report of the human resources committee and unanimously endorsed by the committee that is studying the issue.

Now the government needs to actually act and respond to these proposals that we have put forward. Some of these recommendations I want to highlight would make a real difference in terms of getting Canadians back to work and addressing this decades-running low in terms of labour force participation.

When it comes to unleashing the economy, the first proposal is part of the Conservative youth jobs plan, and we can see the first recommendation here, that the government “seek to reduce taxes and red tape in order to address concerns about how the taxation and regulatory environment has limited productivity growth and held back youth unemployment.” It is common sense that young people in particular are often the last in and the first out when it comes to employment. They are the last to be hired and the first to be fired if a business is concerned about its future.

In order to address the youth unemployment crisis, we need a climate in which businesses are optimistic and hopeful, and where there is opportunity for people to start and grow a business. However, what we heard time and again at committee is that it is a very

challenging environment as a result of taxation and red tape to start and grow a business. That is where this recommendation comes from.

The second recommendation is that “the Government of Canada recognize the positive role that natural resource development, manufacturing, and all other sectors play in contributing to the economy, and seek to valorize work in all sectors.”

• (1005)

For too long, we have had a Liberal government, for the last 11 years, whose impulse is picking winners and losers, deciding which sectors it likes and which sectors it likes less, including instances where government statements have pushed a kind of stigma around certain kinds of work and certain kinds of jobs. In the face of that negative messaging, we need to highlight the dignity and value of all work and affirm a respect for natural resources development, for manufacturing and for all sectors of this economy and encourage young people to take opportunities in the sectors where that work is available. In terms of unleashing the economy, this has been a key priority for us and these recommendations are included in this report.

In terms of fixing immigration, it is clear that failures within the immigration system, failures of the current government when it comes to the management of immigration, have contributed to unemployment in general and youth unemployment in particular. Therefore, we have three recommendations in the HUMA report that deal precisely with this issue, that the government work with various organizations as well as provinces and territories to “ensure that immigration levels plans incorporate labour-market analyses, particularly impacts on young workers”.

The fourth recommendation is about strengthening “systems of credential recognition so that skilled newcomers are not forced to compete for entry-level jobs.” This is a major issue and one that Conservatives have been championing for a long time. The failure of this government to undertake appropriate credential recognition for newcomers is a double negative for our economy because it means that we lose out on the skill of that skilled worker who could be working at a higher skill level and that newcomer whose credentials are not recognized is then in a position where they have to compete for an entry-level job, which makes it harder for someone, often a young person, first entering the labour market to access those opportunities.

The fifth recommendation when it comes to addressing how the immigration challenges are contributing to unemployment is that “the Government of Canada apply strict penalties to companies hiring illegal workers.” It has not done that. In fact, we have identified instances where the government has offered multiple rounds of public subsidy to companies that have been previously caught firing Canadians in order to hire illegal workers. The companies fired Canadians, hired illegal workers and then received multiple rounds of taxpayer-funded handouts from the government.

These are some of the things we need to do to fix the immigration system and, through that, to address the challenges in terms of youth unemployment.

There are many recommendations in this report that address our Conservative proposal to fix training. When it comes to training, we need to be training Canadian young people for the jobs that exist in Canada. That means offering more support and recognition for trades work. It means encouraging young people to be aware of and study the labour market issues. It also means opening up more opportunities for work-integrated learning that align with the needs of the labour market. There are many recommendations around this.

Unfortunately, though, the government has moved in the opposite direction. We proposed offering relatively more generous grants to students studying in fields that are in demand. The Liberals have actually cut off student grants for students at vocational institutions if they are privately operated. The Liberals are making it more difficult for young people in vocational programs to access student grants at a time when we have serious shortages of people with the vocational skills that we need. Our approach needs to not be this Liberal approach of arbitrarily deciding to esteem certain kinds of careers over others. Rather, we need to support training for the jobs that exist in the real world here in Canada so that young people can get training for the jobs that exist.

The fourth proposal in our Conservative youth jobs plan was to build homes where the jobs are, to make it easier for people to relocate to where jobs are. This is recommendation 13 in the HUMA report: “That the Government of Canada study providing accelerated capital cost write-off for employers investing in workforce housing, recognizing the opportunity for young people to relocate for work if appropriate housing is available.”

This is a constructive report that builds on constructive proposals the Conservatives have put forward. We have the current government presiding over a 29-year low in workforce participation, but we are not just raising the alarm about that. We are also offering constructive solutions through our youth jobs plan and through this report. Now it is time for the government to actually act on the proposals that we have put forward so that young Canadians, and all Canadians, can get back to work.

• (1010)

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, why have the Conservatives brought forward this concurrence motion today when there is substantive legislation that we are hoping to build upon. I am wondering if the member could provide his thoughts.

Routine Proceedings

Given what is taking place around the world today, and given what is taking place between Canada and the U.S.A. with Trump tariffs, trade issues and the need to expand beyond Canadian borders, with the new Prime Minister, we have seen a net increase in actual jobs in Canada, which speaks volumes on the level of commitment the government is pushing forward to achieve those types of results, even at a time when it is very challenging.

I am wondering if the member could provide his thoughts on the impact U.S.A. trade, Trump and tariffs are having on the Canadian economy.

• (1015)

Garnett Genuis: Madam Speaker, I will put the following facts to the member: 42,000 jobs were lost in August, which was before the latest escalation in the trade conflict with the United States. We have lost 110,000 jobs over the last two months. Moreover, we are at a 29-year low in workforce participation. We have consistently had youth unemployment rates well above pre-pandemic averages, and this has been in place for a long time under the current Prime Minister.

The member trying to blame very recent events for a long-running employment crisis, or alternatively trying to say that everything is fine, is just out of step with the reality that young people are experiencing. The reality is that young people are struggling to afford homes and to find jobs. They are increasingly losing hope. We need to give them hope again through the constructive measures we have put forward and by taking responsibility for the things that we can control rather than, as the member is doing, saying that everything is fine.

Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, I do not know about the timing of this, but it is certainly such an important topic. I think about young people and youth unemployment, and in rural coastal British Columbia, it is a real issue. We have seen immigration changes, and I am glad the member talked about immigration, because right now the model for higher learning institutions in this country means that, for these institutions to be able to survive, they have to go out to attract foreign students to be able to supplement their revenue. Now the federal government has made significant changes that have left higher learning institutions in absolute chaos on how to operate, and they are cutting programs for skills training, apprenticeship and education.

Routine Proceedings

Does my colleague not agree that the federal government needs to step forward and help support that revenue? My son was rejected from an apprenticeship program and told it was going to be a three-year wait-list to do refrigeration, when there is a demand for people to deliver refrigeration. Maybe the member can talk about how the federal government can play a significant role in fixing the mess it has created.

Garnett Genuis: Madam Speaker, our focus needs to be on training Canadian young people for the jobs that exist here in Canada. The member talked about training in areas where there are shortages. This is exactly the issue. We have proposed, as part of our constructive Conservative youth jobs plan, to offer more generous grants to students studying for fields that are in demand.

The Liberals have gone the opposite direction. They have arbitrarily decided to cut grants for students who are studying at private vocational institutions. The effect of this, in certain regions of the country especially, is to make it very difficult, almost impossible, for students from low- and middle-income backgrounds who rely on student grants to be able to pursue studies in those fields.

We are proposing training for Canadian young people to fill Canadian jobs. The government is going in the opposite direction.

Colin Reynolds (Elmwood—Transcona, CPC): Madam Speaker, I am wondering, given the seriousness of this issue, do you feel that the Liberal government is acting fast enough and doing enough to address the troubles that our young people are having today?

The Assistant Deputy Speaker (Alexandra Mendès): This is a reminder to the hon. member that I cannot say anything. The question goes through me to the hon. member for Sherwood Park—Fort Saskatchewan.

Garnett Genuis: Madam Speaker, I do want to take the opportunity to recognize the excellent work my colleague and friend has done on the human resources committee on this issue, bringing his vast experience from working in the trades to inform the committee and other members.

No, the government is not moving fast enough. The government is not moving at all. In fact, in some cases, as I mentioned with the student grants issue, it is moving in the wrong direction. We have put solutions on the table. The Liberals should adopt the solutions we have put forward in this report and elsewhere.

[*Translation*]

Gabriel Hardy (Montmorency—Charlevoix, CPC): Madam Speaker, my colleague from Sherwood Park—Fort Saskatchewan just gave us the national figures, but I want to talk about what they mean for Montmorency—Charlevoix.

Last month, I spoke about Benjamin, a 20-year-old from Montmorency—Charlevoix who has a vocational diploma in sheet metal work. He gets up at 4 a.m. six days a week to install ventilation systems in homes that he will never be able to afford. He earns \$800 a week, which he uses to pay for his car, rent, insurance, gas and groceries. By Friday evening, there is nothing left, and yet Benjamin has done everything that was asked of him. He has done everything that is expected of a young person. He went to school and got his diploma, and he gets up early every morning to go to work. Benjamin is one of the lucky ones who actually has a job.

Today, we are debating the 10th report of the—

• (1020)

The Assistant Deputy Speaker (Alexandra Mendès): I must interrupt the hon. member.

[*English*]

Anna Roberts: Madam Speaker, the interpretation is sketchy. It is on and off.

[*Translation*]

The Assistant Deputy Speaker (Alexandra Mendès): We will check to see whether the interpretation is working properly now.

The member for Montmorency—Charlevoix can continue.

Gabriel Hardy: Madam Speaker, as I was saying, Benjamin is lucky because at least he has a job.

Today, we are debating the 10th report of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, entitled “Youth Employment in Canada”.

Members from all parties participated in the study. The committee heard from 38 witnesses and produced 16 recommendations. However, one issue kept coming up: the urgent need for action.

The committee is right. From January to August 2025, the youth unemployment rate averaged 14% across the country, the highest level since 2012, excluding the pandemic years. More than half of unemployed youth are full-time students seeking employment, and the proportion of young job seekers who have been looking for work for more than six months has risen from 17% to 22%.

The situation continues to worsen. In September, the unemployment rate among youth aged 15 to 19 climbed to 19.3%. Nearly one in five teenagers looking for their first paycheck could not find a job. During the same month, Quebec shed 49,400 jobs. Looking at the national picture, seven out of every 10 jobs lost in Canada were lost in Quebec. Over the past year, Quebec has lost 116,200 full-time jobs. In the retail sector, where many young people begin their careers and where many Quebecers, including myself, started working and earned their first paycheck, there are 33,100 fewer jobs than there were a year ago.

Behind every number is a face. When a summer job is no longer available, a young person's introduction to adult life is delayed. Opportunities to build responsibility and independence disappear.

The committee heard three things that the House cannot ignore.

To begin with, first jobs are disappearing. Mr. Humbert, from the Réseau des carrefours jeunesse-emploi du Québec, told us that young people have absorbed 80% of the job losses, and when they knock on a door looking for help, thousands of young people are turned away because, ultimately, their cases do not slot into any boxes. This is the new bureaucratic reality.

Routine Proceedings

Next, even those who are working can no longer make ends meet. Food Banks Canada told us that in March 2025, more than one in four food bank clients were between the ages of 12 and 30. That is our youth. More than a quarter of young people aged 18 to 24 say they are skipping meals because they cannot afford to eat. It is appalling that here, in Canada, there are people who do not have enough money to eat. When a 20-year-old who works six days a week is struggling to keep a roof over his head, the problem is not his work ethic. The problem is that the economy has failed him.

Lastly, our safety net is torn and young people are falling through. Communities in Charlevoix and on the Côte-de-Beaupré rely on tourism, forestry and seasonal work. The committee heard testimony about the EI spring gap. During the weeks between the end of their benefits and the start of the season, many people have no money coming in at all. In 2024, barely one in two unemployed workers qualified for EI.

I have one last statistic from economist Pierre Fortin: In 2016, we took in 25 adult newcomers per 100 young people. We are now taking in 70 newcomers per 100 young people. I have often said that newcomers are not the problem. The real problem is the plan, the broken immigration system that disregards our capacity to absorb newcomers and fails to distribute immigration across the regions. The ratio has tripled over the past nine years, yet there is no plan for jobs or housing, and young people across the country are paying the price. Montmorency—Charlevoix needs workers, but young people in big cities need jobs. Now we even have newcomers saying that they, too, are looking for work. What is the point of taking people in if we cannot provide what they need and if it is detrimental to the people who are already here and to those who were promised a bright future in Canada?

The minister's response to the report was respectful. She thanked the witnesses and listed a number of programs. She even announced a new apprenticeship bonus last month. However, it is important to understand how the Liberals talk about support. I am going to focus on the facts and what was said. On EI, the government remains committed to studying improvements. Regarding immigration, the government is supportive, in principle. When it comes to student work placements, the government does not actually support the recommendations; it "acknowledges" them.

• (1025)

Last month, I said here in the House that slogans do not build anything. Construction sites do. I will add today that studies do not hire anyone; companies do. When a young person in Baie-Saint-Paul cannot find a summer job, it becomes a problem for their whole family. When young people leave Charlevoix because there are no jobs or housing, it becomes a problem for the whole region. When an entire generation from Baie-Sainte-Catherine to Lac-Beauport, from Saint John to Victoria, is told to wait, study and hope, it becomes a problem for the whole country. When Parliament sees all this and responds with yet another study, that is a moral failure.

This country was built by people who did not wait around. It was built by people who pushed forward. It was built by young people, 20-year-olds, who cleared our land, laid rail, built dams on the north shore, tapped Alberta's oil sands and built arenas in every city

across the country. Young people today are no different: They are not asking for charity; they just want a chance.

Here is what a Conservative government will do. Here are our proposals. The good news is that the committee has already started writing some of our recommendations. We are going to unleash the economy. We are going to lower taxes and cut red tape so that employers can hire. In fact, that is the committee's first recommendation. The government said it supports it; perhaps it is time for action. We are going to build homes where the jobs are. We are going to build homes for purchase, not just for rental, so that young people can become homeowners. We are going to let employers that build workforce housing write off 100% of their investment. There are plenty of job vacancies in Charlevoix. Unfortunately, employers cannot find anyone to fill them because there is nowhere for people to live. The committee recommended this. The Liberal government acknowledged the recommendation, but we Conservatives are going to make it a reality.

We are going to realign immigration with the jobs that are actually available. We are going to fix credential recognition so that a trained engineer is not competing with a 17-year-old to work as a dishwasher. We are going to fix training. Financial assistance for education should provide more support to young people who choose fields where there is a shortage of workers, based on real labour market data. Taxpayer dollars should be used properly and should prepare our young people for work. We need to promote blue-collar trades. We need to train 350,000 new apprentices in five years and expand the union training and innovation program. People do not need bonuses that will allegedly come some time in the future. They need support now, while the training is available, so our young people can enter the workforce. Regions like mine need an EI system that reflects how people in Montmorency—Charlevoix actually work. They do not need a temporary measure that is renewed every two years.

Before getting into politics, I spent my life at the gym. I coached hockey, mostly for young people. I learned one simple truth: A young person does not grow by sitting on the bench waiting for their turn. They grow the day someone believes in them enough to send them out onto the ice. An entire generation is sitting on the bench right now. They have done the drills. They have learned the plays. They have got their helmets on. Maybe it is time we sent them out onto the ice.

The witnesses have spoken. The committee has spoken. Now it is time for the government to take action.

To Benjamin and every other young person who gets up at the crack of dawn to build this country, I want to say that we see them and we will not make them wait. Young people do not need another study. They need a chance.

I move, seconded by the member for Sherwood Park—Fort Saskatchewan:

That the question be now put.

Routine Proceedings

• (1030)

[English]

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):

Madam Speaker, the motion was a bit of a surprise, and we hope to see it carry on division.

The Conservatives seem to be focused on youth unemployment, something the Prime Minister and this government have been focused on. It is one of the reasons we brought forward an enhancement to the Red Seal program that is going to train 80,000 to 100,000 young people in getting Red Seals. The Conservative Party is voting against that. On the one hand, Conservatives talk about supporting young people, but when it comes time to vote, they vote against the young people of Canada.

Will the member clearly indicate that he supports the government's initiative to get more Red Seals and supports the federal program?

[Translation]

Gabriel Hardy: Madam Speaker, it is quite something to hear the Liberals tell us in the House how much they want to move things forward, when, in every bill they introduce, they hide all sorts of provisions designed to create more bureaucracy and fewer tangible results on the ground.

What we are asking them to do is to take the current figures and move forward. They need to stop creating red tape and coming up with yet more redundant bureaucracy that just ends up keeping another person busy behind a computer. We need workers on the ground. That is what we are proposing.

Claude DeBellefeuille (Vallée-du-Haut-Saint-Laurent, BQ): Madam Speaker, I would like to ask my colleague a question about the need to reform EI. There are many inequalities, particularly in a riding such as his, where there are seasonal jobs, although it is worth noting that it is the jobs that are seasonal, not the workers.

Does my colleague not think it is high time to modernize the EI system, as the government has repeatedly promised to do since 2015, so that it better reflects the realities of today's labour market? There are still many inequities in the system. Pregnant women who lose their jobs while on maternity leave can find themselves without access to EI benefits. Young people and workers in seasonal jobs also continue to face significant gaps in coverage. What does my colleague think of this idea of reforming EI?

Gabriel Hardy: Madam Speaker, that is an excellent question. We propose reconnecting with the realities on the ground, meeting directly with people, talking about their needs and implementing measures that help ordinary people. We want measures that are responsive to workers' needs. We want to get as many people as possible into the workforce. We want measures that allow us to help them and ensure that, particularly in the regions, there are as many local jobs as possible and that we support our businesses. I definitely think this is something we should look into.

[English]

Anna Roberts (King—Vaughan, CPC): Madam Speaker, last week, we spent some time at the North York food bank, and one of the statistics that shocked all of us was that 57% of postgraduate

students use the food bank. What is the reason? It is because they cannot find a job.

My colleague from Winnipeg North toots his horn about his government's progress, but it is not happening. There are not enough jobs for young people, and they are losing hope in the government.

Can my hon. colleague please tell us how we can fix that? I ask because I know that our Conservative plan is ahead of the game.

• (1035)

[Translation]

Gabriel Hardy: Madam Speaker, what a great question. As I mentioned, young people are looking for work. Businesses across the country are losing customers.

I hear the Prime Minister telling us that Canada has moved on from its relationship with the United States, that we have moved on to other things and that this is all behind us now. However, I think that there are a lot of businesses across the country that have not moved on and that would really like the government to resolve the situation with the Americans, help our businesses stay afloat, keep jobs in Canada and help our market grow.

I think that we have everything we need here to develop our resources and help Canadians prosper, but perhaps the government should get out of the way so that jobs across the country can grow and businesses can succeed.

[English]

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):

Madam Speaker, it is interesting to stand here as we get back to the House. We have very substantive pieces of legislation today. We are going to be debating something critically important to Canada's military. We are also going to be debating the issue of affordability and tax breaks for Canadians. It is a very substantive legislative agenda that the government is proposing to the House of Commons, yet the official opposition continues to want to play games.

We recognize the importance of youth unemployment. We recognize the importance of a job to Canadians, yet what we see is the Conservative Party wanting to introduce concurrence motions. There are literally hundreds of motions the Conservative Party could introduce every day for the next year and a half to play this game to prevent substantive debate on government legislation that is there to support Canadians in every region of the country.

When we think of youth unemployment, we would love to see it lowered. I was upset back in 2012 when it was higher than what it is today, when the economy was doing better under Stephen Harper and when the leader of the Conservative Party sat around the cabinet table. It was well above 14%. Whether it was back in 2012 with Stephen Harper or today, I can assure members opposite that every Liberal member of caucus has been concerned about youth unemployment, and we are concerned about unemployment in general. This Prime Minister, this government and the ministries have been able to look beyond the opposition's political games and stay focused on the agenda for Canadians and on an economy that works for all Canadians.

This is why, when we put aside the partisanship coming from the Conservative Party day in and day out, no matter what, what we find is the actual unemployment numbers. If we look at the number of jobs since the Prime Minister has held that chair, we see that have had a net increase of tens of thousands of jobs. It has been well over 100,000 jobs since our Prime Minister took on that responsibility. This is even at a time when our economy is being challenged by actions that are taking place in the United States by President Trump, whether it is with trade or tariffs. It is because, as a government, we are focused on expanding our economy to go beyond the Canada-U.S.A. border. It is one of the reasons, as we are talking about youth unemployment, that we came up with a Red Seal program that is going to see 80,000 to 100,000 Red Seal certificates being issued. This is something the Conservative Party of Canada opposes.

I am suggesting that it is time we get on to the legislative agenda of the government. The Conservatives should stop playing games. They get opposition days. They know they have opposition days.

I therefore move:

That the debate be now adjourned.

• (1040)

The Assistant Deputy Speaker (Alexandra Mendès): If a member participating in person wishes that the motion be carried or carried on division, or if a member of a recognized party participating in person wishes to request a recorded division, I would invite them to rise and indicate it to the Chair.

An hon. member: On division.

(Motion agreed to)

* * *

PETITIONS

CANADA POST CORPORATION

Michael Kram (Regina—Wascana, CPC): Madam Speaker, I am pleased to have the opportunity to present a petition on behalf of concerned taxpayers and members of the Canadian Union of Postal Workers in Regina and southern Saskatchewan. Canada Post has lost hundreds of millions of dollars per year for many years and has recently had to seek billions of dollars in loans just to remain solvent. Despite these financial losses, the Crown corporation continues to pay out millions of dollars in executive bonuses.

Signers of the petition are calling on the Liberal government to suspend all executive bonuses at Canada Post until it has stopped

its financial losses and presented a credible plan to return the Crown corporation to financial viability while at the same time maintaining the public postal services on which Canadians rely. I am pleased to have the opportunity to present the petition here today in the House of Commons.

Government Orders

MENTAL HEALTH

Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, it is an honour to table this petition, and of course, it is timely as the Canadian Alliance on Mental Illness and Mental Health board is here in Ottawa advocating.

Petitioners cite that Canada is experiencing a mental health and substance use crisis that has been exacerbated by the COVID-19 pandemic. Too many Canadians are unable to access mental health or substance use supports in a timely manner. The lack of access to community-based mental health and substance use services increases demand on hospital emergency rooms and primary care providers. Untreated or inadequately treated mental illness carries significant social and economic costs.

They are therefore calling on the federal government to legislate parity between physical and mental health in Canada's universal public health care system; to ensure timely access to evidence-based, culturally appropriate and publicly funded mental health and substance use services beyond hospital and physician settings; to establish the Canada mental health transfer to sustainably fund the provision of mental health and substance use services, distributed to provinces and territories for long-term, stable funding; and to support Bill C-280.

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QUESTIONS ON THE ORDER PAPER

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I would ask that all questions be allowed to stand.

The Assistant Deputy Speaker (Alexandra Mendès): Is it agreed?

Some hon. members: Agreed.

[For text of questions and responses, see *Written Questions website*]

GOVERNMENT ORDERS

[English]

STRENGTHENING CANADA'S DEFENCE SECTOR ACT

Hon. Stephen Fuhr (for the Minister of Government Transformation, Public Works and Procurement and Quebec Lieutenant): moved that Bill C-40, An Act respecting production, procurement and investment in relation to national defence and national security, be read the second time and referred to a committee.

Government Orders

He said: Madam Speaker, it is my pleasure to rise today to speak to Bill C-40, the strengthening Canada's defence sector act, and the future of the Defence Investment Agency.

I think we can all agree that the world has changed. The security environment is more dangerous, less predictable and moving faster than the institutions we built to respond to it. Canada must defend its sovereignty, meet its commitments to its allies and equip the men and women of the Canadian Forces with the equipment they need to do their jobs. We are making generational investments in our national defence, but investment alone is not enough. We also need to change how we deliver. Bill C-40 would establish the Defence Investment Agency as a permanent organization with the mandate, authorities and flexibility to deliver military capabilities sooner, strengthen Canadian industry and remain accountable for the results.

Defence and economic security are mutually reinforcing. A strong defence industrial base helps protect our sovereignty, while defence investment creates jobs, drives innovation and strengthens our economy. Every dollar invested in defence is an opportunity to strengthen Canada's economic security and build sovereign capabilities for decades to come.

Our defence industrial strategy sets out a build, partner, buy approach: build in Canada where we can, partner with trusted allies where it makes sense, and buy abroad when necessary. The objective is to meet the military's needs while strengthening Canada's defence industrial base and maximizing economic benefits here at home. That requires more than just different purchasing policies. It requires an organization that brings procurement, production and investment together; engages industry earlier; and makes decisions at the speed our security environment demands.

The Defence Investment Agency was established in October 2025, a little more than a year ago, as a special operating agency within Public Services and Procurement Canada. It was explicitly a temporary structure, allowing us to improve delivery immediately while developing its permanent structure. We have accomplished a lot in this last year, and I want to give my colleagues in the House some examples of what we have achieved specifically.

We have awarded Colt Canada a contract for the Canadian modular assault rifle, moving forward with next-generation rifles for our army and accelerating the original procurement timeline by two years. We have contracted with Bombardier for six Global 6500 aircraft to renew our multirole airlift capability, moving from project definition to contract award in about four months. We have ordered a contract to Telesat to deliver next-generation military satellite communications through its Lightspeed constellation, strengthening Canada's Arctic sovereignty and supporting our domestic space industry. We have concluded a government-to-government agreement with Australia for Arctic over-the-horizon radar, with production contracts signed between Australia and BAE Systems Australia to deliver critical capability.

We have selected ThyssenKrupp Marine Systems as the preferred supplier for discussions on Canada's next generation of submarines under the Canadian patrol submarine project. That was a competitive process, and we undertook that in about eight months, which is unheard of for such a large procurement. We have selected

Saab's GlobalEye platform as a preferred supplier for discussions on airborne early warning and control capability. We have advanced work on future fighter lead-in training, including the selection of Leonardo's M-346 aircraft as a preferred solution. We have selected the Pilatus PC-21 to replace the aging Snowbird CT-114 fleet, and I will have some very good news for the House very shortly on that procurement.

We have also worked with General Dynamics Land Systems to move forward with 190 armoured combat support vehicles for the Canadian Army. Through our industrial and technological benefits policy, we have also supported the award of a contract for Davie shipyards for six new Canadian Coast Guard icebreakers. We have established the defence drone initiative marketplace through a supply arrangement that creates a pathway for Canadian industry, developing uncrewed and autonomous systems.

These are all different kinds of milestones. Some are signed contracts; others are preferred supply arrangements, decisions, negotiations or supply arrangements. We should not confuse them. Together, they show the agency is moving important capabilities forward while the permanent structure is being developed.

● (1045)

The need for reform is not new, and it is not partisan. In 2024, the House of Commons Standing Committee on National Defence published a report called "A Time for Change: Reforming Defence Procurement in Canada". It identified fragmented responsibilities, duplicative process delays and the need for a stronger relationship between procurement and Canadian industry. Several recommendations are directly relevant to the reforms we have made in advancing this legislation, and I will point out a few.

Recommendation 1 from this report called for reviewing the defence procurement process across departments and agencies to simplify Treasury Board guidelines and eliminate duplication. Recommendation 15 called for delegating appropriate decision-making responsibilities to reduce the number of approvals needed and accelerate procurement decisions. Recommendation 17 called for a risk-based approach to procurement and contract approvals to reduce unnecessary process. Recommendation 24 called for creating a defence industrial strategy to maintain and strengthen Canada's defence industrial base. Although that is not the topic of today's discussion, we have also achieved that, and it is working very well.

The Conservative members of the national defence committee went further in their supplemental opinion. They specifically recommended that the Prime Minister designate one minister to be ultimately accountable for all defence procurement. Members of different parties have recognized that our procurement system needs clearer accountability and fewer unnecessary obstacles. Bill C-40 responds to that challenge. It does not mean that every decision becomes easy overnight. It means establishing an organization with a clear mandate and the ability to act on it.

I thank the members of the Standing Committee on National Defence for their important work. Their recommendations helped inform Bill C-40 and contributed to a stronger approach to defence procurement reform.

I want to be clear about the evolution of the DIA. The special operating agency was never intended to be the final destination. It allowed us to get started quickly, learn from operational experience and develop a permanent structure suited to Canada's investment opportunities. Bill C-40 builds on the progress achieved by the agency and establishes the DIA as a Crown corporation within the national defence portfolio.

This is about more than just buying equipment. We need to realize production, investment and opportunities that traditional procurement structures were not designed to pursue. We need to build industrial capacity here in Canada, strengthen critical supply chains and invest strategically in technologies and capabilities that will matter in the future. A permanent organization with commercial expertise and appropriate financial tools will be better positioned to do all of this. Procurement, production and investment should reinforce one another rather than operate as disconnected activities. Our military will continue to find the capability it needs. The DIA will work with its partners and industry to deliver them effectively.

As I mentioned earlier, even the Conservative members of the Standing Committee on National Defence recognized the need for a single point of accountability for defence procurement. Under the previous, decentralized system, responsibility was spread across multiple departments. Many organizations had a role, but no single minister was ultimately accountable for delivering results. That fragmentation created multiple approval gates. Major projects could require new Treasury Board submissions, even when the previous phase had been completed on time, on budget and within scope.

These controls served a legitimate purpose. Government must oversee public spending. Major changes in cost, risk or scope may warrant further approval. However, there is a difference between meaningful oversight and unnecessary duplication. Unnecessary re-

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peated approvals add no value, but every repeated approval costs time. A more centralized model can reduce unnecessary duplication while preserving the authorities and safeguards that matter. Policy, project, financial, spending and contracting authorities all remain important. The Treasury Board will continue to play a critical role in overseeing government spending.

We have already streamlined approval processes under the DIA's temporary structure and achieved many things, as I mentioned earlier in my remarks. Bill C-40 builds on that progress and establishes a dedicated ministerial leadership within the Department of National Defence portfolio with a clear line of accountability for the agency's work. Greater operational independence does not mean less accountability. The agency will still operate under a legislative mandate and governance framework with financial reporting and audit requirements.

• (1050)

The Auditor General, the Parliamentary Budget Officer and parliamentary committees would still continue to have important oversight roles. The Canadian Armed Forces and the Department of National Defence would continue to establish military requirements. The DIA would deliver against them, with specialized organizations contributing with their expertise when it is needed. The goal is not to eliminate checks and balances. It is to preserve meaningful oversight while ensuring process does not consume time without improving outcomes.

Canada's defence industry includes major manufacturers and thousands of small businesses with specialized expertise, innovative products and technology our military needs. For many small to medium-sized businesses, limited access to capital, unpredictable demand and difficulty in participating in defence programs presented significant challenges. Our defence industrial strategy addressed many of these barriers by improving access to capital, providing greater certainty for industry and creating more opportunities for Canadian businesses to participate in defence procurement.

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Bill C-40 would give the DIA greater scope to support production and investment, strengthening domestic capacity and engaging with companies earlier. The Defence Investment Agency would manage the implementation of the industrial and technical benefits policy for industry. That would mean one single point of contact, which is really important for industry. Companies would deal directly with the DIA rather than navigating multiple departments. This would bring defence procurement and industrial benefits together in a more coordinated, one-stop approach. I see my critic nodding. He is happy about that.

We have undertaken an unprecedented level of industry engagement, working directly with companies to understand their capabilities, identify opportunities and address barriers in order to deliver the equipment our military needs. Earlier engagement provides better information about suppliers, industrial capacity, costs and risks before procurement decisions are locked in. That means better contracts and better results.

The benefits extend beyond the major equipment projects managed by the DIA. The Department of National Defence has its own procurement authorities, and Canadian businesses of all sizes participate. With dedicated ministerial leadership for defence procurement within the national defence portfolio, we would be better positioned to apply our defence industrial strategy and the build, partner, buy approach consistently across defence purchasing. That means better coordination in supporting Canadian companies, strengthening domestic production and maximizing the economic benefits for defence investment.

When we build at home, we strengthen more than our economy. We strengthen our ability to supply and sustain the Canadian Armed Forces when it matters most. Canada is making necessary generational investments in our national defence to protect our sovereignty, strengthen our security and meet our commitments to our allies. We have an obligation to ensure that these investments strengthen Canada's industrial base, build resilient domestic supply chains and develop capabilities we need in order to sustain ourselves for the long term.

Our ability to defend ourselves depends not only on the equipment we acquire but also on our ability to produce, maintain and support it. That makes Canada more self-reliant, more resilient, stronger, and a more dependable partner for our allies. Bill C-40 would give the Defence Investment Agency the permanent structure, authority and flexibility to do what it needs while maintaining clear accountability and parliamentary oversight. We have already demonstrated what can be done under the agency's temporary structure. Now it is time to build on that progress.

I encourage all members of the House to support Bill C-40 at second reading and send it to committee for further study. Fundamentally, this is about delivering faster the capabilities our Canadian Armed Forces need and ensuring that our defence investments strengthen Canada's economy. These objectives are mutually reinforcing, and both are essential for Canada's security and prosperity.

• (1055)

Jeff Kibble (Cowichan—Malahat—Langford, CPC): Madam Speaker, the member opposite mentioned numerous announcements that are only about preferred providers, not signed contracts or de-

livered equipment. The member stated, “remain accountable for the results.” Will the member ensure that the reasons for all sole-source contracts signed under Bill C-40 are reported to the House, and how will he ensure that is done?

Hon. Stephen Fuhr: Madam Speaker, as I said in my remarks today and last Thursday when we had an interaction in this place, we have signed a number of contracts. I will not repeat them, but perhaps the member could review the tapes. There were supply arrangements, contracts and preferred suppliers. There are a number of things, and we should not confuse those things, but, yes, we have signed a number of contracts, and we will continue to do so.

• (1100)

[Translation]

Claude DeBellefeuille (Vallée-du-Haut-Saint-Laurent, BQ): Madam Speaker, since the Trudeau government was elected in 2015, all sorts of independent agencies and organizations have been created to deal with all sorts of things. I often hear the Minister of Public Safety say that he cannot intervene politically because the Canada Border Services Agency is an independent agency and so is the RCMP.

When it comes to the new entity provided for under Bill C-40, how can we be sure that accountability to parliamentarians and government accountability will be upheld and not delegated to another body that does not have the same accountability requirements?

[English]

Hon. Stephen Fuhr: Madam Speaker, just by way of history, I will say that the previous Liberal government actually doubled defence spending over the 10 years that Trudeau was prime minister, but we did not see a noticeable change. The reason was that there was a financial commitment but we did not have a process that was able to dispatch the funding in a good way. It certainly did not work then, and it now needs to be amplified, given the situation we all find ourselves in with the global security environment.

With regard to the member's concerns, I will say that clause 9 in the bill is clear and unambiguous that the minister would have the ability to direct the corporation and that the direction is deemed to be in the best interests of the corporation. There would be an unambiguous tie to the government, to quell her concern.

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Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, I have a ton of respect for my colleague, and New Democrats want our military to have the right equipment and in a timely fashion, but Bill C-40 must ensure that public dollars support Canadian workers and veterans.

Canadians were horrified yesterday to learn that the Canadian Corps of Commissionaires lost a nearly \$12-million CRA security contract to a foreign-owned company, Allied Universal, for roughly over \$80,000, less than 1% of the bid. Its subsidiary reportedly holds contracts with ICE, the agency carrying out Trump's mass deportations. Canadians want to know how awarding this contract to a foreign-owned corporation with those ties, instead of to a Canadian-owned institution supporting veterans, squares with the Liberals' Canadian promises. Will the Liberals, seeking broader powers through Bill C-40, support binding safeguards on Canadian ownership and supporting veterans' employment, labour, human rights and parliamentary oversight?

Hon. Stephen Fuhr: Madam Speaker, I covered this last week. With respect to all the major investment we are going to be undertaking, we have undertaken and will continue to undertake, it is a massive amount of taxpayer dollars, and obviously we have to be responsible for that.

I want to untie Canadian economic benefit and Canadian companies, because oftentimes we confuse those. Economic benefit to Canada can mean a number of things. Foreign direct investment in Canada is at a 23-year high. It is very important. There are big companies from other countries that do direct work in Canada. I could name a whole bunch of them. Bell Textron is one, and there is Airbus, Boeing and Lockheed Martin. They employ thousands of people. They engineer here, retain IP here and have headquarters here. These companies matter to Canada as well. As long as they continue to invest in Canada, we will continue to support them where it makes sense.

There are a lot of things that go into the bucket when we have to consider what we are going to buy. Military requirements are very important, but there is also cost, risk, timeline and defence industrial strategy. There are also a whole bunch of subcomponents. These are all things the government needs to consider to make the best option choice.

James Bezan (Selkirk—Interlake—Eastman, CPC): Madam Speaker, as we know, we were here just months ago talking about Bill C-31, division 16, which was going to create the Defence Investment Agency under an omnibus budget bill. The secretary of state got up and made a big speech. He was actually hoping to be, fingers crossed, the minister of defence procurement, a full minister. Of course, in Bill C-40, that has been downgraded to associate minister of national defence for procurement.

What has changed? We originally set up the Defence Investment Agency as part of PSPC, and we brought it around to where it is today. We went through Bill C-31. We are now on Bill C-40. There are rumours that Doug Guzman, the Prime Minister's BFF, his Goldman Sachs investment banker buddy, has threatened to quit. Is that the reason why we now have to set up an authoritarian corporation with powers that we have not seen before in any Crown corporation: that a minister can direct the agency, that it must do what the minister wants and that he can also pass those powers down to and

share them with the CEO? Is that the very reason we are doing this? I hear that Chairman Mao is actually blushing on this one.

• (1105)

Hon. Stephen Fuhr: Madam Speaker, so says the critic and an older parliamentary secretary to the minister of national defence. I accept his comments.

I did not speak to Bill C-31. As the member pointed out, it was an omnibus bill. I did not speak to it in the House. He was very upset that it was an omnibus bill and that the committee was not going to get to see it. Not talking about Bill C-31 or Bill C-40, the bill before us is a bill going through on its own. The member will have ample time to hopefully support it where he thinks he can and criticize it where he thinks he must. That will quell some of his concerns.

With regard to the Crown corporation, it is very important for the current government or any future government to have control over military spending. We would have a Crown corporation to reap the benefits of the upside, to act as a more commercial entity to capitalize on procurement, production and investment, while still having it tied back to the Government of Canada. Clause 9 lays out how that would be the case. If we had not put clause 9 in, the member would be talking and arguing about this from the opposite side of just allocating all this to a Crown corporation and not being involved.

I hear those comments. I hope the member supports the bill. He will get ample opportunity to criticize it or support it as we move forward. I will probably see him in committee, and I look forward to that.

Lori Idlout (Nunavut, Lib.): *Uqaqtittiji*, I really appreciate our government's focus on Arctic sovereignty and Arctic security. I think that we all know that doing business in the north is a lot more challenging.

I wonder if the member could respond to the question of how the bill would be impactful for the establishment of NOSH sites or NORAD sites and the importance of the bill to keeping Arctic sovereignty and Arctic security.

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Hon. Stephen Fuhr: Madam Speaker, as many people know, the NATO commitment is 5% by 2035. That is broken up into 3.5% in hard military spend and 1.5% in infrastructure and dual use. We did an announcement in Yellowknife, five months ago, I want to say. We are investing \$35 billion into the north for roads, bridges, ports, northern supply hubs, and infrastructure for NORAD bases such as Inuvik. There is lots of investment going into the north. This is great, because a lot of these things that we are building will not only serve the military. Obviously, roads and infrastructure will help improve the quality of life for people who live in the north. I am also proud to say that we met in 2025-26 the government's obligation to obtain 5% indigenous procurement under national defence procurement.

James Bezan (Selkirk—Interlake—Eastman, CPC): Madam Speaker, this being a solemn day, as we think about the tragedy and disaster that happened at CFB Wainwright, I just want to extend my heartfelt and sincere condolences to families and Canadian Armed Forces members, especially those who were on site. They are in our thoughts and prayers during this very difficult time. I would like to acknowledge Private Aidan Goulding, Private Shaun Farrell and Private Hayden Lykkemark, all part of the 3rd Battalion Princess Patricia's Canadian Light Infantry, as well as Sergeant Morgan Wong, a reservist with the Loyal Edmonton Regiment. After their passing during this tragedy, we want to rally behind their families and their comrades at this time.

We also want the 39 injured members of the Canadian Armed Force to know that we will be there. We will work across party lines. All of us are going to stand with them 100% to ensure that they get the supports they need to heal and recover, and ensure that if they are unable to return to work, supports are there through Veterans Affairs Canada.

I have been to CFB Wainwright on a number of occasions, to be out there, to witness training and to participate in some of the training exercises, including with the PPCLI. I see why the young men and women who put on the uniform are the best of the best that Canada has to offer. They are so excited to be serving our great nation. We realize that they have to do things like live-fire training so they are always ready to defend us. Again, we send out all our support, our prayers and our love to the entire Canadian Armed Forces military family.

Conservatives always support our armed forces, and we have a record of getting equipment bought and delivered in a very timely and quick manner. After the Liberal decade of darkness under Chrétien and Paul Martin, the Canadian Armed Forces was in dire need of reinvestment. We witnessed that its members were sent into Afghanistan wearing things like green uniforms. They did not have proper boots. They did not have kevlar body armour and tactical vests. We quickly went out there and bought for them the stuff they needed to work in theatre.

During our time in government, we bought 650 brand new LAVs so they had light armoured vehicles to do the work they did, and 500 tactical armoured patrol vehicles. We bought 100 Leopard tanks. The Liberals, during the Chrétien era, were decommissioning all of our Leopard tanks, and what we needed in Afghanistan were Leopard tanks, so we bought 100 Leopard 2 main battle tanks. We bought 82 armoured heavy support vehicle systems and 50 Nyala

armoured vehicles so they could move around more carefully, and we bought IED vehicles to clear away all of the mines and IEDs that were causing harm. Many of the fatalities and casualties experienced in Afghanistan were caused by them. We bought 16 of those vehicles and bought 37 M777 howitzers. We made sure that our army had what it needed when it went into theatre.

In terms of our air force, we were at a point when we took over as government that we were begging the Americans to help us move our troops into Afghanistan. We were hitching rides with the Russians, of all people, having to get them to come with their heavy-lift Antonovs to move us. We invested in buying five brand new C-17 tactical Globemasters. We bought 21 Chinook helicopters to move our troops around in Afghanistan safely and get them away from IEDs. We bought 17 new Hercules CC-130J models, and we bought a number of UAVs. During that time, we also upgraded our CF-18s and extended the life of our Auroras, which are now past their end of life. This is going back to over 15 years ago when we made those investments. We also made the decision to buy the F-35 as our future fighter jet.

• (1110)

On the navy side, we made sure that we stood up the national shipbuilding program. We ordered the very first six AOPSS, the Harry DeWolf-class Arctic offshore patrol ships. We ordered two joint supply ships, the protecteur class. We not only ordered but delivered on time the Asterix auxiliary offshore replenishment vessel to support our navy until the JSS's were delivered. We also did a mid-life extension to our Halifax-class frigates. We stood up and bought what we needed.

We know that sometimes we have to sole-source, so we used national security exemptions and the urgent operational requirements required by the CAF to sole-source where we had to. Some things we have to buy off the shelf to get them into play quickly, ensuring they are interoperable with our allies. We proved that we were able to get stuff done because of political leadership. We made sure that this started right at the top, with the prime minister at that time, Stephen Harper, directing the PCO and cabinet to set up a secretariat of ministers and deputy ministers to provide leadership back down to the bureaucracies to get things done and buy the kit and equipment we needed to support the Canadian Armed Forces, especially during a time of war.

Here we are, 11 years in with the Liberal government, and I can say that our fighter jets and most of the aircraft we have within the military right now are worn out. We know the army has been hollowed out and the navy is rusting out right before our eyes.

To prove the point, all we have to do is look at the serviceability, readiness and operational demands of the vehicle fleets we have within the Canadian Armed Forces. This is right out of the performance reports from National Defence. In 2023-24, only 49% of land vehicles for the army were serviceable and deployable. That increased slightly to 51% in 2024-25, the last year for which we have this data. It is so bad that the guys deployed right now to Latvia are not able to train properly alongside our allies because a number of their vehicles are broken down. There is not enough in the budget to maintain and repair them and put them back into service. Often, a couple hundred of our guys who are deployed do not get certified for working as a brigade alongside our allies.

In 2023, only 48.9% of our air fleet was available for operational deployments. That dropped down to 42.3% last year under the Liberals. In 2023-24, only 45% of the maritime fleet was deployable. That increased in 2024-25 to 59.6%, almost 60%. How did the Liberals make that gain? They were able to do that because they retired an entire class of patrol vessels, our Kingston-class coastal patrol vessels. They mothballed them. They are sitting in furlough now and being scrapped instead of being out there protecting our sovereignty and patrolling our maritime coastline.

After 11 years, all we have gotten from the Liberals is talk and no action. The proof is in the numbers, and the sorry state of the Canadian Armed Forces today is due to 11 years of neglect by the Liberals.

We are looking at a system where the Canadian Armed Forces know what they need but the Liberals are not going to give it to them. As a case in point, since the minister is talking about all the things they bought, one thing they are supposed to buy is new assault and sniper rifles, the C25s and C26s. However, we are waiting for them because the Liberals failed to sign a contract to get them delivered before all the orders were booked with the manufacturer. The Denmark and United Kingdom militaries are getting these assault rifles before we do. Our guys have to wait in the queue because we allowed other countries to jump ahead of us and buy up these new assault rifles.

With respect to the SkyGuardian, the Liberals announced three years ago that we were going to have a new drone patrol aircraft or reconnaissance vessel that could fly all over Canada and up into the Arctic, but the first one has still not been delivered. Where is it? We are still looking for it.

• (1115)

The government bought the Kingfishers, the CC-295s. This is a procurement that continues to lag behind, as it is not fit for operations. We know that the air force is struggling to use this jet to do fixed-wing search and rescue and contour flying in the Canadian Rockies. The plane has not been able to pass operational requirements, as set out by the Royal Canadian Air Force, and is still not certified, and not all the planes have been delivered at this point in time.

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I will note one of the greatest examples of the failure of the Liberal government. Since the war in Ukraine started, which we are four and a half years into now, we have seen how important artillery shells are in the war. Ukraine goes through between 5,000 and 6,000 shells a day. Russia has used over 30,000 shells against Ukrainians on Ukrainian territory. Putin's war machine is getting shells from his allies: North Korea and Iran, which are not our friends. Meanwhile, we should be supplying Ukraine. We could produce, when this war started, about 3,000 shells a month. That would not last a day in Ukraine. We have been able to up it slowly, but there is no contract signed. It is up to 5,000 shells per month. The artillery shell factories and manufacturers in Canada have more than doubled their production, but the United States Army signed contracts and is getting them built there faster than we are building for ourselves. That is a failure of the government to get things done.

The government likes to hang its hat on the new GlobalEye that it announced at CANSEC back in May. It is an asset that we need desperately in the Royal Canadian Air Force, especially with what is happening today, but sadly, the Defence Investment Agency and the Secretary of State for Defence Procurement failed to consult with the Royal Canadian Air Force. The media reported that the RCAF was as surprised as anyone else, since it had not even drafted the final version of the statement of requirement. The argument is used that the platforms out there did not have all the standards that we require. However, one, how do they know this when they did not talk to the air force about what it needs? Two, there were at least three competitors out there, two of them using the Bombardier Global 6500 as their basis, and for whatever reason, the government announced that it was partnering with Saab and that it was going to be a preferred supplier on this procurement, without talking to Boeing, without talking to Saab, without talking to Bombardier and without talking to L3Harris, which employs over 1,000 people in Montreal alone.

If we want to talk about a symbiotic relationship, Bombardier-L3Harris is an interesting one. Boeing has the proven E-7, and instead we are going with an aircraft that has some operational shortfalls and cannot even do 360 radar, never mind having the proper connectivity. As such, there are major concerns with that procurement.

If we are going to give unprecedented powers under Bill C-40 to the minister, would that not open it up so they could do more sole-sourcing based upon who they know and give Liberal insiders, friends and well-connected manufacturers the contracts, rather than talking to the user to ensure we are buying the kit and equipment we need to protect Canada in the best way possible?

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The replacement of the CF-18s has also been a disaster. The secretary of state is a former fighter pilot, and I respect his service to Canada, but he knows that the CF-18s are well past their due date, despite the life extension that we did as Conservatives. He was the chair of the defence committee back in the day when the government invented the capability gap nonsense and said that we had to increase the number of fighter jets we had. Of course, right away, the government announced it was going to go with a super Hornet, a brand new F-18, to make up the capability gap that we required. That, of course, would open the door to buying all F-18s.

However, Boeing and Bombardier got into a mess, and the decision was made by Trudeau to do no more business with Boeing, so there were no more super Hornets. What did the government do? It went out and bought a bunch of used, vintage F-18s from Australia that were as old and worn out as our own fleet of F-18s. It cost us millions and millions of dollars to buy them and refurbish them, and we have nothing to show for it at the end of the day, other than using them as parts for the current fleet we have.

• (1120)

The government continues with its F-35 review. That review has been sitting on the Prime Minister's desk for over a year now. The Department of National Defence has reported back. It is well known what plane the Canadian Armed Forces wants, which is the F-35. Because of political games and grandstanding, the Prime Minister will not announce that we need the F-35, which, I must say, has been said before.

Trudeau said that he would never buy the F-35. He put it out to competition, did a complete review and guess what. It was won fair and square and hands down as the best fighter jet, on all four major measurements, as what we need in Canada. We are already in the process of purchasing the first 16 jets and there will be another 14 after that. Our F-18s are old and worn out. We cannot wait for the Prime Minister to keep playing his political games and grandstanding with the United States on this when we need a fighter jet in service today so we can train up the next generation of pilots and air crew to support that fleet.

It has been so bad here that we are already hearing rumours that members of the Canadian Armed Forces are being asked to turn in their rucksacks and sleeping bags. The Liberals bought a bunch of sleeping bags that do not even work at below -20°C. There are no sleeping bags. There is a shortage of tactical vests. Everybody has been asked to hand them back in. Guys are going through basic training saying that there are not enough uniforms. They are all getting worn out and we have not bought any new ones, so they have to turn their uniforms back in through basic training. It is so sad to hear that our guys who are deployed are begging, borrowing and stealing from our allies to get proper kits when they are serving in places like Latvia and on Operation Reassurance across Europe.

There are things that we need to buy right away, but we are not hearing from the government. We need new tanks. Where are they? We need ground-based air defence systems after witnessing what is happening. There have been no requests for information of any of the companies out there. We have heard over and over again that we are short on military housing in this country. We are 6,700 residential housing units short in supplying the current demand, and

that is not happening at any speed. To make up 6,700, even over 10 years, we would have to build over 600 a year, and we are not doing this. Three years ago, I think 32 homes were built for the armed forces. This is not of high importance to the Liberals.

The Liberals have done some things. They bought the Global 6500 as an executive jet to fly ministers of the Crown around, so everybody flies around in comfort. The Prime Minister did not like the Polaris aircraft we had as the executive jet for international travel, so the Liberals had to go out and buy some new Airbus CC-330 Husky aircraft just so he could be in a luxurious aircraft.

The Liberals are good at making announcements and reannouncements about preferred suppliers. They have done some of these things two times, three times and four times now, but as I just pointed out, they are bad at signing contracts. A case in point is the 155 artillery shells.

The Liberals are great at creative accounting. That is how they got up over 2%. It was not actual investment in the Canadian Armed Forces. They gave pay raises, low-hanging fruit and well overdue, but they turned around and started clawing them back, and increasing rent hikes and changing the living differential for those who are posted off base. We are witnessing right now another cut coming to our armed forces. They are looking for 10% savings right now.

We already went through this under Trudeau, where the Liberals cut \$2.7 billion over three years. This year alone, the cut to the main estimates would amount to \$2.9 billion in one year in the Prime Minister's efforts to find savings.

There is a lot more I could say on this, but I will just say that we are going to take time at committee to study this. This is the third iteration of it, but Bill C-40 would increase the opportunity for political interference and decrease accountability, transparency and protection to our taxpayers. We also know that the Liberal government has a history of corruption. By giving it this type of unvetted access to \$1 billion at a time, we are worried this would turn into a major scandal.

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• (1125)

Hon. Stephen Fuhr (Secretary of State (Defence Procurement), Lib.): Madam Speaker, as my colleague was building an alternate universe, I ran out of paper, so let me just try to respond. It was very high level. For years, the Conservatives have crowed about supporting the military and spending and all this stuff. They did buy a few things, there is no question about it. There is the list of things the member pointed out, and I think there was even a compliment in there somewhere for me, so I thank him for that. I appreciate it. At the end of the day, they spent less than 1% on defence spending. If we add up everything he said, when it got the keys to the car, the government was spending 1.13%. When it was done, it was under 1%. If we add all the pluses and minuses, we end up with a pretty big deficit.

I had mentioned in my comments earlier that the previous Liberal government doubled defence spending and got it from under 1% to about 1.43%, but we did not get to 2%. Part of the reason we did not get to 2%, although we doubled the defence spending, is that we did not have a process that could dispatch the funds and a machine that could do it in a way it needs to be done, hence we are standing here talking about a new way of doing business that will meet the moment.

I will say that we did get to 2% in about eight months from 1.5%. I know my critic over there is shaking his head because he found some conspiracy theory place that disagrees, but does he know who audits those numbers and actually says whether we make the number or we do not? It is NATO. NATO has decreed that Canada has met the bar. Everybody else can have an opinion, but the one that matters is NATO. It has confirmed that Canada did indeed meet the target.

Can I have another minute? He had about 10 minutes. I am just getting warmed up.

• (1130)

James Bezan: Madam Speaker, he took two minutes, so I hope I get two minutes to reply.

First of all, let us talk about how the Liberals got to 2% through creative accounting. They changed the formula in 2017 when they started adding other departmental spending into national defence. Today we have the Canadian Coast Guard, which has been entirely absorbed by the Canadian Armed Forces budget, not operations. It is not a security organization. It does not have any lethality. They told us at committee, when we had the Coast Guard before them, that if there is any conflict breakout, the Coast Guard's job is to leave the scene of the assault. It would not be in the fight. It does fisheries monitoring, navigation and ice-breaking operations to ensure the St. Lawrence Seaway stays open. This is what it actually does and it does a great job. We love the Coast Guard.

If we want to compare apples to apples, as we did when we were government, compared to the numbers these guys like to throw around at us, where we just look at actual national defence spending based upon the public accounts that are filed right here in the House of Commons, in 2023-24, under the last year of Justin Trudeau, who the Secretary of State loves so much, their actual spending in that year, not using creative accounting, but actually comparing apples to apples, was 1.05%.

Hon. Kevin Lamoureux: That is not true.

James Bezan: Madam Speaker, that is true. All the member for Winnipeg North has to do is look at the numbers.

This is more important than anything. At the end of the day, this comes down to political leadership, making sure we get the job done. As Conservatives, we will always fight for those who fight for us to keep Canada, the true north, strong and free.

Fraser Tolmie (Moose Jaw—Lake Centre—Lanigan, CPC): Madam Speaker, I would like my colleague to maybe expand a bit on the difference between when the Conservatives purchased the Chinook helicopters, the C-17s and the Hercules when we were in Afghanistan on deployment, and Bill C-40, which has powers we are very concerned about just being handed over to one person. I wonder if he could expand on the differences between, as I said, the necessity to buy the equipment and expedite it, and then the lack of transparency we are seeing in this bill.

James Bezan: Madam Speaker, I know that my colleague, as a veteran of the Royal Canadian Air Force himself, got to witness us buying the C-17s, the Chinooks and the new Hercules. We continued to buy the aircraft the air force needed, and we supported the life extension done to our Snowbirds. Of course, what these Liberals did was actually shut down our Snowbirds. Instead of buying a replacement aircraft, a jet that would really thrill the audiences and really sell Canada internationally, they are buying a cute little PC-21. It sounds a lot like somebody who is out there crop dusting. I enjoy watching crop dusting, but after a couple of hours, it is time to move on. When we are going to international air shows and we are going to be flying the PC-21 up against things like the Blue Angels, we should actually make a bigger impression out there. We could have actually extended the life of the Snowbirds once again.

• (1135)

[Translation]

Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Madam Speaker, we recently learned from an article in The Hill Times that under Bill C-40, the procurement ombud's authority would not apply to procurement decisions made by a Crown corporation.

I find that rather concerning. Small SMEs often contact us and say that they have a hard time getting into the Department of Defence and understanding how the process works because of how rigid it is. Unfortunately, decisions are also sometimes made in a cavalier way and to the detriment of businesses. At that point, there can be recourse to the procurement ombud. Under Bill C-40, there would be no more recourse.

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Who is going to ensure that procurement is done properly and that businesses are not adversely affected during the process?

[English]

James Bezan: Madam Speaker, my colleague serves with us on the national defence committee. One of the shortfalls and criticisms that we are hearing about right now is that the Defence Investment Agency and the Liberal government, in particular, is making it very difficult for small and medium-sized enterprises. People are coming forward with some new technologies and new ideas, including in the world of cyber, quantum computing and drones, things that we need to do that they cannot get through the front door.

A case in point is that when the Liberals announced the new drone program, they put it under the control of a major prime, Bombardier, rather than letting everybody have a chance to come forward as opposed to taking their technology to another company that could potentially be a competitor, that will then take away their IP and use it to their advantage instead of using it to the advantage of the creator. We need to make sure that we support the entrepreneurs, those who are out there leading on creating new equipment. As we have witnessed in the war in Ukraine, things are changing day to day. We have to be able to keep up with that, and the big primes are not always the ones that have all the answers.

Hon. Mark Gerretsen (Kingston and the Islands, Lib.): Madam Speaker, I was sitting upstairs in my office watching this debate and heard the member's account of creative accounting as it relates to the percentage of GDP spent on defence, and I could not help but come here to challenge him on that point. He is saying that we came up with a new creative accounting measure that basically started including things like the Coast Guard, but that is not true. The reason we include the Coast Guard now is that other countries like the United States have always been including the Coast Guard. We decided that, rather than let the formula be different for each country, we should have a formula that is consistent among other countries. How do I know this? I learned it at the same time the member learned it when we both sat on the national defence committee together back in 2017.

Would the member like to rephrase the way he made that intervention earlier by suggesting it was creative accounting when all we were doing was matching our accounting with the way that other countries were doing it?

James Bezan: Madam Speaker, the member for Kingston and the Islands is much like the member for Winnipeg North. They think that if they say it loud enough, they must be right.

The fact remains that the Harper government never did that. Conservatives made the investments in the Canadian Armed Forces. The Coast Guard was not considered part of that calculation, nor were pensions, which are now in there, nor some spending from Global Affairs Canada, the RCMP and the CBSA that are all thrown in there. The Liberals have thrown everything in there except the kitchen sink. No, wait, that is in there, too.

If we do an apples-to-apples comparison of 2023-24, the Liberals are at 1.05%. That is really embarrassing, knowing the dangerous world that we live in today.

[Translation]

Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Madam Speaker, we are here today to discuss Bill C-40, which was introduced by the Liberal government on the other side of the House.

Essentially, Bill C-40 creates a new, ostensibly independent structure. I will come back to this independence issue later. Known as the Canadian corporation for defence investment, this entity would be a Crown corporation responsible for running its own operations, a bit like other Crown corporations such as the Canadian Broadcasting Corporation, for instance.

As far as Bill C-40 is concerned, no discussion of military procurement can ignore the broader problem facing Canada's military equipment. A lot of people are aware of the state of Canada's aging, underperforming and often non-operational equipment, which has made headlines after all. This equipment includes certain Canadian warships that are more than 40 years old, and four submarines, only one of which is operational while the others remain dockside undergoing endless repairs. Things are reaching a point where maintaining this broken equipment is so difficult that some people wonder whether it will ever return to service.

We can even think of the old jets, the famous F-18s from the 1980s. I was born in the 1980s, and these jets are older than I am. We see that there is a problem of underinvestment in defence, which means that the armed forces' equipment is in a sorry state. I would go even further and say that a while ago, we got our hands on an internal Canadian Armed Forces report stating that no less than 50% of their equipment is allegedly unusable. It may be on the inventory, but the reality is that this equipment is gathering dust and rusting away because it is too old and no longer functional. There have been so many budget cuts in this area that, according to some reports, soldiers had to buy their own boots and get reimbursed for them afterward.

There were even some reports last year indicating that the Canadian Armed Forces could not even intercept the Chinese weather balloons flying over Canada. The armed forces could not even do that because they had so many problems related to efficiency. I think Canada's army looks like a bit player on the world stage. I would even say it is in bad shape. This is the result of many years of complacency, unfortunately, so now it has some catching up to do. There has been a lot of talk over the past few years about Mr. Trump wagging his finger at us and saying that Canada needed to do its part and invest in its military.

That said, we do need to take this issue seriously, but not only because of the U.S. President. As everyone knows, Russia is becoming increasingly aggressive, as its invasion of Ukraine demonstrates. China is also posing an increasing threat to Taiwan. Major powers are challenging the U.S.-led order. That was once the dominant world order, but that seems to be less and less true these days. Given the U.S. withdrawal, there is a need—or at least, a sense of urgency—to reinvest in our military capabilities and ensure that we can defend ourselves adequately, especially considering that virtually all of the equipment we have is operationally dysfunctional.

Looking at the figures, it cannot be said that nothing has been done. In budget 2022, the defence budget stood at roughly \$30 billion. By 2025, it had risen to \$60 billion, effectively doubling.

That said, this is what appears on paper. As was mentioned earlier in the House, the government has also engaged in a degree of creative accounting by including in defence spending costs that do not necessarily relate directly to defence. This includes, among other things, moving the Coast Guard into that spending category, as well as substantial increases to military salaries and pensions.

As a result, there are no more soldiers and no more equipment, but on paper more money has been spent and Canada appears to be moving closer to the prescribed targets and ratios. All of this has contributed to Canada finally reaching the much-touted benchmark of spending 2% of GDP on defence, which is NATO's baseline target. As long as anyone can remember, that has always been the target, yet Canada has almost never met it. However, Canada appears to have reached that target over the past year through creative accounting.

To give the average person an idea, \$60 billion is the equivalent of Quebec's health care budget. People generally have no idea what that amount represents; clearly, it is a lot of money. It goes to things like hospitals, doctors and nurses. The federal government is now engaging in some creative accounting to put the equivalent of all of that into its military budget.

● (1140)

That represents 2% of the gross domestic product. That is quite a lot of money. The government is now promising to go up to 5%. The actual commitment is 3.5%, not 5%. All that to say that the budget would increase from \$60 billion to \$160 billion in 2035. As we can see, a great deal of money would go to defence.

As for me, a light bulb has turned on, and it seems to me that there may be a danger or risk associated with this sudden, radical and drastic increase to the budget of the Department of National Defence. Members may agree that we need to invest more in the armed forces, but this does not mean that there are no risks.

I identified the same risks as those outlined by the Parliamentary Budget Officer, who was invited to appear before the committee. Those are risks that I thought were an issue. In her opinion, a budget that increases so quickly might cause a problem because, if a government normally allocates x amount of money and doubles it the next day, there could be some waste. That may be the case, particularly since the government seems to want to reach the long-standing 2% target, or even 3.5% or 5%. In the end, the goal seems to be to spend as much as possible to reach the quotas. In fact, the

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goal should be to make the right investments in the right places. I think that is what we should prioritize. That is why parliamentary accountability will be key. It is about ensuring that money is not being spent just for the sake of spending, and that it is being invested where there are real needs.

During her appearance before the committee, the Parliamentary Budget Officer even told us that the government had no plans. I am not making this up. She asked to see the defence investment plans for the coming years, but there are none. The government is committing to spending 5%, yet it does not know how much will be spent next year, or the year after that, or in the years to come. Worse still, the government cannot tell us what the money will be spent on. The only thing we know for certain is that the government will meet its target. Understandably, that is worrying. I am getting the impression that the government is winging it. I, for one, do not think the government should be winging it when billions of dollars are at stake. We are talking about a lot of money, and it cannot be spent haphazardly or without a clear plan.

There also appear to be serious problems within the defence procurement system. We have already touched on the major challenges. Incompetence also seems to be an issue. There seems to be a deeper problem, at least when it comes to efficiency and the internal management of defence procurement.

To fix the problem, the Liberals announced a solution last year. They wanted to create an agency to manage defence procurement. Going forward, responsibility would rest not with Public Services and Procurement Canada, but with an independent agency. That meant finding someone to run the agency.

Who did the Prime Minister put in charge of the agency? Obviously, given the size of the agency and the amount of money involved, a top-tier manager was needed.

What skills and qualifications did the government look for in the future defence procurement superhero? Did it look for someone with expertise in procurement? The answer is no. Did it look for someone with expertise in defence matters? The answer is no. Did it look for someone with expertise in emerging technologies, perhaps a former member of the military? The answer to all of those questions is no. Instead, the government brought in a banker, a guy from the upper echelons of international finance. That is what happened. He was chosen by the Prime Minister. What made him the most qualified candidate? Well, he is a personal friend of the Prime Minister. They met back when they both worked at Goldman Sachs. A friend is a friend. There was a lot of money to spend, and a friend was going to be the one spending it.

When the Prime Minister called him, he probably said something like, "Hey, buddy, I have hundreds of billions of dollars to spend on defence. I know you have zero qualifications in that area, no military background and no expertise in procurement or new technologies, but you are a banker and you know numbers. I thought maybe you would like to spend all this money for me, so I am going to hire you."

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There was the WE Charity scandal, where a billion dollars supposedly went to friends of the Liberals. There was the ArriveCAN scandal, with costs ballooning from \$80,000 to \$54 million for an app. There was also the Phoenix pay system, which was supposed to save the government \$78 million a year but instead, ended up costing \$2 billion. After all that, the Liberals found a new gravy train for their Liberal friends.

• (1145)

Now this, this really worries me.

A guy like that, a top gun, a friend of Carney, an international investment banker—

The Assistant Deputy Speaker (Alexandra Mendès): The hon. member knows full well that he cannot use the name of a sitting member.

Xavier Barsalou-Duval: Madam Speaker, thank you for the reminder.

A high-level banker needs to get paid his worth. People like that do not dine on chicken nuggets at McDonald's. They eat what ordinary people cannot afford.

Do my colleagues know how much he makes? He makes twice as much as the Minister of Finance and National Revenue. He makes more than the Prime Minister. He makes more than the Governor General and that is no mean feat. It is quite something. In fact, our current Prime Minister's financial-sector friend, or colleague at least, earns \$700,000 a year.

Even that was not enough for him. Within six months, he was threatening to resign. It was too little for him. In fact, he found out there were public servants in government. That was the last straw. Since he was allergic to public servants, he started blackmailing the government. In the end, he did not resign. He is still around. Apparently, he is still in his office in Toronto. I do not know if he has ever been seen in the agency's offices, but he is still there.

The funny thing is that an agency was created just for him. This is the agency that was supposed to be created under Bill C-31. I did say that it is a bill. It is not even a law yet, and now the government is introducing Bill C-40 to scrap what was in Bill C-31 and create a new crown corporation. Maybe it will become the "House of Guzman". Essentially, this will eliminate what was already tailor-made for the Prime Minister's buddy and make his life even easier.

That is my take on all of this. We are essentially creating a new entity with a new board of directors and a new corporate headquarters, the location of which is still unknown. We know that the current CEO is very fond of his offices in Toronto. We do not know if that is where it will end up, but I hope not. However, it seems that it will be up to the corporation to decide that later on.

Interestingly enough, when we go through a Crown corporation to make purchases worth billions of dollars, as is currently planned, that Crown corporation will not need all the usual government approvals to proceed and move forward with its decisions. Sometimes, the Treasury Board may not have a say. The much-vaunted new Crown corporation will have all sorts of powers, such as the power to make advance payments, provide loan guarantees, lend money and even buy company shares. What would the limits be? It

is not 100% clear. Apparently, for less than \$1 billion, it will not even need to ask the government for permission unless explicitly requested by the government.

The bill says that it will create a defence agency that will be at arm's length from the government. I always find it interesting when people say that it will be at arm's length from the government. When we look at who sits on the board of directors, we see that the deputy minister will be there. The members of the board of directors—it is not an army, it is five people—are all going to be appointed by the government. This can be found in subclause 9(2) of Bill C-40. We cannot make this stuff up.

The Corporation must do as the Minister directs, and doing so is deemed to be in the best interests of the Corporation.

This obviously means that the corporation is not at all at arm's length from the minister. The minister can direct the corporation to do anything. There is no real independence. It is kind of a smoke-screen to say that it is at arm's length. It will be able to be blamed when poor decisions are made, but ultimately, all decisions will still go through the minister's office. The only difference is that there will be less transparency and less accountability.

We are concerned about that. Here is a legitimate question: Do we really want what will probably be hundreds of billions of dollars of procurement to be completely out of the government's hands and be completely apolitical? That seems like a lot of money to me. I think that it is reasonable to be able to raise questions and that there should be some political oversight when such huge amounts are involved.

Calling for politics to be taken out of something is often a way to claim the moral high ground. Defence already has the ability to identify its own requirements. When it comes to procurement, there are often strategic, geopolitical and industrial implications. I think that political considerations have been overly demonized. I am not suggesting that it should be driven by patronage or handed out to Liberal Party cronies.

• (1150)

That is what is likely going to happen: the Prime Minister appoints one of his friends and wants as little accountability as possible. Hundreds of billions of dollars will end up there, and they will spend it however they want. I am not sure that is the best solution. We are told it will move faster, but we were also told that we were going to build more housing. I call that slogan-based governance. Every time there is a problem, the government makes grand promises and comes up with catchy slogans. Ultimately, it does not produce tangible results. That is the case, for example, with Build Canada Homes. We were told that 500,000 homes would be built. The report we saw recently stated that we were quite far off and not even half the target had been reached.

We keep creating new structures: the financial crimes agency, Build Canada Homes, a defence bank, the Major Projects Office and the Canada strong fund—the much-vaunted sovereign wealth fund. Normally, a sovereign wealth fund consists of money that has been saved. In this case, however, it is being financed through borrowing. We are constantly seeing slogan-based governance, with too little attention paid to solving the real problems.

According to an internal report from the Canadian Armed Forces, it takes anywhere from four to 24 years to deliver a simple procurement project in Canada and from 10 to 28 years to deliver a complex one. That is a serious problem. However, I am not convinced that it is a structural problem. It may well be a cultural one. How do we explain the fact that, among all NATO countries and all Five Eyes countries, none has needed a Crown corporation to manage military procurement? Apparently, Canada is the only one that would require one.

I have a hard time making sense of what the government is presenting to us today. It strikes me as just another arrangement under which decisions will be made behind closed doors and well-connected individuals will be free to do as they please. I find that deeply troubling, particularly since we have learned that the procurement ombud will not even have a say in the decisions that will be made by this new entity. For example, a company that believes it has been treated unfairly during the process will have no recourse because the Crown corporation will be the one that makes the decisions, period. No one will have the authority to review the decisions made by this agency, which will no longer even be an agency but rather a Crown corporation.

What we are also seeing with the creation of these new structures, as I said, is a tendency on the part of this government to want to create new structures by saying that they represent a blank slate, that the government needs to be given a chance and that a blank slate is beyond reproach. We are told that we need to act in good faith and give the government a chance. However, what we have seen is that all these blank slates and new structures are generally designed to reduce accountability to Parliament, resulting in decisions being made increasingly behind closed doors. I find that rather troubling, because we should expect greater transparency and accountability, not less, especially when even more money is being invested in defence and other priorities.

• (1155)

Tim Watchorn (Les Pays-d'en-Haut, Lib.): Madam Speaker, my colleague is a new member of the Standing Committee on National Defence, and we thank him for his work on that committee. I listened carefully to his speech, and I think he should offer his talents to screenwriter Fabienne Larouche to write fictional scripts for phone calls. I think that is very interesting. On a more serious note, my colleague talked about creative accounting. We had the opportunity to welcome members of the Coast Guard and armed forces to the Standing Committee on National Defence. They told us how much they appreciated the new investments in defence and the pay raises.

First, I would like to know if my colleague agrees with the pay raises. Second, I would like to know if he agrees that it would be beneficial to integrate the Coast Guard into the Department of National Defence itself.

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I think it is important to mention that this is not creative accounting. It is NATO that determines who reaches the 2% target and who does not, and Canada has clearly reached 2%.

Xavier Barsalou-Duval: Madam Speaker, in connection with what my colleague just said, the committee also heard from the Parliamentary Budget Officer, who admitted that she herself is having a hard time keeping track of government spending on what is included in NATO, what is not included in NATO and what is included in National Defence spending. It is very difficult to find out what is really going on. If the Parliamentary Budget Officer is confused, I think that quite a few people would have reason to be confused.

As for including the Coast Guard in the management of National Defence and raising salaries, I am not saying that those were bad decisions. I think that these are decisions that can be justified. What matters, however, is that they not be made on the fly and that they not be decided on the back of a napkin simply to meet targets. That is what it seems like right now. These decisions are not being made for the right reasons. The government is making these decisions just to meet targets, to show that it is spending as much as possible. I think the goal should not be to spend as much as possible. That is more or less my message. The goal should be to spend on the right things for the right reasons, and on that front, I am not sure the government is on the right track.

• (1200)

[English]

James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, I want to thank my colleague from the Bloc Québécois for his intervention. I really appreciate that he raised the spectre of the culture of the Liberals and that they have a long track record of scandal after scandal. We have had SNC-Lavalin, ArriveCAN and the WE Foundation. We could also go back to adscam. There is just so much.

We would now be setting up, as my colleague pointed out, unprecedented powers of a single minister over a Crown corporation, which we have never seen before in Canadian history, a Crown corporation that must do as demanded by a minister.

Earlier, the Secretary of State was saying that this is about ensuring political oversight. Does my colleague have the same concern that I do, that this is going to increase political interference and open up an opportunity for the government to use the DIA Crown corporation as a way to have another scandal and make sure that it is shovelling money out the door to Liberal insiders and well-connected friends?

[Translation]

Xavier Barsalou-Duval: Mr. Speaker, I would say yes in response to my colleague. In fact, the reality is that when it comes to decisions that are sometimes made in a vacuum, with political influence and interference and all that, I get the impression that there already were some. There were probably already some at National Defence. There were probably already some when it came to procurement as well.

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What we are going to experience is a situation that will be even further removed from Parliament. That means it will be even harder to ensure accountability and transparency. That is where the issue lies, and I think it is important to seek as much transparency as possible. What is more, the Prime Minister appointing one of his personal friends can only lead to suspicion on our part.

Rhéal Éloi Fortin (Rivière-du-Nord, BQ): Mr. Speaker, I thank my colleague for his remarks. As always, he demonstrates a thorough grasp of the file. Perhaps he can help clarify something for me.

As I read this bill, I am having some difficulty following it as well, much like my colleague. We currently have the Defence Investment Agency, which would be replaced by the Canadian corporation for defence investment. Aside from a change in name, letterhead and business cards, and setting aside the possibility of creating a well-paid position for a friend of the Prime Minister, what would actually change?

Does this bill actually contain any defence investment projects? For now, it appears to be largely cosmetic. The only purpose I can see for this legislation, although I may be missing something, is that it would allow the government to wash its hands of any future problems. It could then say that the matter is not under its control because it falls within the mandate of a Crown corporation. Am I mistaken, or is there genuinely some added value here for Canadians and Quebecers?

Xavier Barsalou-Duval: Mr. Speaker, what is most surprising about Bill C-40, which is before us today, is that the government was already pointing to problems with supply, delays and efficiency at National Defence to justify the creation of the Defence Investment Agency through Bill C-31. The problem is that this solution has not even been tested. The agency has yet to be established because Bill C-31 has not even been passed. In reality, it is an office within the department responsible for procurement, but the agency does not yet exist.

This agency has not really been put to the test yet, but some have already come to the conclusion that it does not work. I find that really strange, because this is this very same government that, not so long ago, was telling us that this was a new initiative that would solve all our problems. Now, we are being presented with yet another new initiative that will solve all our problems, whereas, ultimately, all we are seeing is a continuing trend towards less transparency and less accountability.

[English]

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I find it unfortunate that it seems that the Conservatives and the Bloc do not support the need for a corporation. It is not like it is absolutely unique. We could take a look at other Five Eyes countries, in particular the U.K. and Australia, where there has been movement toward ensuring that there are better processes for procurements. Yes, the Prime Minister could be accused of hitting the 2% target of our GDP, but I would argue that is a positive thing.

To ensure we are able to provide the support for our military personnel in equipment, if not this, then what does the member believe would be better to ensure that we are able to deliver in a more ap-

propriate and faster fashion the military equipment our forces require?

• (1205)

[Translation]

Xavier Barsalou-Duval: Mr. Speaker, I would like my colleague across the way to give me the information he has, because we have done some research, and to my knowledge, there is no NATO or Five Eyes member or western allied country that has a Crown corporation looking after its military procurement.

I can see what is going on. The government would have us believe that this is independent, that this is apolitical, even though the corporation's statutes and rules will state that it must do everything the minister orders and that the minister is the one who appoints the board of directors. That is not unusual. Defence is such a strategic issue that it makes sense to have some political oversight.

I get the impression that there is some doublespeak. The government claims that this corporation is independent when it actually is not. It is trying to make us believe things that are not true. This is only natural; defence is so strategically important that it is necessary to take an interest in it.

Marc Dalton (Pitt Meadows—Maple Ridge, CPC): Mr. Speaker, last week I spoke with a soldier in British Columbia. He told me about the problems he saw with money for training. There have been budget cuts. We hear the Liberals say that they are doing an amazing job, but what are they actually doing? They are hollowing out the military and creating yet another layer of bureaucracy.

Does the member think that this new plan will deliver any real benefits, or is it simply a way to hide contracts?

Xavier Barsalou-Duval: Mr. Speaker, that is a very good question.

We have already talked about the government's creative accounting to inflate defence figures by boosting salaries and including the Coast Guard. What we are also learning is that the government has directed all departments to make spending cuts. At a time when military spending needs to increase in order to meet NATO targets and when the government says that it intends to reinvest in defence, it would be reasonable to expect National Defence to be exempt from those cuts. Apparently, this is not the case, as DND is also affected by the cuts.

I am struggling to find the logic in that. It simply does not make sense to me.

[English]

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I will be sharing my time.

Allow me, first, the opportunity here in debate to express my most sincere prayers and best wishes to the families, extended families and communities affected by the disaster in Wainwright.

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I had the privilege of serving in the Canadian Forces. I was actually posted out in Edmonton. We would often get military personnel coming in from Wainwright through the air force base in Lancaster Park. I know there are strong connections among the military families and members of the Canadian Forces and DND officials. I would let them know that the government and all members of the House are there to support in whatever way we can.

It has been interesting listening to the Conservatives and the New Democrats talk about this piece of legislation. When I posed the question to the member from the Bloc, he seemed to be surprised at some of the other Five Eyes countries. If we take a look, we will find that there is some movement toward not necessarily Crown corporations but ensuring that there is one agency that is more accountable in making those military expenditures.

We can take a look at the commitment the Prime Minister made to Canadians in the last federal election to invest in and build our Canadian forces, recognizing that Canada does have, and has to have, a role in the United Nations and with our allied partners. That is the reason we are the first government in generations to actually hit the 2% of the GDP ratio that Canada has been asked to hit for generations.

Under the leadership of the Prime Minister, we achieved that within six months of the last election. If we put it through that lens and that perspective, we see that it is important to not only be able to hit the target, but also make sure that we are delivering, in tangible ways, the military supports that are absolutely essential.

One of the early initiatives was the recognition that our military personnel were underpaid. That is one of the things that was dealt with, again, within the first half year of the new government. We are now talking about a Crown corporation that has a very important responsibility to all Canadians.

We look to the opposition to recognize that, as provincial entities and federal entities, there are all sorts of arm's-length Crown corporations that are there to protect the public interest, whether it might be supplying water, providing hydro or providing automobile insurance. There is a litany of provincial Crown corporations along with many federal Crown corporations. For the most part, as this one will be, they are arm's-length.

There will still be a high sense of accountability, given the amount of dollars that are being spent, by the establishment of an associate minister who would have the sole responsibility of making sure that our Canadian Forces are being armed with the things that are necessary for us to protect our sovereignty as a nation and to be able to contribute, in a very real way, to the United Nations and our allied countries. That is something we have taken very seriously, first by making a substantial commitment.

When we hear of a substantial commitment, we can compare this Prime Minister to Stephen Harper when the current leader of the Conservative Party sat around the cabinet table. At that time, we were at 1% and being soundly criticized by countries around the world for not investing enough in our Canadian Forces.

• (1210)

Even politicians here in Canada, members of Parliament on all sides of the House, would say we needed to invest more. We have a Prime Minister who took the initiative and did just that, and he did not leave it at that.

Through Bill C-40, he established the opportunity for Canada to not only invest in our military but also look at industries within Canada today that create middle-class, good, strong, healthy paying jobs in the military-industrial community, which is very real and substantial. This procurement process and the establishment of a Crown corporation would not only stabilize but also grow. We will see growth in our industrial community in the production of military equipment.

I can talk about military vehicles. It could be light armoured vehicles. There are many military parts for vehicles. I could talk about aircraft equipment. Part of the F-35 wing was developed in Winnipeg. It was worth tens of millions of dollars. If members want to see the expertise that goes into that, they should go to Magellan, visit the site and see the sense of pride in what they are doing for the development of the F-35.

Magellan is not alone. We can go to the provinces of Quebec, Ontario and Manitoba and other areas of the country to see that the aerospace industry is moving forward. Military procurement plays a critical role in the future of our military aerospace industry.

We can talk about weapons and ammunition. It could be ammunition for rockets. I would go to a place like Magellan, which has developed rockets in the past in Winnipeg. I can talk about rifles. These are the types of equipment being built through technology here in Canada and exported. In fact, all the things that I have mentioned today are major exports out of Canada. We can think of drones, cameras or surveillance. These are things for which Canada is one of the leaders in the world. We can talk about naval equipment or training opportunities and the equipment that goes along with that. These are but some of the examples that Canada exports today.

A Crown corporation would have the responsibility to not only equip Canada's military but also ensure there is a clear process to advance an industry that is so very important to Canada's sovereignty, our jobs and our economy. All of this can be wrapped up together as a way to continue to build a stronger and healthier Canada, as I have said before, that works for all Canadians. Our military is a very important aspect of that.

I would ask Conservatives and Bloc members to review the position they have taken as of today on the issue. Providing more transparency and accountability through an independent, arm's-length Crown corporation is a good thing and something I hope they will pass.

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• (1215)

Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, the stepwise implementation of what is supposed to be transformational, which we hear from the government, has become something of a sense of déjà vu. I would suggest to my hon. friend, the parliamentary secretary, that we have seen this before with Build Canada Homes. First, we got a special operating agency in 2025. Then we got the same proposal for Build Canada Homes as a Crown in 2026. As a Crown corporation in 2026, it is still struggling to set itself up. I talk to people all the time who are saying that, when we had the old Crown corporation, CMHC, we moved faster.

What I am wondering about is, now that we are looking at a special operating agency for defence, I am sure at some point we will get a bill in here that says that the special operating agency for the Major Projects Office is going to become a Crown corporation. Can the hon. parliamentary secretary suggest why this route is preferred by the government?

Hon. Kevin Lamoureux: Mr. Speaker, I appreciate the question from the leader of the Green Party. Personally, I understand and appreciate the value of Crown corporations because through them we can build in an arm's-length component, which I would argue allows them to be far more efficient and better able to deal with the types of projects that have been assigned to them. There are many examples at all levels of government. Whether it is municipal, provincial or federal governments, they have clearly demonstrated that, through a Crown corporation, we can ensure a higher sense of accountability and transparency while at the same time—

• (1220)

The Assistant Deputy Speaker (John Nater): Questions and comments, the hon. member for Stormont—Dundas—Glengarry.

Eric Duncan (Stormont—Dundas—Glengarry, CPC): Mr. Speaker, my question for the hon. member focuses on accountability and transparency. What is being proposed here, the government says, is a better effort to procure defence items, which as a whole, at a far glance or an upper look at things, would be agreeable. However, the transparency is with respect to the amount of sole-sourcing.

I believe, if I am correct, off the top of my head, there are about 13 exemptions where the minister or that agency would have the opportunity to sole-source without very much transparency. This leads us to the many different examples we have seen over the course of time of removing the transparency, accountability and connection to Parliament to be able to scrutinize things as thoroughly as possible.

My question for the member is, why are the Liberals removing the transparency and guardrails around the sole-sourcing of contracts at a time when we need more?

Hon. Kevin Lamoureux: Mr. Speaker, within the legislation is the idea of having an associate minister become permanent. Through that associate minister, we would receive that accountability. Therefore, not only is there a Crown corporation that in a very tangible way ensures transparency and accountability, but we also have, through the legislation, a government that is saying that it is not going to surrender all aspects of accountability. By having an associate minister tied to it, that means that members of Parliament

in the House, and through them the public as a whole, would still have a minister, a go-to political individual, who ultimately has to be accountable.

[Translation]

Marilène Gill (Côte-Nord—Kawawachikamach—Nitassinan, BQ): Mr. Speaker, I would like to talk to the Parliamentary Secretary to the Leader of the Government in the House of Commons about winging things. My colleague from Pierre-Boucher—Les Patriotes—Verchères spoke to this earlier. It was one of the concerns he had about the bill.

As we saw in Bill C-31, the government is trying to create an entity to address the problem currently under debate. At the same time, Bill C-40 scraps the idea the government proposed in Bill C-31. If that is not winging it, what is?

Either the government is not ready to propose an idea, or it is proposing an idea that is still being debated. This morning, Bill C-31 was discussed in committee, yet here we are in the House debating a different bill, Bill C-40, that discards what is set out in Bill C-31. Seeing both ideas up for debate at once, without either of them having been tried and critiqued, makes me wonder why the government did not simply prepare something that was finished, rather than something that requires corrections along the way.

Can my colleague tell me why the government no longer wants to go through with what it had previously proposed in Bill C-31?

[English]

Hon. Kevin Lamoureux: Mr. Speaker, I believe the government, through the Prime Minister, recognizes the value of moving forward with a Crown corporation, and this is the best way to do it. We do not need to wait six months to a year to do so. We are moving quickly. The members of our Canadian Forces deserve it.

In terms of Canadian sovereignty, both economical and military, this is the type of direction that I believe is good for the—

The Assistant Deputy Speaker (John Nater): Resuming debate, the hon. member for Les Pays-d'en-Haut.

[Translation]

Tim Watchorn (Les Pays-d'en-Haut, Lib.): Mr. Speaker, I would like to begin by offering my deepest condolences to the families of the soldiers who lost their lives at CFB Wainwright this past weekend. Our thoughts are with their families and the families of the injured.

Transforming the Defence Investment Agency into a Crown corporation would ensure that Canada is better prepared to meet defence and security challenges now and in the future. The agency will have the tools, flexibility and expertise to make strategic investments and respond more quickly to the needs of our armed forces and Coast Guard. This transformation is central to Bill C-40, the strengthening Canada's defence sector act.

However, I would also like to draw the attention of the House to the significant amendments this bill would make to the Defence Production Act.

These changes will better prepare Canada for an increasingly complex security environment. They are essential to strengthening our industrial base and ensuring that our defence procurement system can provide the armed forces and our national security partners with the capabilities that they need when they need them. The Defence Production Act has been a cornerstone of Canada's defence procurement framework since the Korean War. Over time, as the security environment and the nature of national defence have evolved, the act has been amended a number of times. As the world continues to change rapidly, the legislation needs to adapt as well. In recent years, we have witnessed growing instability and unpredictability around the world. New threats have emerged, supply chains have become more vulnerable, and the importance of economic security has become impossible to ignore. At the same time, our allies have invested heavily in their defence industrial capacity so they can produce critical equipment and technologies quickly and at scale.

Canada must keep pace with its allies. For many years, this act has guided our defence procurement and industrial strategy policies. However, it was designed for a very different era. Bill C-40 modernizes this legislative framework to reflect today's security realities and the increasingly close ties between defence, security, technology and economic resilience. Historically, the act focused primarily on defence equipment and infrastructure exclusively for national defence purposes. Bill C-40 expands its scope to include national security and services related to both national defence and national security. This broader scope recognizes that contemporary threats rarely fit neatly within traditional categories. Protecting critical infrastructure, advanced technology, intelligence capabilities and supply chain security all play a role in protecting Canadians.

Another important amendment seeks to clarify and expand procurement authorities. Under the Canadian corporation for defence investment act, the Minister of Government Transformation, Public Works and Procurement and Quebec Lieutenant would have exclusive authority to acquire supplies and services related to defence and security, not only for the Canadian Armed Forces and the Department of National Defence, but also for other federal departments, boards and agencies in the area of national security. After all, national security is a government-wide responsibility.

Whether supporting border security, the protection of critical infrastructure, emergency preparedness or intelligence operations, federal departments and agencies are increasingly dependent on specialized equipment and services that contribute to our security objectives.

It is important to recognize that maintaining national security is not limited to the procurement of goods and services. That is why Bill C-40 allows the new associate minister of national defence for procurement to perform financial assistance operations related to production or investment in respect of defence or national security. These new powers will allow the government to play a more active role in strengthening Canada's defence and national security industrial base. We are fostering innovation that supports strategic capabilities and ensuring that critical technologies and manufacturing capabilities remain available to Canada and our allies.

This represents a real shift in perspective. Rather than viewing defence procurement as merely a purchasing exercise, this measure

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recognizes that it is part of a broader industrial and economic strategy. Investing in our industrial capabilities helps strengthen our sovereignty, reduces our vulnerabilities and supports good jobs across Canada.

● (1225)

The proposed amendments to the Defence Production Act are only one part of a broader, comprehensive package of reforms set out in Bill C-40. These reforms include the creation of a Crown corporation responsible for carrying out production, procurement and investment activities in respect of national defence for the benefit of the Canadian Armed Forces and the Department of National Defence. It should be mentioned that the minister of public works and procurement would remain responsible for the Defence Production Act.

As we modernize Canada's defence production and procurement framework, accountability remains key. Bill C-40 strikes a balance between agility and accountability. It seeks to remove unnecessary barriers that can delay the delivery of essential capabilities to the armed forces, while maintaining government oversight of important decisions. Bill C-40 delivers on both. At the end of the day, our goal is not just to spend more or move faster. These changes are meant to create an efficient, transparent and accountable defence procurement and production system that delivers results for our armed forces while maintaining the trust of Canadians.

At its core, this bill is about preparedness. It is about ensuring that Canada has the legislative tools it needs to build key capabilities, strengthen its domestic industrial capacity, support innovation, secure its supply chains and respond decisively to emerging threats. This bill reflects the reality that national defence and national security are increasingly closely tied to economic resilience, advanced technologies and industrial policy.

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Our government is proposing substantial yet necessary amendments to the Defence Production Act. These amendments broaden the scope of the act, strengthen procurement authorities, introduce new investment tools and establish updated procurement rules that are appropriate for the current security environment. Taken together, these measures aim to create a framework that is more agile and responsive and focused on Canada's strategic defence and security priorities. This bill represents one of the most significant updates to Canada's defence production and procurement framework in decades. It reflects a clear recognition that security challenges are evolving and that Canadian institutions must evolve with them. That is what Bill C-40 is all about. That is how our government is making sure Canada remains safe, secure and sovereign.

I look forward to taking questions from my colleagues about my speech.

• (1230)

[English]

Cheryl Gallant (Algonquin—Renfrew—Pembroke, CPC): Mr. Speaker, with the federal government investing, using borrowed taxpayer dollars, in the very companies that will be tendering bids and offering their models of equipment for purchase by the Canadian government, how do we know that we will get the best value for our dollar? How is it not a conflict of interest that the very people making the decisions on what equipment the government is going to buy have money invested in these defence companies?

Tim Watchorn: Mr. Speaker, in our defence industrial strategy, we have three pillars: build, partner and buy. We have to make sure that Canadian companies are involved in the building of the maximum possible quantity of defence equipment and defence supplies. That is the reason we have to make sure that Canadian companies are always at the head of the line when it comes to defence procurement. We have made the commitment to go from 30% to 70% Canadian content in our defence spending. That is something we will definitely adhere to.

[Translation]

Marianne Dandurand (Compton—Stanstead, Lib.): Mr. Speaker, I thank my colleague from Les Pays-d'en-Haut, who has been very active on the procurement and defence file, including for the benefit of the regions. We know that regions like his or mine, Compton—Stanstead, could benefit from the economic spinoffs associated with the defence procurement strategy.

I would like my colleague to elaborate on the type of spinoffs we might expect to see in regions like his or mine.

Tim Watchorn: Mr. Speaker, we do not need to wait for the spinoffs, because they are already here.

A \$1.5-billion maintenance contract was awarded to L3Harris in Mirabel, in the Laurentians, for the CC-330 Husky refuelling aircraft. It has already been determined that the DISH, the defence innovation secure hub, will be established near Mirabel. Every person who lives in the Laurentians and has a good job in the aerospace sector will be able to benefit from these contracts and many more in the future, including Bombardier's contract for the Global 6500 jets.

Marilène Gill (Côte-Nord—Kawawachikamach—Nitassinan, BQ): Mr. Speaker, I did not get an answer earlier from the parlia-

mentary secretary to the government House leader, so I will ask my colleague opposite the same question about Bill C-31 and Bill C-40.

The Liberals were trying to create something with Bill C-31, which we are still debating, but it will likely end up being scrapped because they are replacing it with Bill C-40.

Why did the government change its mind about something that was supposed to be such a good idea?

With the Liberals switching so quickly from Bill C-31 to Bill C-40, does it not seem like they are just winging it?

• (1235)

Tim Watchorn: Mr. Speaker, the Defence Investment Agency was always intended to be a temporary measure. The goal was always to create a Crown corporation. That is what we are doing now.

The benefits have been clearly demonstrated in other countries, such as the United Kingdom, Australia, Turkey and Sweden. They have models very similar to what our government is proposing today. The rationale has always been this: It is absolutely essential to provide our military personnel with the capabilities they need as soon as possible, given the technological changes we are seeing on a daily basis. A Crown corporation will do exactly that.

[English]

Lori Idlout (Nunavut, Lib.): *Uqaqtittiji*, I know that Nunavummiut will want to participate in keeping the Arctic secure, and I wonder if the member can describe how this bill would help make sure that Canadians are part of the procurement process of keeping the Arctic secure.

Tim Watchorn: Mr. Speaker, we had the chance this summer to go to Inuvik to see how investments are already making a difference at the airport so that we are able to have our CC-330s land in the north and protect our north. We met with all the mayors and the regional first nations communities. We are also benefiting from all the money being spent up north. We will continue to invest in the north, because it is our most important border at this time.

Cheryl Gallant (Algonquin—Renfrew—Pembroke, CPC): Mr. Speaker, I will be sharing my time with the MP for Calgary Midnapore.

I rise on behalf of the women and men of Garrison Petawawa and the wider Ottawa Valley community to express my deepest condolences to the families of the four soldiers who lost their lives and the 39 people recovering. When tragedy strikes, the loss is felt deeply by all those in the Canadian Armed Forces, especially by their families and their loved ones. Private Shaun Farrell, Private Hayden Lykkemark, Private Aidan Goulding and Sergeant Morgan Wong fell serving their country. Their loss is a stark reminder of the dangers we ask the Canadian Armed Forces to undertake every single day.

We owe our seats in this chamber to the sacrifices made by those serving today and the veterans who went before them. We can never repay the debt we owe to Shaun, Hayden, Aidan and Morgan. What we can do is live up to the example they set of being of service to our country. As members of His Majesty's loyal opposition, we are called to serve by holding the government accountable. It is the duty of the government to appear in this House and give that account. Anything less is a disservice to all Canadians. What we owe Canadians, and particularly the members of the Canadian Armed Forces, is the certainty that we take the nation's defence seriously.

The Liberal government has tabled Bill C-40, an act respecting production, procurement and investment in relation to national defence and national security. The Liberals' chosen short title makes the purpose of this bill clear. It is called the "strengthening Canada's defence sector act". It is not the "strengthening the Canadian Armed Forces act". It is not the "speeding up defence procurement act". It is another Liberal industrial strategy dressed up in a military uniform. There is a reason prime minister Brookfield appointed a bank president to lead the Defence Investment Agency instead of an expert in defence and security. This is all about making Liberal insiders richer.

Between pressure from our NATO allies, the aggression of Russia and insults to our sovereignty by the U.S. president, the Liberal Party now supports increased military spending. The Liberals saw the commitment to meet our NATO targets as an opportunity to cash in, and that is what this is really about. The Liberal talking points claim this bill is meant to help speed up defence procurement. Of course, this is what the Liberals said a year ago when the Prime Minister created a new bureaucracy within public works and called it the Defence Investment Agency. Six months later, the Liberals said it needed to be a stand-alone agency. A year later, the Liberals are claiming this needs to be a Crown corporation.

Changing the agency to a Crown corporation would not fix defence procurement because it would not address the root of the problem. As long as the Liberal Party of Canada continues to exist, the Canadian Armed Forces will struggle. From Pierre Trudeau scrapping our aircraft carriers to Jean Chrétien scrapping the EH-101 helicopter and Justin Trudeau whipping out his pen to cancel the F-35 procurement, one party has repeatedly campaigned against defence procurement. Not only did Chrétien and Trudeau actively campaign against military purchases, but they both won majority governments from those campaigns. Those campaigns sent a loud message to the defence sector and the public service that a delayed procurement is better than a negative headline.

Even today, while the Liberals claim to care about meeting spending targets, the Liberal Prime Minister has placed the F-35

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procurement in jeopardy. The F-35 review is not making Canada secure. The review is not because the defence department has discovered a new advanced jet it did not know about before. The only reason for this fake review is that it is politically convenient for the Liberal Party of Canada. The Liberal government is willing to sacrifice national security to keep its elbows in an upright pose. These posers do not care about national security if it risks the poll numbers.

I wish this was not the truth. I want the government to succeed in buying the kit that the soldiers, sailors and airmen need. In some ways, this bill could actually be seen as a way to get most of the Liberal Party out of the way of the defence procurement. By creating a Crown corporation and a single responsible minister, it may get the industry minister to stop meddling in defence purchases.

● (1240)

Unfortunately, this bill's multiple mandates would replicate the same whole-of-government incoherence with a single Crown corporation. Even worse, the new power this Crown corporation would have to make equity investments in defence companies would be putting the entire organization into repeated conflicts of interest. How could this defence Crown agency corporation invest in a company while running a competitive procurement process that includes the same company? The only answer is that the government would have to sole-source the projects. Who needs a competitive procurement process when they own a piece of the bidder?

Obviously, sole-source contracts are rife for conflict and corruption, but Canadians may even forgive the Liberals' lining their pockets if at the end of the day, the women and men of the Canadian Armed Forces were provided with the very best equipment in the world. Instead, the Liberal government procured winter sleeping bags that do not work in the cold.

Once the government is a shareholder of a company that no longer has to compete for government contracts, is that company going to invest in research and development, or will it follow the lead of the government's newest sole-source defence contractor, Maritime Launch Services, and cash in its stock options?

This bill has less to do with our national security strategy and more to do with the Liberal defence industrial strategy. Rather than taking President Eisenhower's warnings of a growing military-industrial complex to heart, the Liberals are taking it as a how-to guide.

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While there is more of a case for government intervention to maintain critical defence capabilities, this bill would go well beyond limited interventions. For example, there is a strong case for providing market security and long-term sustainability for armaments by expanding munitions stockpiles, yet this bill would allow the minister to stockpile anything the Liberal cabinet decides is in the party's interest.

Another example was recently provided by President Trump. On the same day the Liberals announced this bill that would allow them to buy equity in defence companies, the U.S. president announced the U.S. government was taking a 40% equity stake in a defence company redeveloping an old naval shipyard. The President argued that its equity stake would commit the U.S. government to keeping the facility operational forever. As President Trump said, he and the Prime Minister “agree on many things”, and that includes taking equity stakes in politically sensitive companies.

I disagree with the Prime Minister and the President. I appreciate the argument that this type of investment commitment can ensure the long-term stability needed to keep a critical factory in operation, yet as Ukraine's heroic defence against Putin's aggression has shown, the pace of technology and technological change is only accelerating. What is critical today may be obsolete in 10 years, but the contracts and scarce dollars will keep flowing to outdated factories because the government owns a piece of them.

Even if people support the government taking equity stakes in defence companies to secure currently critical assets, surely they would at least agree that there should be some constraints. Under this bill, there would be no limits. As the head of this defence Crown corporation, the Prime Minister's close personal friend and highest-paid government employee could buy 1% of a drone start-up or buy 100% of Stelco. That is an extraordinary amount of power to grant the government.

Not since World War II has the government nationalized a company without introducing specific legislation. Given how poorly the Liberals managed their national electric vehicle industrial strategy, if we grant the Liberals this much unaccountable power to implement their national defence strategy, all we can be certain of is that vast amounts of money will be spent while leaving Canadians with little to show for it.

The Liberals can continue to reannounce new strategies to speed up defence procurement, but the real problem is staring them in the mirror. This Liberal bill is a confession of Liberal failure. It is an admission of Liberal guilt. We owe it to the women and men of the Canadian Armed Forces to get them the best equipment, not the best investment deal.

• (1245)

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the member is blind to the reality that this bill has nothing to do with corruption or character assassination. It has everything to do with providing strength to our Canadian Forces through military procurement and enhancing the Canadian industries related to military expenditures. That is the reality of it.

Unlike the period when she was a member of Stephen Harper's caucus, when they spent 1%, this Prime Minister's caucus has not only committed but realized 2%. How does she justify her remarks?

Cheryl Gallant: Mr. Speaker, the only person in this room so far who has mentioned corruption and character assassination is that member.

Arnold Viersen (Peace River—Westlock, CPC): Mr. Speaker, I listened intently to the member's speech, and I listened to the Liberals' questions about this, and the Liberals keep touting the fact that they are spending more money than we did when we were in power.

A couple of things are the case. First is the Liberals' fancy accounting when it comes to what they are spending money on in the military. I would point out that they moved the Coast Guard from being a civilian organization to being a military organization. Second, the Canadian Armed Forces' capabilities have not been improved. Nobody thinks the Canadian Army is in better shape today than it was under Stephen Harper, so I am just wondering if the hon. member has any comments about that.

Cheryl Gallant: Mr. Speaker, the real strength of our army is in its people, and the \$2.9-billion cut to defence this year alone is going to impact the well-being of our military, the individuals and their families. The real concern about the expenditures in this bill is that borrowed taxpayers' money would be going to invest in defence companies so the government would have a piece of the action, and when a piece of equipment is built, procured or purchased, it would be the government that cashes in.

[*Translation*]

Rhéal Éloi Fortin (Rivière-du-Nord, BQ): Mr. Speaker, I would like to hear my colleague's views on the 5% of GDP that NATO requires for defence spending.

Personally, I thought the government would be investing in buying tanks or airplanes or recruiting new soldiers. Instead, it seems to be investing primarily in organizational structures. There was going to be an agency, and now it will be a corporation. There was going to be a director, but now they will be called something else. I do not know what the person's title will be, but their salary will be at least double that of their predecessor. The government is tinkering with structures. All of this comes at a cost to Canadians and Quebecers. At a time when everyone is tightening their belts and being asked to pay more, the government is spending money not on improving our defence capabilities, but on creating new structures and jobs for the Prime Minister's friends. This strikes me as a highly questionable way of meeting the NATO target.

What does my colleague think?

• (1250)

[English]

Cheryl Gallant: Mr. Speaker, the member from the Bloc is absolutely right. The 5%, 1.5% of which can go into infrastructure or a soft cost for the military, is only a piece of it. The other money is supposed to actually go into national defence to make our country safer.

What was mentioned earlier was the Coast Guard. The fact is that other countries' coast guards, which are included in the NATO calculation of 3.5% for the equipment, are actually armed. Our Coast Guard is not armed. All it would be doing is what it should have been doing already, and that is sharing information with defence, based on what it sees on the oceans.

Stephanie Kusie (Calgary Midnapore, CPC): Mr. Speaker, as it is a new session, it is always an honour to recognize that I am so pleased to stay in the House for the good people of Calgary Midnapore and speak on their behalf.

I cannot commence this speech without paying recognition to the tragedy that took place at CFB Wainwright. As the mother of a teenage son, I cannot imagine the pain these families are feeling right now, and I want them to know that my thoughts, my prayers and my heart are with them. I also want them to know that Shaun, Aidan, Morgan and Hayden were not just the sons of Canada, they were also the sons of Alberta. It is very poignant that this horrific event would happen on the eve of a referendum to decide Alberta's destiny within Canada. I am very happy to say that Albertans chose to be with Canada, because I believe that is a better destiny for us as Albertans. I also believe it shows that what happens in Alberta touches all of Canada.

All those who serve know what it means to take accountability, so that is what I am going to be talking about today: the implementation of Bill C-40 and the need for responsibility and accountability. Bill C-40 would transform the Defence Investment Agency into a Crown corporation. This is good for many reasons. It would give the organization greater authority to negotiate, to manage and to fast-track projects, which we hope would result in quicker outcomes for both our armed men and women and for Canadians.

However, as the saying goes, with great power comes great responsibility, and Bill C-40, I am afraid, would take away some of the responsibility and some of the accountability. It would do this by creating an arm's-length organization, by creating winners and losers and an opportunity for Liberals to reward friends and insiders, and by eliminating fiscal and procurement oversight.

The first way Bill C-40 would eliminate accountability is by creating yet another arm's-length organization. There are countless times I have been told by a minister in committee that they cannot respond to that question or they cannot answer my query because it is an arm's-length organization. They wash their hands of it, yet all of these organizations have an impact on Canadians' lives and all of these organizations spend the Canadian taxpayer's dollar. They should be completely accountable, both in the committee and in the House of Commons.

We have seen some of the most heinous misuse of funds in the history of the 11-year Liberal government by arm's-length organi-

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zations. For example, the Canada Infrastructure Bank has committed \$18 billion since 2017, and in 10 years, despite this high expenditure, fewer than 10% of projects have been completed. Despite that, executives were given both bonuses and salaries to the tune of \$8.6 million last year.

We cannot forget the green slush fund, Sustainable Development Technology Canada. The damning 2024 Auditor General report found 90 instances where directors failed to recuse themselves for a contract total of \$76 million. Out of 58 projects, 10 projects were determined to be ineligible under their own rules, totalling \$59 million. Another \$20 million in seed projects was approved without the required screening. It was so bad that the federal government had to disband the organization, and every single board of directors member was forced to resign.

The second reason Bill C-40 leaves a wanting for accountability and responsibility is that it has pieces of legislation that would create winners and losers, which would allow Liberals to reward friends and insiders. It would expand the number of categories under which the minister could carry out a sole-source procurement. There would be 13 opportunities, in fact, with no options, no price comparisons and no comparative evaluations. It would also allow any number of future exceptions to be written into regulations, as many as they want.

• (1255)

It would exclude the minister from the consequences of outsourcing and these can be many and can be highly impactful, from overspending and choosing projects and solutions that are out of scope, to solutions that are wrong for operational requirements. It would also allow the minister to exclude anyone without justification, without oversight and without explanation; procurement ghosting; picking winners and losers; and giving contracts to friends and insiders. We saw this no place better than in the Auditor General's report in 2024 of McKinsey, with 10 departments being implicated and 97 professional service contracts for a total of \$209 million. These rules would allow Liberals to give money to friends and insiders and they would allow the government to do what it loves to do best, and that is to play favourites.

Bill C-40 would also allow the corporation to withdraw up to \$1 billion out of the consolidated revenue fund, and not just once but as many times as it needed to, yet the oversight would be missing. The DIA would be under Treasury Board rules to a substantially less extent than prior to Bill C-40, Treasury Board being the body that provides the oversight for the expenditure of funds. This would mean less regulatory oversight for the spending of taxpayer dollars, something Conservatives never like to see occurring.

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The bill would remove the oversight of the Office of the Procurement Ombud, who audits the execution of government contracting to check for process. The procurement ombud said that he is concerned about the potential for less accountability when it comes to major defence contracts, and he has good cause for concern. In April 2024 testimony regarding the McKinsey contracting study, he stated:

We are seeing consistent problems across the federal procurement landscape. If you go back even as far as a decade and further, you'll see that many of these issues are repetitive in nature. It's not simply one issue, but what I will say—and this is what I believe the theme for this report is—that perhaps the system has lost confidence in delivering results for the project authority. As a result, people use the system in ways that it shouldn't be used.

This is something that we are trying to avoid.

In February 2024, in his testimony on ArriveCAN, the procurement ombud stated:

...the number one issue...is documentation. This is not unique to [just] these departments [that were included in this analysis and this study]. This is a struggle across the federal government.

In his 2025-26 annual report, the procurement ombud stated, specific to defence procurement:

Major defence procurements are high-value, high-risk, and central to Canada's sovereignty and security [something that is so important to Canadians at this time]. Persistent delays, fragmented accountability, and weak performance measurement carry real consequences, [as we saw this week] not only for public funds, but for operational readiness. While recent reforms demonstrate positive intent, their success will depend on clear accountability, disciplined implementation, and effective oversight throughout the [procurement processes and throughout the] lifecycle of defence contracts.

In these three examples, we see the necessity for accountability. Bill C-40 would take away that accountability and that responsibility by maintaining arm's-length organizations, putting in mechanisms to allow for winners and losers that would allow Liberals to reward their friends and insiders, and removing significant financial and procurement oversight. However, the solution is found where we begin. The procurement ombud stated, "If people aren't accountable, it creates big gaps in the process.... You do not step away from the gap and pretend it's not your responsibility.... When you see a gap, [you say] 'I take accountability and responsibility [and I will] fill that gap.'"

There is no place that is more critical and more fundamental to our Canadian sovereignty and to our Canadian security than our defence procurement. The Liberals should take accountability and responsibility. Those four young men who passed away deserve that.

• (1300)

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the Conservative Party is underestimating the true value of having an arm's-length corporation. This is not new. In Alberta, there is the Alberta Investment Corporation. I believe there are corporations that deal with gaming, lotteries and cannabis. These are all multi-billion-dollar corporations. In fact, in Canada, I suspect we will find there are corporations that deal with procurement. Developing a corporation for the procurement of military supplies and equipment would ensure there would be accountability, transparency and a high sense of independence.

Why is it the Conservative Party seems to be opposed to Crown corporations, even if they are at arm's length from government?

Stephanie Kusie: Mr. Speaker, at the crux of the member's question was the example of many independent Alberta organizations. I would like to point out that while Albertans did choose to stay in a federated Canada, which is the right option, I believe, they also responded in eight out of nine other questions that they want more independence from Ottawa in terms of defining their own destiny and feeling responsibility as a province because, frankly, they cannot count on Ottawa or the Liberal government to do it for them.

What is really at the root of yesterday and the member's question is that Albertans have trust within themselves. What they do not trust is the Liberal government and more Liberal governance.

Jeff Kibble (Cowichan—Malahat—Langford, CPC): Mr. Speaker, clause 9 of Bill C-40 says, "The [Defence Investment Agency] must do as the Minister directs". It does not say "may", but "must". I am wondering if my colleague can tell me why this should cause concern to Canadians if the GlobalEye failure under the Defence Investment Agency's current mandate predicts a path forward and to give an example of what we can, unfortunately, expect going forward under this new bill.

Stephanie Kusie: Mr. Speaker, I want to recognize the excellent work of our defence team, in addition to our associate defence minister for procurement, who has done a fantastic job in addition to the work of our shadow minister for defence.

The answer is clear. I will point out the change between Bill C-31 and Bill C-40. In Bill C-31, this position was not a minister, but was made so in Bill C-40. The reasoning is clear. The Liberals want more power for themselves. They want the ability to do things unilaterally without having the checks and balances in place. It is no surprise to me at all. The good issue that my colleague has raised is a question of control.

James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, my colleague from Calgary Midnapore has a lot of history here in working on Treasury Board, knowing how those guidelines are applied and why they are in place to protect the taxpayers of Canada. We have a fiduciary responsibility to make sure we are protecting those precious dollars that come from Canadian taxpayers and we have a responsibility to procure stuff for the Canadian Armed Forces so they can do the tough work of defending Canada and standing alongside our allies.

The member did mention the problem that the Liberals have, which is that nobody trusts them because of scandal. Can she talk about some of the scandals the Liberals have had and how giving them unfettered access to \$1 billion at a crack through a corporation that is completely directed by one minister opens the door to more corruption?

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● (1305)

Stephanie Kusie: Mr. Speaker, frankly, in the nine years I have been here, I do not think I have enough time, but the WE Charity scandal stands out in my mind significantly. There is the green slush fund that I mentioned, McKinsey and my favourite from the last Parliament was ArriveCAN, which I believe really woke Canadians up to not only the ineffectiveness of the government but the ill will in the attempt to cover up the poor expenditures of the government, in addition to giving money to friends and insiders. It is an epidemic with the government and, unfortunately, for the Liberals, we will continue as the official opposition to hold them to account on it.

[Translation]

Emmanuella Lambropoulos (Saint-Laurent, Lib.): Mr. Speaker, I will be sharing my time with the member for Orléans.

[English]

Before I begin speaking to Bill C-40, allow me to say a few words on the tragic incident that took place at Canadian Forces Base Wainwright on Saturday afternoon. Sergeant Morgan Wong, Private Shaun Farrell, Private Aidan Goulding and Private Hayden Lykkemark are four lives and four families forever changed. Four futures were taken too soon. Behind each name was a cherished son, a beloved friend, a fellow soldier, and a life filled with hopes, dreams and promise.

I say to the grieving families that no words can ease the unimaginable pain of their loss. I wish them my sincere condolences, along with those of my constituents in the Saint-Laurent community. My heart, and that of my community in Saint-Laurent, is also with those who were injured, their loved ones and the military community carrying the weight of this tragedy.

It is in the spirit of respect for the men and women who serve our country that I wish to speak today. I am thankful for the opportunity to speak to Bill C-40, the strengthening Canada's defence sector act, which is an incredibly important bill at a time of considerable uncertainty, ongoing tensions and conflict around the world, and at a time when Canada is finally stepping up to bring our military up to par. As a former member of the national defence committee, where I had the chance to work on matters of defence for several years, I know just how overdue these changes and investments are. I personally credit the Prime Minister for doing what is within our control to defend Canada and our sovereignty.

Bill C-40 proposes to establish the Defence Investment Agency, the DIA, as a Crown corporation, to provide the agency with a clear mandate, a permanent structure and dedicated ministerial leadership focused on defence, procurement, production and investment activities in support of national defence and the Canadian Armed Forces. The DIA would operate at arm's length under the national defence portfolio, reporting to a new minister titled the associate minister of national defence for procurement.

The Office of the Procurement Ombud found this year that a major defence project takes, on average, 16 years to move through the full procurement pipeline, and in some cases as many as 28 years. Behind those numbers are real consequences. Canada purchased its CF-18s in the early 1980s, expecting to replace them in about 20

years. That did not happen. As the Auditor General told the national defence committee in 2023, the Department of National Defence had to increase the number of fighter aircraft available for operations by 23%.

We heard from industry officials and independent experts. Their message was consistent: The process is complex, rigid, risk-averse, and it cannot keep pace with the changing technology. Industry witnesses called it overly complicated and costly in time and money.

A witness who testified at committee in 2023 listed several challenges with the way we currently procure that create bottlenecks when it comes to defence procurement, including bureaucratic hurdles and the complexity of defence procurement processes, risk aversion issues and politicization issues, defence procurement personnel shortages, and a lack of transparency and accountability. Another witness described the bureaucratic steps and processes that are required to procure defence goods and services for the CAF as a "labyrinth of procedures and processes" that are implemented and managed by several federal organizations.

On structure, the testimony was just as clear. The Parliamentary Budget Officer told us that having one single minister and one single senior official responsible would speed up procurement, rather than having two ministers in two separate departments. Unless one minister is placed in charge of defence procurement, it will never be as efficient and effective as it could be. The current procurement system is simply not able to provide the CAF with the major weapon systems, latest military technologies and equipment it needs to maintain its operational readiness and combat edge in a timely and cost-efficient manner.

In identifying several challenges facing Canada's defence procurement processes and proposing possible solutions, witnesses at committee mentioned making defence procurement a national priority, promoting a sense of urgency in the defence procurement system, improving data collection analysis and performance measures relating to defence procurement, centralizing defence procurement, increasing defence procurement budgets, accelerating the pace of defence procurement, streamlining defence procurement processes, learning defence procurement-related lessons from allies, depoliticizing defence procurement, reducing risk aversion, investing in the defence procurement workforce and enhancing transparency and oversight.

● (1310)

Let me turn to what the bill would actually do and how it would solve these problems.

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Today the Defence Investment Agency sits within Public Services and Procurement Canada, while the needs are defined at the Department of National Defence. The bill would move the agency into the national defence portfolio and put procurement and commercial authorities in one organization. Therefore, it would end the split that currently exists.

Second, it would create one accountable minister. Part 2 would amend the National Defence Act to create an associate minister for national defence for procurement, who would answer to Parliament for the agency. Witnesses told us they wanted one minister and one point of accountability, to make the system more efficient and easier to navigate.

Third, it would build expertise. The corporation would bring together a dedicated team of procurement professionals, guided by a board of directors and chief executive accountable to that board. The ability to recruit talent from outside the public service would further strengthen its specialized knowledge and commercial expertise. This responds directly to what I heard on the committee about the value of focused leadership and dedicated capacity. With clear responsibilities and commercial authorities, the corporation would be equipped to make informed, timely decisions and deliver results.

Fourth, the bill comes with safeguards. The corporation would be accountable to the government through a responsible minister, with legislated governance; financial, audit and reporting requirements; and parliamentary oversight. National Defence, the Canadian Armed Forces and the Canadian Coast Guard would continue to define what capabilities they need and the criteria for accepting them. The military would still decide what it needs. The corporation's job would be to deliver it.

Witnesses have emphasized that one of the most important challenges facing Canada's defence procurement system is the lack of clear ministerial accountability, stemming from responsibilities being spread across multiple federal departments and agencies. While calls to centralize defence procurement under a single organization are not new, meaningful reform requires more than structural changes. It requires a fundamental shift in culture, leadership and accountability.

Bill C-40 would set a great foundation, one upon which we could build and incorporate other smart and efficient practices, such as those that were recommended in the 2024 report. I personally put forward about 10 of those recommendations that were adopted by the committee, including recommendation 17, which was mentioned by the secretary of state earlier today in his speech.

Other recommendations that I had put forward include:

That the Government of Canada proactively collaborate with industry and universities early on to determine current capabilities and to come up with a made-in-Canada solution by leveraging our innovation and industrial strengths to meet our growing defence and security needs and to work collaboratively towards developing the tools and technology that will be needed by the Canadian Armed Forces in the years to come.

There was also this one:

That the Government of Canada make the procurement process more open, unbiased, and transparent with objective and realistic selection criteria to acquire the best equipment possible, and that it prioritize Canadian companies before opening the competition to other global competitors, especially for industries that are well-

developed, competitive globally, and where Canada is a leader, such as the Canadian aerospace industry.

I will continue to work closely with the secretary of state to ensure that we continue moving in the right direction. Perhaps the most important change is already under way. Under the Prime Minister's leadership, we have seen a renewed sense of urgency and commitment to transforming how Canada approaches defence procurement. The Prime Minister has taken this issue seriously, demonstrating the political will necessary to challenge long-standing practices, strengthen accountability and drive meaningful reform. The real risk is not acting. The Auditor General has told us that delays have real operational consequences. The procurement ombud has put the average at 16 years. We cannot ask our forces to wait that long.

Last year, Canada spent \$65.9 billion on defence, 2.03% of GDP, exceeding the NATO target for the first time in decades, and we are on a path to 5% by 2035. Money alone does not defend a country. It has to be turned into ships, aircraft, vehicles and equipment, and it has to arrive while it still matters. For years, the House has heard that our procurement system is too slow, too fragmented and too cautious. The Auditor General has said so. The procurement ombud has said so. Witnesses before the national defence committee have said so and recommended changes in a report that the government has said helped shape this bill.

Bill C-40 would give us one home for procurement, one accountable minister, dedicated expertise and oversight by Parliament. It would let us spend what we are committing to spend, and to spend it well. Our women and men in uniform have waited long enough. I urge all members to support Bill C-40 and to deliver the change they have been promised.

• (1315)

Jeff Kibble (Cowichan—Malahat—Langford, CPC): Mr. Speaker, it has been a hot topic today, about NATO GDP spending, which ties directly into what the DIA says.

I wonder if the member opposite could explain how the government can justify supporting the Coast Guard budget under GDP spending, when NATO's own regulations, right from its website, say that coast guard forces are to be "trained in military tactics, are equipped as a military force, can operate under direct military authority in deployed operations, and can, realistically, be deployed outside national territory in support of a military force."

I have confirmed in committee that our Coast Guard cannot meet those requirements. Can the member justify the government's use of the Coast Guard as part of NATO GDP spending?

Emmanuella Lambropoulos: Mr. Speaker, I think it is pretty clear that our Prime Minister has tried to make our spending increase dramatically over the last year and a half, and I think we are on the right course to be able to continue to do that. It speaks to a lot more than what governments have previously done.

I truly appreciate the direction we have taken and the increase in spending in defence. I know we will continue to move in that direction.

[Translation]

Rhéal Éloi Fortin (Rivière-du-Nord, BQ): Mr. Speaker, I thank my colleague for her speech.

Before I ask her a question, I want to point out to the House that this is a perfect example of the problems we have with the interpretation system. It is forcing a colleague from Quebec to give a speech in English to ensure that her anglophone colleagues understand it. I think that is a shame. Let us not forget that.

That said, Bill C-40 talks about investments. In fact, it talks about transitioning from an agency to a Crown corporation. It is six of one and half a dozen of the other. To me, it does not seem like a significant investment to improve Canada's defence situation. It looks like a minor change to me, a cosmetic change.

I want to hear my colleague's comments on that. Is this bill calling for clear investments? Will the government actually hire soldiers, train them better, or buy planes, ships and tanks? Is there any investment in defence, or is it just a change in the name of a structure?

At the same time, could the same thing not have been done with an agency rather than a Crown corporation? It is all a bit discouraging.

Emmanuella Lambropoulos: Mr. Speaker, I think that this bill does make a concrete change.

At the Standing Committee on National Defence, we saw just how long it takes to provide the necessary tools to the Canadian Armed Forces. The fact that it can take 16 to 26 years to acquire this equipment is truly incomprehensible.

One of the reasons is that multiple different departments were involved. Now that everything is concentrated within one department, I think things will move much faster when it comes to procuring aircraft, ships and all the equipment we need.

• (1320)

[English]

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, it is important for us to recognize that the newly elected government, with the Prime Minister's providing a very clear indication that we want to be able to hit the 2% of GDP spending for our Canadian Forces, is going to go far beyond that over the coming years. Part of that is to ensure that we are able to meet the needs of our Canadian military through a tendering process. A Crown

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corporation is the best way to ensure that it becomes more efficient, accountable and transparent. I would like the member's thoughts on my general comment.

Emmanuella Lambropoulos: Mr. Speaker, I almost wish I could respond to the question again, because I think that was an excellent response.

It is the best way to be able to achieve those goals. As the member on this side of the House mentioned, we do have a very big goal ahead of us. I think we will be meeting target as we move forward.

[Translation]

Marie-France Lalonde (Orléans, Lib.): Mr. Speaker, it is a pleasure to rise in the House to speak to Bill C-40.

As many of my colleagues have done, I would like to take a moment, on behalf of the community of Orléans and myself, to acknowledge the tragedy at Canadian Forces Base Wainwright, where four Canadian Armed Forces members lost their lives and dozens more were injured during a training exercise. To their families, loved ones and colleagues and to the entire community of Wainwright, I want to say that our thoughts are with them. I want them to know that the entire nation stands with them during this difficult time.

I will now come back to the issue before us today. I think all members of the House can agree that our defence procurement system has become too cumbersome and that we need to find ways to operate faster and more efficiently. No matter which government has been in power over the past decades, this problem has been going on for a long time. Delays in military procurement are not a partisan issue. They are an issue of capacity, efficiency, funding and, ultimately, national security.

[English]

We are at a critical moment. The federal government is moving forward with important reforms through the new defence industrial strategy and the new Defence Investment Agency. However, the world is not standing still. Threats are changing fast, new technologies are reshaping how wars are fought, and global instability is on the rise. While our allies are moving quickly to modernize their forces and strengthen their capabilities, Canada cannot afford to fall behind. We cannot meet today's challenges with yesterday's processes. Every delay means higher costs, lower delivery and a greater risk that our military will not have the tools it needs when it needs them most.

[Translation]

As the former parliamentary secretary to the minister of national defence, I saw first-hand how our system can become a veritable labyrinth. What should take a few years sometimes takes 10 or 15 years, if not longer. While paperwork piles up on desks, costs soar, threats multiply and diversify, and our women and men in uniform continue to wait.

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[English]

The biggest cost is not always financial. It is felt by the women and men who serve in uniform. They need modern equipment to do their jobs and keep Canada safe, not equipment that arrives years after it was requested.

The reality is that this issue is not tied to any one government or political party. We have seen these challenges for years.

[Translation]

When a project takes years longer than expected, our military personnel are left to make do with aging equipment, rising costs and reduced capabilities. In some cases, the delays are so lengthy that the equipment may become outdated before it even reaches our service members.

I had the privilege of serving on the Standing Committee on National Defence, where we studied defence procurement. We heard from officials from National Defence, Public Services and Procurement Canada and the Treasury Board Secretariat. On paper, it often appeared that the system was moving forward. On the ground, however, the reality was somewhat different: Projects were delayed, costs were going up, and our military personnel was still waiting for the equipment they needed.

Over the years, many individuals have weighed in on this issue. Calls to reform our procurement system are nothing new. As early as 2005, researchers at Queen's University were studying the need to modernize defence administration. In 2013, the Jenkins report recommended better government coordination. Our defence procurement system was seen as overly complex and fragmented across multiple departments. In response to that report, the government launched a strategy aimed in part at streamlining the procurement process. In 2016, the Canadian Global Affairs Institute already observed that delays persisted and that reforms were not moving forward quickly enough.

Regardless of which government was in office, the assessment remained largely unchanged: Efforts to streamline processes and improve coordination needed to continue.

• (1325)

[English]

Our new federal government made important commitments to NATO. Canada has reached a benchmark of spending 2% of GDP on defence, and we are committed to investing even more in the years ahead. However, spending more money is not enough. That money must be turned into real capabilities, real equipment and real results for the women and men who serve our country.

That is why Bill C-40, the strengthening Canada's defence sector act, is so important. Through this legislation, we are proposing to establish the new Defence Investment Agency as a Crown corporation. This new structure would give it greater operational flexibility, would allow it to work more effectively with industry and would cut through some of the administrative barriers that too often have slowed down defence projects. The goal is simple: acquire capability faster, build stronger strategic partnership, support Canada's defence industrial base and deliver the equipment our Canadian Armed Forces need when they need it.

The equipment of tomorrow should be built by Canadian workers using Canadian steel and aluminum and driven by Canadian innovation. By giving the Defence Investment Agency more flexibility, we would be modernizing a system that must keep pace with a rapidly changing world. Our military does not need more bureaucracy. It needs equipment, it needs capabilities and it needs results. This is exactly what Bill C-40 is designed to deliver.

This bill is about changing how we deliver critical capabilities to the Canadian Armed Forces. It is about making sure that essential projects do not sit in the system for years while operational needs grow more urgent by the day. In today's world, the cost of inaction is too high. It is measured not only in dollars but in lost capabilities, reduced readiness and increased risks to our national security. The threats we face will not wait for our processes to catch up, and neither should we.

[Translation]

All too often, we wait until a piece of equipment has come to the end of its useful life before we think about what comes next. Many experts recommend that instead, we always stay one step ahead. While one generation of equipment is in use, we should already be designing and developing the next.

These recommendations also emphasize the need to speed up decision making, reduce administrative delays and streamline the approval process. The objective is clear: to enable Canada to achieve better results more quickly and respond to rapidly evolving international security threats.

For residents of Orléans, national defence is not an abstract issue. We rub shoulders every day with soldiers, veterans and professionals who contribute directly to Canada's security. They expect investments that are announced to produce real results, not years of administrative delays.

Bill C-40, the strengthening Canada's defence sector act, is specifically intended to make the system more agile, more efficient and better suited to today's world so that our armed forces receive the capabilities they need when they need them.

That said, more flexibility does not mean less transparency. The Defence Investment Agency will remain accountable to the government through a minister. It will be required to be accountable, comply with strict financial management rules, and undergo regular audits. Parliament will also continue to exercise its oversight role.

With Bill C-40, the strengthening Canada's defence sector act, the government is seeking to reduce delays and red tape while ensuring that taxpayer money is managed properly and that the agency remains accountable for its decisions.

I hope to have my colleagues' support for the next steps in the legislative process.

• (1330)

[English]

Jeff Kibble (Cowichan—Malahat—Langford, CPC): Mr. Speaker, the member opposite mentioned NATO spending. I will ask this question again, as I fail continually to get an answer in the House.

According to NATO's own definition, a coast guard must be trained in military tactics, equipped as a military force, able to operate under direct military authority and able to be deployed to operations realistically outside of national territory in support of a military force. At committee, the head of the Coast Guard testified that the Canadian Coast Guard cannot meet this goal, so can the member justify how the Liberals can have a big parade and victory lap over meeting the 2% NATO GDP spending target when it is clearly an illusion? Can the member justify it? I am not interested in any other answer.

Marie-France Lalonde: Mr. Speaker, I did not want to be overly partisan, because I was trying to stay within the limits of being parliamentary, but especially in Orleans, we are reminded that under the Conservative government, NATO spending fell below 1%.

What our new government has done is go forward in meeting our 2% target. That was exceptional, and I think we collectively all agree. We have also made a significant change in our Coast Guard by including it in our military, in DND and in our defence. From meeting some of its members in the Iqaluit over the summer, I think they are very appreciative that we are going forward in improving their ability to serve Canadians.

[Translation]

Claude DeBellefeuille (Vallée-du-Haut-Saint-Laurent, BQ): Mr. Speaker, I commend my colleague on her speech.

I have a specific question for her. The thing I take issue with in this bill is that if the agency becomes a Crown corporation, the procurement ombud will no longer have the power to intervene. The ombud's jurisdiction does not extend to Crown corporations. This means that if a small business wishes to file a complaint, it may not be heard because the ombud's jurisdiction does not cover Crown corporations.

Does my colleague not think that this shows a lack of transparency? Knowing my colleague, it seems to me that she would support an amendment to the bill that would extend the procurement ombud's jurisdiction to include Crown corporations.

Marie-France Lalonde: Mr. Speaker, I want to thank my colleague for that important question.

I would say that the legislative process is under way right now. That is why we are having these discussions. I think it is important to meet expectations so that our military personnel, the men and women who serve our country, get the equipment they need in a timely manner. We also need to be able to quickly assess the options that are proposed.

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It is time for Canada to get today's equipment to meet tomorrow's challenges, rather than relying on yesterday's equipment to carry out the missions of the future.

Steeve Lavoie (Beauport—Limoilou, Lib.): Mr. Speaker, I thank my colleague for her excellent speech.

I appreciated her comments, especially when it comes to businesses. We can see that businesses need predictability. We have been hearing about that for a long time. Businesses would like to invest in the defence sector. I met with business owners in Beauport—Limoilou last week. They said that they would like to go in that direction, but they do not know how to do that or how to get help.

In my colleague's opinion, how would this new structure support these businesses and give them the predictability they need to invest more in equipment and a skilled workforce? How would it help our Canadian SMEs get involved in this venture and participate in the defence sector?

Marie-France Lalonde: Mr. Speaker, the corporation's functions, meaning what it will do and what it will coordinate, are very clearly set out in the bill. The Canadian corporation for defence investment will undoubtedly have a broader and more integrated mandate, bringing together procurement, production and investment activities, in order to better support Canada's defence industry.

I think it is important to emphasize today that what Canada and the men and women who serve our country need is equipment for today's challenges, not yesterday's. This agency will not only simplify the process, but it will also provide a degree of predictability for the companies that will continue to invest alongside us.

• (1335)

[English]

Jeff Kibble (Cowichan—Malahat—Langford, CPC): Mr. Speaker, I will be splitting my time with the member for Vernon—Lake Country—Monashee.

I rise today with a heavy heart. On Saturday afternoon, a tragic fire swept through a training area at CFB Wainwright and four members of our Canadian Armed Forces were reported killed, and 39 more were injured, many of them critically. I say to their families, their comrades and the injured still fighting to recover, they are in our thoughts and Canada grieves with them.

The Leader of the Opposition spoke yesterday to the House of soldiers and firefighters who ran toward the danger. I wore a uniform for decades. I served as a captain of a ship. I oversaw the security and surveillance of Canada's west coast, and I served on multiple deployments. I know the courage of our men and women in uniform, and I know what it costs their families. In Cowichan—Malahat—Langford, many of those families are our neighbours. This is non-partisan. We, as Canadians, stand together in sorrow and with respect. We owe those soldiers that same standard of respect in our work here today.

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Before us is Bill C-40, the third version of the Defence Investment Agency in less than a year. In clause 9 of the bill, it says the Defence Investment Agency “must do” as the associate minister directs. It does not say “may”, it says “must”.

More than 2,000 years ago, Aristotle wrote that an oligarchy is ruled by the few for the benefit of the few. This, I offer as a test for this bill. Who decides for what reasons and to whom they are accountable? Who decides under Bill C-40? It is just one person. The new associate minister position would be created and it would have even less Treasury Board oversight with less accountability to Canadians.

The member expected to take a seat in that role has served this country as a fighter pilot, and I deeply respect his service. The head of the DIA has no military experience and was reportedly threatening to quit, though he is an experienced business and banking leader. However, it does not matter what someone's experience or service is, as no one person should hold this amount of power over this amount of public money.

For example, a family replacing its roof gets three quotes. A company signing a billion-dollar contract needs its board to approve it and its auditors to check it, and then the company reports back to its shareholders. In national defence, Canadians are the shareholders. This year, we will spend about \$75 billion in defence, and by 2035 it will be \$163.6 billion per year. Our allies do not do it this way. In the United Kingdom, an independent regulator oversees the pricing of single-source defence contracts. In the United States, the sole-source contract must be justified in writing and made public, but Bill C-40 asks Canadians to accept less.

Let us look at the GlobalEye surveillance aircraft announced by the Prime Minister at CANSEC in May. There was no competition and no reasons given. The vice-president of L3Harris Canada, also hoping to bid on that project, himself a former deputy commander of the RCAF, said that he was quite surprised by the announcement. With gaps in radar coverage, no air-to-air refuelling and critical NORAD compatibility issues, the GlobalEye does not even meet the Air Force's own operational requirements.

I oversaw the surveillance of the west coast while I was in uniform, and I know what a gap in radar coverage means for those standing watch for Canada. Why would we sole-source, and by what authority? What were the reasons? Worse now, Bill C-40 gives 13 reasons to skip the competitive bidding process. The last reason lets the newly minted associate minister add more reasons without reporting them back to the House. There is no disclosure for individual projects. There is only one annual report for billions and billions of dollars of procurement. That is not accountability. Bill C-40 would go so far as to remove the fines and prison sentence an associate minister would otherwise face for failing to run a competitive process.

• (1340)

The Defence Investment Agency would be approved to draw up to \$1 billion from the consolidated revenue fund, with nothing in that bill on how often, by whom and under what conditions. Between 2020 and 2023, approximately \$5.4 billion in approved defence procurement spending went unspent. Money is tight in this

country, and Canadian families feel it every day. That is exactly why every defence dollar demands accountability.

Take the F-35, now 18 months into a six-month long special review. If the F-35 decision moves under the Defence Investment Agency, the associate minister, by himself, could completely change the course of the fighter jet program without giving Parliament a single written reason. The member designated to hold that new associate minister position has publicly opposed the F-35 project for over a decade, a position that has drawn mockery from his own fellow fighter pilots. This decision belongs to a fair and open competition, not one man. For the record, the F-35 has already won such a competition twice.

Faster procurement does not require less accountability. Here is how we do that: keep sole-sourcing for genuine operational needs, but require written, published reasons; report regularly to Parliament on every ministerial direction; and put conflict of interest rules directly into the bill itself. Everyone who advises or votes on these decisions, including the Prime Minister and cabinet, must disclose any interest in the companies being considered, and anyone with a conflict must recuse themselves. The Prime Minister relies on an ethics screen covering more than 100 companies. If that safeguard is needed at the top, it also belongs with the sole position making these multi-billion-dollar decisions. Lastly, we need to set real-time procurement timelines and measure against them.

Let me bring this back to the people this bill is meant to serve, the men and women of the Canadian Armed Forces who selflessly defend the sovereignty of Canada. They ask me regularly, “Where are the tanks and the ships and the submarines? Why are the clawbacks almost as big as their pay raises? Where is the ammunition and equipment the government keeps announcing? Why are soldiers on patrol in Latvia without ammunition in their guns, wondering why the artillery supporting them does not have enough shells?”

None of this equipment matters without the people trained to use it. The government will say that recruiting and enrolment is up, but enrolment is not recruitment and a recruit is not a trained soldier. The Auditor General found that only one in 13 applicants made it to basic training and that there are not enough instructors, equipment or facilities to train the people that do enrol. Failure rates have climbed from 15% to 23%, and some reports are now putting it as high as 45%. However, we are still thousands of members short in the specialized trades we need filled right now. Enrolment numbers make good headlines, but only trained, qualified members can defend our country, and we keep them by giving the equipment they need to defend Canada.

I am not asking the government to scrap the Defence Investment Agency, other countries use this model, but before we debate the vehicle, we must fix the philosophy driving it. These are not partisan questions. They are the least Canadians should expect of any government spending their money to defend our country.

I ask every member of the House to measure Bill C-40 against that standard and to heed Aristotle's warning that the path we choose today will shape our country that our children will inherit and the safety of those who defend it.

• (1345)

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have a non-partisan question for the member.

Single-sourcing is an issue that the member raises. Single-sourcing is done in all provinces. If we look at health, the greatest expenditure that a province has, whether it is B.C., Ontario or Alberta, we find that single-sourcing is a reality. Then if we take a look at Crown corporations, they ensure more accountability, more accessibility and a direct link to their respective legislatures, in this case, the House of Commons. Then we can take a look at the need to expedite and become more efficient at delivering for the members of our Canadian forces.

Does the member not agree that a Crown corporation is, in fact, a good step forward in achieving all of those?

Jeff Kibble: Mr. Speaker, I indeed said that Crown corporations have proven successful in other countries, but these unaccountable regulations, which would allow one person to make these powerful decisions, are the problem. That is the failure.

Conservatives have used single-source contracts to much success to arm our troops quickly when there was a need, but there were written reasons. The bill is focused around 13 expandable reasons that do not require accountability and do not require reporting back to the House. That is the problem, not the Crown corporation.

[Translation]

Rhéal Éloi Fortin (Rivière-du-Nord, BQ): Mr. Speaker, I would like to ask my colleague a question because I have not been able to get a clear answer from our colleagues in the government as to what, in practical terms, this bill will achieve within our armed forces.

Will we have more tanks, airplanes, ships, soldiers and so on?

Does he have an answer to that question?

Government Orders

If not, does my colleague agree with me that the only change is that, with an agency, the government remains accountable to the public, whereas under a Crown corporation, even if the government issues the same directives to it, there is less accountability?

The government will say that it is a Crown corporation and not the government itself. To my mind, that is the only advantage I can see.

Does my colleague agree, or am I mistaken?

[English]

Jeff Kibble: Mr. Speaker, let us look at the track record. The GlobalEye is an aircraft that does not meet the air force's operational needs, and there could be an ability for billion-dollar draws without oversight and accountability. Clearly, the way the bill is written would allow for corruption and outside interference. It needs to be changed. Although the structure of a crown Corporation could be good, the bill certainly fails to meet the need.

James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, my colleague, as the shadow minister for defence procurement, has reviewed Bill C-40 very closely. He mentioned that paragraph 9(2) of the bill would give the associate minister for defence procurement absolute power over the Defence Investment Agency. We have never seen a Crown corporation be under the thumb of the government like this, where it "must do as the Minister directs". Not even the CBC has that type of government influence over it as a Crown corporation.

As the member said, there are 13 exceptions added in here as reasons the government, or the minister, may not want to run a competition, and in that, the minister would also be given a get-out-of-jail-free card. When we are talking about having a billion dollars at the disposal of the minister and the Defence Investment Agency, does my colleague believe that there is open opportunity here for increased political interference and corruption?

Jeff Kibble: Mr. Speaker, that is an excellent question from my colleague, who is the shadow minister for national defence. It is my privilege to work so closely with him on a committee.

Government Orders

Absolutely, we have seen a long list of Liberal government corruption scandals, and this, with the lack of accountability and the lack of oversight, would only open it up. It would give unprecedented powers and a lack of accountability. I will not accept it. Conservatives will not accept it, and I challenge Canadians to not accept this complete lack of accountability.

• (1350)

Scott Anderson (Vernon—Lake Country—Monashee, CPC): Mr. Speaker, the thoughts of this House are with the brave soldiers who were killed and badly injured at Wainwright. The fact that these young men knew and accepted the risks beforehand is what makes them the Canadian heroes we will remember.

The soldiers wearing our Canadian uniforms are well renowned for peacekeeping and asymmetrical warfare even with outdated equipment. They serve aboard aging ships, fly in old airplanes and train with equipment that was new over half a century ago. I know this because I was in that equipment only 15 years ago, in simpler times when war was far away from our shores. That was at a time when grey-zone warfare was just a concept for novels.

After more than a decade of the Liberals sidelining Arctic sovereignty and continental defence, the need for rebuilding our armed forces is obvious to everyone. Our geostrategic reality has shifted over the past decade while the Liberals have slept, and we can no longer ignore the attacks against the west by foreign powers. This is not the bogeyman to the south, who the Liberals blame for everything, but our real enemies, the ones actively engaged in grey-zone warfare against us: Russia and China.

In Afghanistan, we could afford to use older equipment because our outdated tanks and borrowed logistics were still generations ahead of anything the Taliban could send. They were good enough. Today, we live in a different world. Cyber-attacks and other grey-zone warfare is on the rise. If we are going to protect our northern sovereignty, we must rearm with first-class modern hard power.

The government's own figures show the urgency to update and fill our forces. In 2024-25, serviceability across key fleets stood at 59% for maritime equipment, 51% for land equipment and 42% for aerospace equipment. These describe serious constraints on what our military could do even if our equipment was modern. Today, we ask our soldiers to be ready to fight against battle-hardened enemy soldiers in a three-dimensional, high-tech, 21st-century battle space, and we ask them to do it using weapons that were old even 20 years ago in Afghanistan.

Ukraine has shown us that the next war will be fought with weaponry never imagined before 2022. Only the very best is good enough for our troops in today's threat environment. Our soldiers, airmen and sailors have no voice. They depend on us here in this chamber to speak for them. They are entitled to know when their equipment will arrive, and they must know, in an era of symmetrical warfare, that they have the best equipment possible.

Conservatives support getting equipment to our armed forces faster. We support a strong Canadian defence industry, clear responsibility for procurement, and the removal of unnecessary red tape. However, Bill C-40 asks Parliament to accept that giving a new Crown corporation greater flexibility, while placing substantial au-

thority in the minister's hands, will finally solve problems the government has repeatedly promised to fix.

The Defence Investment Agency began in October 2025 as a special operating agency within Public Services and Procurement Canada. Then the Liberals proposed a stand-alone agency. Now they have proposed a Crown corporation with dedicated ministerial leadership. Each iteration has promised to bring greater speed and clarity. Each iteration is built atop the failed promise of the last one. Each iteration takes procurement farther away from the military and toward civilians, some of whom do not know the difference between an RPG and an RPAL.

Perhaps that is why 18 months after taking office, the Liberal government has plastered this House and the media with announcements, but the only thing it has managed to produce is a signature on the yellowed papers that will eventually get new rifles to our troops. Eighteen months is the time it took to build the Empire State Building and the Alaska Highway from planning to completion. If the government had been in charge of the Alaska Highway, we would still be laying logs in muskeg 85 years later. Why is that? Why is the government shouting announcements from the rooftop while doing as little as humanly possible?

After 18 months, the Liberal government cannot even decide to buy what must be the most over-vetted aircraft in the history of North American military flight. The F-35 is an airplane that our air force generals need, an aircraft we Canadians helped develop and a transitional aircraft on the cusp of an age of autonomous warplanes. It is the only aircraft with continental deterrence value today and into the next decade, and the Liberal government can do nothing but dither. Why? What has changed in the military requirement? Has NORAD suddenly become less important? Has the threat to the Canadian Arctic diminished, or is it because of the Prime Minister's ambitions toward European integration?

• (1355)

Let us step back down to earth for a minute. We are a North American nation whose security depends on NORAD, and NORAD depends on our military integration with the United States and the defence of our Arctic, yet this legislation would grant sweeping powers to a new Crown corporation just as the Prime Minister redirects defence procurement toward Europe through SAFE and Readiness 2030. The Liberals try to pass this redirection off as diversification, knowing full well that it is nothing of the sort. It is an expensive security arrangement that almost certainly benefits European bankers more than Canadians.

The European Union cannot replace NORAD, and European equipment may cost a fortune to integrate into continental defence systems. Will scarce defence dollars be diverted from Arctic surveillance, air defence and NORAD modernization to satisfy the security demands of the Prime Minister's pet project? Europe is an important ally, but geography is not a political preference. Canada's defence procurement must serve our security requirements, not the Prime Minister's European geopolitical ambitions.

This is precisely the issue I raised with the Parliamentary Budget Officer when I questioned the competing financial demands of European and continental defence ambitions. She acknowledged the tension between the two and identified aircraft procurement as one of the major expenditures potentially affected. We therefore have a government advancing multi-billion-dollar European procurement initiatives without Parliament having any clear financial picture, or the additional costs of maintaining interoperability with our American partners. The Carney government is simultaneously pursuing European defence procurement arrangements—

The Speaker: The hon. member knows he cannot use the proper names of members in the House.

He may continue.

Scott Anderson: Mr. Speaker, the present Liberal government is simultaneously pursuing European defence procurement arrangements through SAFE and Readiness 2030, negotiating with Saab over GlobalEye and creating a new Crown corporation with sweeping powers to direct defence investment. These developments raise the serious concern that procurement decisions could be influenced by the Prime Minister's preferred geopolitical relationship rather than the operational requirements identified by Canada's military leadership.

Take Saab's GlobalEye airborne warning aircraft, for example. This is a project being advanced by the Defence Investment Agency itself, the very organization that Bill C-40 proposes to transform into a powerful Crown corporation. Concerns have been raised about radar coverage, aerial refuelling, and compatibility with NORAD's secure communications networks. Will Canada be paying for additional engineering, modifications, training, infrastructure and long-term maintenance to make a European-designed surveillance platform compatible with the North American defence architecture? How does that compare with alternative surveillance aircraft already designed to operate within existing NORAD architecture?

The Prime Minister frequently invokes strategic autonomy to justify his European ambitions, but autonomy is measured by whether

Statements by Members

Canada can independently operate, maintain and sustain the equipment it purchases. A European aircraft that requires expensive modifications to integrate with NORAD does not make Canada more sovereign. It just makes continental defence more expensive. If Canadian industrial participation is being used to justify a preferred supplier, Parliament and the people of Canada deserve to know whether those promised industrial benefits outweigh the additional costs.

Conservatives are not opposed to European defence co-operation. We are opposed to allowing geopolitical preferences to substitute for military judgment and financial accountability. The Prime Minister is entitled to pursue closer relations with Europe, but he is not entitled to make Canadian taxpayers finance that ambition to our detriment.

STATEMENTS BY MEMBERS

• (1400)

[English]

WORKERS' RIGHTS

Jenny Kwan (Vancouver East, NDP): Mr. Speaker, Parliament passed Bill C-58 last year, prohibiting the use of replacement workers during federal strikes and lockouts, yet the Bank of Canada, steps away from Parliament, where the Prime Minister was the governor for five years, was found by the Canada Industrial Relations Board to have violated Canada's Labour Code not once but twice during the security officers' strike. To add insult to injury, it used scabs from Garda and Pinkerton, known for their anti-union tactics and questionable human rights record.

PSAC workers have been on strike for 119 days. Tom Doran, the president of ILWU Canada, said that scabs are being used at one of their job sites.

A law that is not enforced is a promise broken. Employers must be held accountable, and the hard-working rights of workers must be respected. Passing Bill C-58 must mean what Parliament intended for it to mean, and that is to protect workers.

*Statements by Members***NOBEL PEACE PRIZE LAUREATE**

Iqwinder Gaheer (Mississauga—Malton, Lib.): Mr. Speaker, I rise to honour an extraordinary individual. Navi Pillay was born in Durban, the daughter of a bus driver. In a country that told her where she could sit, where she could study and who she could be, she became a lawyer anyway.

She defended those who dared to resist apartheid. She secured basic rights for prisoners on Robben Island. Eventually, as a judge, she helped establish that mass rape can be an act of genocide. She stood up for human dignity as the UN High Commissioner for Human Rights. She spent her life insisting that justice is not a gift from the powerful but a promise to the powerless.

Today, at 85, she is a Nobel laureate. Her life shows us that justice does not advance on its own. It advances because someone is willing to carry it year after year into rooms where it is often not welcome.

I congratulate Justice Pillay.

* * *

PUBLIC SAFETY

Michael Guglielmin (Vaughan—Woodbridge, CPC): Mr. Speaker, are “the bad people” coming back? A four-year-old boy in Ontario was still asking that question 16 months after an armed home invasion. No child should have to carry that fear. No parent should have to wonder whether they can promise to keep their child safe. For families in Vaughan and across Canada, the trauma does not end when the intruders leave. It follows them into every sleepless night, every unexpected noise and every single knock at the door.

That is why today, I introduced a bill to keep us safe at home. My bill would create a distinct violent home invasion offence with a five-year mandatory minimum sentence and a maximum of life imprisonment. It would also make this a reverse onus bail offence.

Our laws must recognize the gravity of criminals forcing their way into somebody's home and then terrorizing the people inside of it. Canadians should be able to lock their doors at night, put their children to bed and go to sleep without fear.

I urge all members of the House to support the bill, because families deserve to go to sleep without fear.

* * *

CANADA-CHINA RELATIONS

Zoe Royer (Port Moody—Coquitlam, Lib.): Mr. Speaker, this fall, I led a parliamentary delegation, alongside Senator Gignac, for our 26th bilateral meeting in Beijing in my role as co-chair of the Canada-China Legislative Association. Our discussions with China's National People's Congress focused on strengthening dialogue, trade and co-operation. Equally important were our meetings with Canadian businesses, supported by the Canada China Business Council and our Canadian chambers of commerce within China.

We heard directly about their successes and the challenges they face, and we discussed opportunities to grow. As Canada works to diversify its trading relationships, these voices really matter. Parlia-

mentary diplomacy opens doors, but our true task is to turn those relationships into new markets for Canadian businesses and good jobs right here at home.

* * *

COST OF LIVING

Kelly Block (Carlton Trail—Eagle Creek, CPC): Mr. Speaker, after more than a decade of inflationary Liberal policies, Canadians are increasingly frustrated with the direction our country is going in. Members from my community have shared their concerns about the effects of the government's poor leadership and priorities.

The recent news of Canada's inflation rate rising is sad confirmation that they are right. They are watching the cost of housing, groceries, fuel, insurance, utilities and everyday living rise to levels that seem increasingly unsustainable. Even though they work full-time at a good-paying job, they still struggle to afford necessities.

For far too many Canadians, there is too much month left at the end of the money. They do not want the government to point them toward support programs. They want the opportunity and dignity of providing for themselves through hard work.

Conservatives have a plan. Our plan will lower costs and ensure that Canadians keep more of their hard-earned money.

* * *

● (1405)

[Translation]

JACINTHE SICOTTE

Abdelhaq Sari (Bourassa, Lib.): Mr. Speaker, some journeys are a tribute to strength, commitment and staying true to one's values. Jacinthe Sicotte's journey is one of them. Today, I would like to acknowledge her retirement as general manager of the Caisse Desjardins de Sault-au-Récollet-Montréal-Nord.

She joined Desjardins as a student at the Caisse de Granby and devoted 45 years of her life to the co-operative movement. During her 12 years as general manager, Ms. Sicotte's actions remained laser-focused on co-operative values, education and student retention. She believed in Montreal-Nord, a proud, engaged and resilient community. She helped it grow and thrive. Today, on behalf of the residents of Bourassa, I thank her.

I want to wish Ms. Sicotte a happy retirement. Montreal-Nord will remember her. We already know that she still has more to give to Quebec and Canada.

JEAN-LUC MONGRAIN

Gérard Deltell (Louis-Saint-Laurent—Akiawenhrahk, CPC): Mr. Speaker, Quebecers were deeply saddened to learn of the sudden passing of Jean-Luc Mongrain.

After 40 years working in the media, Jean-Luc Mongrain was a legend of Quebec television, known for his instantly recognizable style: flamboyant, outspoken and colourful. Addressing the biggest issues of the day, he always found a way to make the news interesting and to shine a light on both the problems and the solutions. He knew how to deliver information directly to people, guided by, yes, common sense, which echoed in every Quebec household. Thanks to him, people felt heard and understood. I had the great privilege of working with Jean-Luc, first at TVA and later at TQS. Beyond the controversial figure, he was a meticulous and well-informed professional who respected the work of the journalists with whom he collaborated.

Jean-Luc Mongrain's microphone has fallen silent, but his voice and his perspective on current events will remain forever in the hearts and minds of Quebecers.

* * *

[English]

NATIONAL LUNG HEALTH ALLIANCE

Hon. Helena Jaczek (Markham—Stouffville, Lib.): Mr. Speaker, I rise today to recognize the important work of the National Lung Health Alliance, which brings together physicians, researchers and patient advocates to support and strengthen lung health in Canada. All Canadians are directly or indirectly impacted by lung health issues, and we all stand behind efforts to improve patient outcomes.

Made up of the Lung Health Foundation, Lung Cancer Canada, Asthma Canada, COPD Canada, Stop TB Canada and provincial lung associations, the National Lung Health Alliance brings a powerful and united voice to lung health issues.

The alliance is in Ottawa this week to engage with federal decision-makers in pursuit of better lung health for all of us. Many fellow members of Parliament will cross paths with their delegation. I urge members to listen carefully to the stories of the alliance's advocates and to carefully consider their expert recommendations.

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CANADIAN ALLIANCE ON MENTAL ILLNESS AND MENTAL HEALTH

Hon. Mike Lake (Leduc—Wetaskiwin, CPC): Mr. Speaker, first, I want to give a quick shout-out to the Canucks Autism Network for an incredible charity hockey tournament this past weekend. I proudly bear the scars to prove I was there.

Today, I rise to recognize seven remarkable Canadians and organizations being honoured as the 2026 champions of mental health by the Canadian Alliance on Mental Illness and Mental Health. Each has made a meaningful contribution to mental health and substance use health in Canada through advocacy, research, storytelling, community leadership and a commitment to ensuring that Canadians are heard and supported. This year's champions are Anis

Statements by Members

Boukhari, Erica Djossa, Kyle Moore, The Kettle Society, Agnes Chen, Dr. Cindy Blackstock and our colleague, the member for Courtenay—Alberni. As we celebrate their contributions, let us also continue working toward a Canada where everyone can access the mental health care they need, when they need it.

I ask all members to join me in congratulating and thanking this year's champions for the difference they continue to make for people across the country and around the world.

* * *

● (1410)

[Translation]

JEAN-LUC MONGRAIN

Martin Champoux (Drummond, BQ): Mr. Speaker, Quebecers and the media community were shocked to learn of the passing of one of our great communicators. Jean-Luc Mongrain passed away last week at the age of 75.

Jean-Luc Mongrain was an ardent critic of incompetence and a champion of ordinary people. He had no patience for dithering and half measures. He transformed the way news is done in Quebec with his unfiltered interviews, his unsparing questions and his search for the truth, eye to eye. Although he initially set out to become a theologian, he would go on to leave his mark on Quebec over five decades, first on the radio, then on the TVA airwaves and later as an anchor for TQS. While he sadly did not succeed in eliminating every senseless municipal bylaw or shortening the list of school supplies for our youth, he did set new standards for being outspoken on our airwaves. Behind this formidable interviewer was a man whose qualities were never all that well hidden: a passionate man, certainly, but also a generous, respectful and kind man, a man with a big heart.

On behalf of the Bloc Québécois, I would like to offer my sincere condolences to his loved ones and, above all, thank him.

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[English]

SMALL BUSINESS WEEK

Ernie Klassen (South Surrey—White Rock, Lib.): Mr. Speaker, today marks the beginning of Small Business Week, a time to recognize the entrepreneurs whose hard work and determination drive Canada's economy and strengthen communities across the country. As a former business owner, I know that running a business is also about giving back to the community. For eight years, I served as president of the White Rock Business Improvement Association, working alongside local entrepreneurs to build stronger, more self-reliant communities we all call home.

Statements by Members

Small and medium-sized businesses account for 99% of Canadian businesses and employ approximately 64% of Canada's private sector workforce. Every dollar spent at a local business supports owners, workers and communities. Small businesses are the backbone of our country. Today they face unjustified U.S. tariffs designed to weaken our economy and undermine our independence. To the entrepreneurs of South Surrey—White Rock and across the country, I give my thanks for their determination and their resilience and for keeping Canada strong.

* * *

TRAGEDY AT CFB WAINWRIGHT

Shannon Stubbs (Lakeland, CPC): Mr. Speaker, the tragedy at CFB Wainwright has shaken Albertans and Canadians. Sergeant Morgan Wong and Privates Shaun Farrell, Aidan Goulding and Hayden Lykkemark lost their lives in service to Canada, and 39 Canadian Armed Forces members were injured.

My deepest condolences go to their loved ones and their fellow soldiers. Military and civilian first responders, paramedics, nurses and medical teams across our region answered the call without hesitation. For military families and frontline workers, all whose lives changed forever, the impact will be felt for years to come.

In the face of such loss, Canadians are asking how they can help. One real way is to donate blood, so if able, please give now and in the weeks ahead. For the families who lost, the injured who face a long road to recovery and the first responders who came to help, this tragedy does not end when the headlines fade and the politicians move on. Our gratitude must extend beyond words, and our real support must endure long after today.

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[Translation]

ISHAKA CULTURAL GROUP

Hon. Arielle Kayabaga (London West, Lib.): Mr. Speaker, I rise today to recognize the 10th production of Ishaka's show, which marked an historic moment as it performed on stage at the National Arts Centre, here in Ottawa.

I would like to congratulate Martine and Marline Sabushimike for their vision and commitment to passing on the richness of our culture, our traditions and, above all, our history to younger generations.

I would like to thank the artists, families, volunteers and the entire production team for this magnificent celebration of our cultural heritage, that of Burundian Canadians. When we know where we come from, we have a clearer sense of where we are going, and each one reminds us that our culture is a precious legacy that we must pass on with great pride.

I extend my heartfelt congratulations to them on these 10 wonderful productions, and I hope they continue to promote the culture of Burundian Canadians across Canada.

• (1415)

[English]

TRAGEDY AT CFB WAINWRIGHT

Alex Ruff (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, our Canadian Armed Forces members know when they enrol that they may be required to make the supreme sacrifice. Private Aidan Goulding, Private Shaun Farrell, Private Hayden Lykkemark and Sergeant Morgan Wong have made that sacrifice. The army trains as it fights. It does this to make sure it is as prepared as possible to face the challenges of conflict. This is inherently dangerous.

As we remember these four fallen heroes and the 39 injured in this tragedy at CFB Wainwright, let us please remember that our military personnel do not stop. They are still training and they are still deploying in the service of Canada. It is what they do. The impact this has on the military leadership is often forgotten. They are the ones who need to inform the families and still lead the rest of the team to get back into the fight. We cannot forget the families. Trust me, there is nothing we can tell a family member, a spouse, a parent, a sibling, a child or a friend that removes the pain. The only thing we can do is never forget.

Aidan, Shaun, Hayden and Morgan, I will not forget. Canada will not forget. Lest we forget.

* * *

[Translation]

HEROES OF THE SERVICE DE SÉCURITÉ INCENDIE DE SAINT-COLOMBAN

Tim Watchorn (Les Pays-d'en-Haut, Lib.): Mr. Speaker, I rise today to honour the heroes of the Service de sécurité incendie de Saint-Colomban.

On July 27, a major fire broke out in a local home. During the response, the building floor collapsed and firefighter Éric Parent was left hanging in the air. With no second thought, the fire chief, Marco Doucet, rushed into the flames to hold his struggling firefighter back and basically save his life. Not to be outdone, his fellow firefighter Cyrille Ranger provided first aid professionally and efficiently within minutes. Their quick and coordinated response saved firefighter Parent's life and limited the severity of his injuries.

Firefighters and first responders protect us and save Canadian lives every day. They are all heroes, but on July 27, Marco Doucet and Cyrille Ranger proved that by their actions.

For this, the people of Les Pays-d'en-Haut, Saint-Colomban and, more specifically, Éric Parent and his family thank them.

[English]

TRAGEDY AT CFB WAINWRIGHT

Jeff Kibble (Cowichan—Malahat—Langford, CPC): Mr. Speaker, I rise today with a heavy heart. On Saturday, a fire at CFB Wainwright took four of our soldiers from us: Sergeant Morgan Wong, Private Shaun Farrell, Private Aidan Goulding and Private Hayden Lykkemark.

Each one was loved, and each one chose to serve. Canada grieves with their families and all who loved them, and we will never forget them. Their comrades in Patricia's infantry, including the 39 injured, are not alone.

I thank the Leader of the Opposition, whose riding is home to Wainwright, for going and standing with those families. As a veteran, I feel this loss deeply.

May they rest in peace.

* * *

TRAGEDY AT CFB WAINWRIGHT

Sherry Romanado (Longueuil—Charles-LeMoyne—Greenfield Park, Lib.): Mr. Speaker, on Saturday, four Canadian soldiers tragically lost their lives at CFB Wainwright: Sergeant Morgan Wong, Private Shaun Farrell, Private Aidan Goulding and Private Hayden Lykkemark.

Four lives and four families are forever changed. Across Canada, military families watched the news, desperately waiting for a call or a message of just four words: "I am okay, mom." For some, that message never came. For those whose loved ones are safe, relief is accompanied by heartbreak for the families who were not so fortunate. Across our country, Canadians are praying for the recovery of those injured and for the families keeping vigil at their hospital bedside.

[Translation]

I want all military families to know that we share in their grief and that they are not alone. I want all service personnel across the country who are mourning this loss to know that we are holding them in our thoughts.

• (1420)

[English]

I stand with them in their grief in the difficult days ahead and always. Lest we forget.

ORAL QUESTIONS

[English]

PUBLIC SERVICES AND PROCUREMENT

Michael Barrett (Leeds—Grenville—Thousand Islands—Rideau Lakes, CPC): Mr. Speaker, the Trump administration has hurled insults at Canada's military and has made unjustified threats against our country, but we have learned this week that the Liberal government has awarded a \$12-million security contract for the CRA to an American firm that does business with Donald Trump's

Oral Questions

ICE instead of to Canada's largest employer of veterans, the Canadian Corps of Commissionaires, a not-for-profit. The difference in price was less than 1%.

I think we can all agree that employing Canadian veterans and hiring Canadian companies are important. The question for the Liberals is, why did they not do that in this case?

Hon. Wayne Long (Secretary of State (Canada Revenue Agency and Financial Institutions), Lib.): Mr. Speaker, the member knows full well that politicians are never involved in decisions like that. The CRA process was handled independently by experts. That being—

Some hon. members: Oh, oh!

The Speaker: We want to hear the answer.

The hon. Secretary of State for the Canada Revenue Agency and Financial Institutions.

Hon. Wayne Long: Mr. Speaker, the member knows that politicians are not involved in decisions like that. That being said, the process resulted in the selection of a qualified Canadian supplier headquartered in Mississauga that employs nearly 8,000 Canadians across the country. Building on this, the CRA has launched a policy direction on prioritizing Canadian suppliers and content in a strategic procurement. Again, the member knows that politicians are never involved in an independent decision by the CRA.

Michael Barrett (Leeds—Grenville—Thousand Islands—Rideau Lakes, CPC): Mr. Speaker, when reached for comment, the minister said that "putting Canadian workers and industries first" was the heart of their buy Canadian policy. This does not look like either of those things. Instead, a \$12-million contract went to a firm that does business with Donald Trump's ICE instead of to a not-for-profit Canadian company, the largest employer of Canadian veterans.

The question for the Liberals is this. Instead of creating employment opportunities for Canadian veterans and buying Canadian, why did they choose to put an American firm that has close ties to Donald Trump ahead of Canadians?

Hon. Wayne Long (Secretary of State (Canada Revenue Agency and Financial Institutions), Lib.): Mr. Speaker, the member knows better than that. This is a Canadian firm. It employs 8,000 Canadians.

We are always going to stand with veterans who have defended our country, including with respect to employment opportunities. The CRA process is independent and does not involve politicians. The member knows that.

We are always going to do what is right. This company is Canadian. It employs 8,000 workers across this country.

*Oral Questions***FINANCE**

Melissa Lantsman (Thornhill, CPC): Mr. Speaker, the Parliamentary Budget Officer, an expert in economics and finance, just issued a scathing report card on the Liberals' fiscal management. She said that the debt-to-GDP ratio will get worse every year until 2031. She said that the Prime Minister will blow past his own benchmark of a declining deficit-to-GDP ratio, and she found that interest on the debt will be the fastest-growing expense in the entire federal budget.

With such stark warnings from an expert the government itself hired, will the Liberals finally admit that it is time to reverse course and rein in spending?

Hon. François-Philippe Champagne (Minister of Finance and National Revenue, Lib.): Mr. Speaker, I have good news for the House. It is Tuesday. Canada has the strongest fiscal position in the G7. We have the lowest net debt to GDP in the G7. We have one of the lowest deficits to GDP in the G7. We are the only country, with Germany, in the G7 to have a AAA credit rating. Not only do we have fiscal discipline, but trade is up, employment is up and we are going to build Canada strong. I hope they will get on board.

Melissa Lantsman (Thornhill, CPC): Mr. Speaker, the Prime Minister promised the fastest-growing economy in the G7, and it is actually shrinking. He should read his briefing notes. In 2021, the interest on the debt cost \$25 billion. This year, it is nearly \$60 billion. That will be \$83 billion by 2030. That is not money for nurses. It is not money for housing or groceries. It is interest.

The minister knows that Canadians cannot even pay their rent, so will he at least get up and acknowledge that Canada is in an affordability crisis that he has created over the last 11 years in that chair?

• (1425)

Hon. François-Philippe Champagne (Minister of Finance and National Revenue, Lib.): Mr. Speaker, one thing I will always do is stand up for Canadians and celebrate the workers of this great country. Every day, we are going to fight for Canadians, as we have done.

Let us celebrate as well the fact that the IMF projected that Canada would have the second-fastest growth in the G7 in 2027. We are building Canada strong. We are investing in our workers. We are investing in our industries. I just wish the Conservatives would stop talking down the Canadian economy and work with us to build Canada strong.

* * *

[Translation]

THE ECONOMY

Luc Berthold (Mégantic—L'Érable—Lotbinière, CPC): Mr. Speaker, on August 22, the Liberal Prime Minister, in yet another of his speeches, boasted that our growth is accelerating. Is that so? The Parliamentary Budget Officer has just set the record straight. Growth is only at 0.9% in 2026. Unemployment stands at 6.7% and inflation at 3.1%.

While the Liberal Prime Minister spouts pretty words and makes the wrong predictions, Canadians are working hard, tightening their belts and struggling to pay their bills. Will he finally acknowledge

the serious cost-of-living crisis, after 11 years of Liberal rule, or will he once again show us just how out of touch he is?

Hon. François-Philippe Champagne (Minister of Finance and National Revenue, Lib.): Mr. Speaker, affordability is the number one priority. That is why we have made historic investments in affordable housing and taken other measures, such as suspending the federal gas tax and providing relief on groceries and essential items.

The problem is that, every time we have proposed affordability measures, the Conservatives have voted against them. I hope that, one day, we will be able to count on their support to build a strong Canada, together.

Luc Berthold (Mégantic—L'Érable—Lotbinière, CPC): Mr. Speaker, the problem is that every time the Liberals announce a new measure, more and more Canadians turn to food banks, and more and more Canadians are unable to pay their grocery bills. That is the reality.

The Liberals may claim they are doing a lot, but the reality on the ground suggests that they are out of touch with what is happening. People can no longer make ends meet. For Canadian families, the discipline the finance minister was talking about means going without, cutting back on groceries, and putting off purchases to pay the bills.

Will they at least acknowledge after question period that Canada is facing a serious cost of living crisis?

Hon. François-Philippe Champagne (Minister of Finance and National Revenue, Lib.): Mr. Speaker, the problem is that when we introduced the Canada child benefit, the Conservatives voted against it. When we introduced the Canada national school food program, the Conservatives voted against it. When we introduced the Canada disability benefit, the Conservatives voted against it. When we introduced the Canada groceries and essentials benefit, the Conservatives voted against it.

On this side of the House, we know that we must stand up every day to defend Canadians. That is exactly what we are doing, and we will continue to do so.

Yves-François Blanchet (Beloeil—Chambly, BQ): Mr. Speaker, yesterday, Liberal ministers showed up in committee to defend the abuses of power in Bill C-39, a bill that even Stephen Harper would not have dared dream of introducing, as La Presse editorial writer Paul Journet noted yesterday.

In theory, according to one minister's testimony, all of Quebec could become a region of national interest, even though the Liberals obviously do not see why they would go that far. That is how much power the bill gives them at the expense of the environment.

Does the Prime Minister realize that his bill is clearly contrary to Quebec's national interest when Quebec was never consulted?

Hon. Steven MacKinnon (Minister of Transport and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, with all due respect to the leader of the Bloc Québécois, today is a very good day for Canadian unity. We thank the people of Alberta who, like Quebecers have always done, voted to be part of a country that stands tall, a country that is building itself.

Yes, Bill C-39 will enable us to continue building this great and beautiful country, provide young Quebecers with job opportunities and help Quebec and Canada grow.

Yves-François Blanchet (Beloeil—Chambly, BQ): Mr. Speaker, democracy and the art of answering questions are having a very bad day.

Indigenous communities are concerned about being dispossessed of their land. Environmentalists are alarmed by the Prime Minister's shift toward oil. Workers are outraged that their right to strike has been taken away. The government could take control of parts of Quebec's territory outside the rule of law.

Does the Prime Minister think that harming indigenous people, labour rights, the fight against climate change and the territorial sovereignty of Quebec and the provinces constitute the national interest, national unity or consensus?

• (1430)

Hon. Steven MacKinnon (Minister of Transport and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the leader of the Bloc Québécois was obviously not present at yesterday's sitting, when all questions from his party and all members were answered. On the contrary, we have explained and outlined the measures we will take to give Quebecers what they are asking for. What they are asking for is growth, job opportunities, projects like Churchill Falls or Nouveau Monde Graphite, like the Contrecoeur port, and to build a strong country. Bill C-39 is the right solution, and the Bloc Québécois should vote in favour of it.

THE ENVIRONMENT

Gabriel Ste-Marie (Joliette—Manawan, BQ): Mr. Speaker, we sat on the same committee, but we did not share the same vision.

In Bill C-39, Ottawa is replacing the environmental impact assessment for pipelines with a study by the Canada Energy Regulator. Here are the commissioners' former bosses: TC Energy, Shell, Pembina, Imperial Oil, Canadian Oil Sands and Cenovus. In short, Ottawa is replacing a scientific assessment with the views of former oil industry executives.

Yesterday in committee, the Minister of Internal Trade told me that this is not a problem because nothing prevents the regulator from seeking scientific advice if it feels like it.

Does the minister realize that he is making science optional?

Hon. Dominic LeBlanc (President of the King's Privy Council for Canada and Minister responsible for Canada-U.S. Trade, Intergovernmental Affairs, Internal Trade, and One Canadian Economy, Lib.): Mr. Speaker, with all due respect to my friend

Oral Questions

from the Bloc Québécois, he knows full well that science is not optional in environmental impact assessments, whether the projects involved are major or relatively modest.

What have we done in legislation that applies to federal entities? I understand that in the previous question, his leader somewhat overstated the impact of this bill on matters that fall within Quebec's jurisdiction. This is federal legislation that applies to federal entities and is intended to bring greater consistency and predictability to these reviews.

[English]

IMMIGRATION, REFUGEES AND CITIZENSHIP

Hon. Michelle Rempel Garner (Calgary Nose Hill, CPC): Mr. Speaker, Canadians are lining up for blocks for scarce entry-level jobs, are waiting 20-plus hours in emergency rooms and are unable to find a home, in part because the Liberals brought in too many immigrants too fast. Last week, a senior Indian government official suggested that Canada bring in 15 million more immigrants, a population the size of Ontario, an idea also pushed by Liberal insiders at the Century Initiative.

Conservatives oppose Liberal mass immigration because it has depressed wages and outpaced integration. Why is the Prime Minister saying he is going to increase immigration even more?

Hon. Lena Metlege Diab (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, here is what Canadians need to know. We have made reforms to our immigration system to restore integrity and balance, and those reforms are working. The temporary resident population is down, the asylum level is down, our system has been stabilized and Canada has met our levels targets for the first time in a decade. Canadians know that immigration helped build this country, and it will continue to contribute to our success. I very much look forward to tabling our levels plan in the next few weeks.

Hon. Michelle Rempel Garner (Calgary Nose Hill, CPC): Mr. Speaker, foreign governments are not the only ones pushing Liberal mass migration. So are foreign companies like Tim Hortons, which profit from cheap foreign labourers and depressed wages.

Liberal mass immigration has cost Canadian jobs and wages. It has contributed to young Canadians not being able to afford to have kids. Conservatives will remove non-citizens who have no legal right to be here. Conservatives will sharply cut immigration so we can hire, train and house Canadians first.

Does the minister agree with Conservatives or with pro-mass migration foreign governments and corporations like Tim Hortons?

Oral Questions

Hon. Patty Hajdu (Minister of Jobs and Families and Minister responsible for the Federal Economic Development Agency for Northern Ontario, Lib.): Mr. Speaker, the member knows full well that for a company to apply for temporary foreign workers, they have to have had offers to Canadian workers first. They have to ensure that Canadians come first for any work across this country. To allege that—

Some hon. members: Oh, oh!

The Speaker: We need to hear the answer. These are important questions, and they deserve important answers.

I will ask the minister to continue, but with a lower noise level around her.

• (1435)

Hon. Patty Hajdu: Mr. Speaker, maybe I will start over. The member knows that Canadians come first for any work in this country and that, in fact, temporary foreign workers are only permissible when a company has done due diligence in areas with low unemployment rates that have a dire need for labour. We monitor those companies—

The Speaker: The hon. member for Saskatoon West.

Brad Redekopp (Saskatoon West, CPC): Mr. Speaker, Canadians who want to become electricians, bricklayers and heavy-duty mechanics used to get up to \$4,000 from the apprenticeship incentive and completion grants. The Liberals cancelled these programs.

Instead of hiring Canadians for skilled jobs, unbelievably, the Prime Minister's government announced that it is going to let employers recruit foreign labour for highly trained jobs without even trying to hire a Canadian. Talk about a lack of due diligence.

Conservatives believe there should always be way less immigration, and the government should be focused on training and hiring Canadians first. Will the Liberals cancel their plans to make it easier for foreign labour to take these jobs away from Canadians?

Hon. Patty Hajdu (Minister of Jobs and Families and Minister responsible for the Federal Economic Development Agency for Northern Ontario, Lib.): Mr. Speaker, maybe the member of Parliament wants to speak to his colleagues, the members for Bel-lechasse—Les Etchemins—Lévis, Côte-du-Sud—Rivière-du-Loup—Kataskomik—Témiscouata, Mégantic—L'Érable—Lotbinière or Chicoutimi—Le Fjord, who have all written to me for more temporary foreign workers. In fact, we regularly get backdoor requests for more temporary foreign workers from the Conservative members of Parliament.

We will continue to do our job to protect Canadians' rights to first available labour.

Brad Redekopp (Saskatoon West, CPC): Mr. Speaker, the Prime Minister's government let corruption take over Canada's immigration system. Let us talk about that. Some employers shook down foreign workers for up to \$50,000. Immigration consultants under the Liberals pocketed fees for shady job placements. The Liberals allowed corrupt colleges to charge tens of thousands of dollars for classes that did not exist. Now the minister is scrapping one of the few safeguards left in the immigration system: proving

that no Canadian is available to take a skilled job. That lets shady employers and corrupt consultants profit off foreign workers.

Why is the minister opening the door to even more immigration corruption?

Hon. Patty Hajdu (Minister of Jobs and Families and Minister responsible for the Federal Economic Development Agency for Northern Ontario, Lib.): Mr. Speaker, if the member wants to talk about advocating for corrupt private colleges, he should talk to the member who regularly comes to the committee that I represent. Members of Parliament from the opposite side are always advocating for these private career colleges that rip off Canadian students every single year.

We changed that. We have made those colleges ineligible for public support. We hope opposition members will get on board and start fighting for Canadian students.

Costas Menegakis (Aurora—Oak Ridges—Richmond Hill, CPC): Mr. Speaker, the Prime Minister's mass immigration policies hurt immigrants too. Too much immigration has strained housing, health care and jobs, and has hindered successful integration. Refusing to deport non-citizens who have committed serious crimes leads to wrongly blaming law-abiding newcomers. Liberal policies fuel rising anti-immigrant sentiment and a broken immigration consensus.

Conservatives would lower immigration and restore order and fairness. Why will the Prime Minister not do the same?

Hon. Gary Anandasangaree (Minister of Public Safety, Lib.): Mr. Speaker, I can confirm that last year, there were over 23,000 removals of people who were ineligible to be in Canada. Over a thousand individuals with criminality were removed from Canada. We continue to ensure the safety and security of our border, and we are managing and ensuring that we have control over immigration.

[Translation]

Jason Groleau (Beauce, CPC): Mr. Speaker, the Liberals are allowing hundreds of thousands of non-Canadian citizens with expired visas to remain in the country and benefit from our public services. The Prime Minister would rather deport our skilled immigrant workers, such as machinists, who obey the law, are integrated into our regions, contribute to society and work in our factories.

Why are the Liberals penalizing skilled immigrants in our regions with low unemployment rates, instead of deporting those without legal status from Canada?

[English]

Hon. Patty Hajdu (Minister of Jobs and Families and Minister responsible for the Federal Economic Development Agency for Northern Ontario, Lib.): Mr. Speaker, they are talking from both sides of the Conservative mouth. On one side, we have people saying, “no immigration”. On the other side, they are saying that there are great employers in need of workers that could benefit from the temporary foreign worker program.

We believe in being there for Canadian workers first and for Canadian companies that are seeking talent. We have the balance right. Maybe the Conservatives should stop weaponizing immigration for those great hard-working companies they say they support.

• (1440)

[Translation]

Jason Groleau (Beauce, CPC): Mr. Speaker, what the minister is telling us concerns a program affected by fraud. I, on the other hand, am talking about skilled workers in our regions.

They refuse to deport non-citizens who have no legal right to remain here, who abuse our system and who are a financial burden on taxpayers. The regions of Quebec are being hit hard by U.S. tariffs.

Our unemployment rate is among the lowest in the country, yet the Liberals are sending home our skilled and qualified workers, who are the driving force behind our economy.

Why are the Liberals punishing our skilled immigrants who obey the law but rewarding those who do not?

[English]

Hon. Patty Hajdu (Minister of Jobs and Families and Minister responsible for the Federal Economic Development Agency for Northern Ontario, Lib.): Mr. Speaker, I think Canadian companies, especially in the province of Quebec, must be very confused right now because, in fact, as many of its members who have spoken to me know, there are dire shortages of labour in particular parts of the country, including in rural and northern areas.

We expect that Canadians always come first for labour. We will protect that, but we will also protect Canadian companies to continue to manufacture, to grow and to create those great jobs for everyone else.

* * *

[Translation]

CANADIAN CULTURE AND IDENTITY

Martin Champoux (Drummond, BQ): Mr. Speaker, the CDCE, the Coalition for the Diversity of Cultural Expressions, is on the Hill. This is an opportunity to point out that Ottawa caved in to the U.S. by preventing the Canadian Radio-television and Telecommunications Commission, the CRTC, from requiring online streaming platforms to pay levies.

The Liberals have deprived our creators of sustainable funding for our culture from American tech giants. In return, they promised \$600 million in funding. Imagine: our cultural sector still has not seen a single penny of that money.

Oral Questions

First of all, when will the government keep its word and pay the \$600 million?

Hon. Marc Miller (Minister of Canadian Identity and Culture and Minister responsible for Official Languages, Lib.): Mr. Speaker, I can assure the House and the sector that the money will come very soon.

Martin Champoux (Drummond, BQ): Mr. Speaker, that is the kind of answer we got in June.

We will say it again, and we will say it every time. There is no future for Quebec television without a fair share of funding from American online streaming platforms. It is not possible to replace the long-term contribution from the tech giants, which is protected by the Broadcasting Act, with a one-time payment of \$600 million that any government could cancel, depending on the mood of the day. It is irresponsible and even illegal. The government is acting as though we are still in the 1990s.

Will the government respect its own law, its own word, and ask the CRTC to reinstate the levies?

Hon. Marc Miller (Minister of Canadian Identity and Culture and Minister responsible for Official Languages, Lib.): Mr. Speaker, the Bloc Québécois is the only one complaining that there is no money for culture when its own members have done nothing when it comes time to invest and vote for our budget, which has allocated billions of dollars for culture.

* * *

[English]

PUBLIC SERVICES AND PROCUREMENT

John Brassard (Barrie South—Innisfil, CPC): Mr. Speaker, it is the height of hypocrisy that after all the buy Canadian, support Canadian and defend Canadian sovereignty lectures that have gone on with the Liberals that the Prime Minister would allow an American security company with ties to Donald Trump's ICE, the very agency that has been central to Trump's mass deportation efforts, to replace a hundred-year-old Canadian institution such as the Commissionaires for security services at the CRA over an \$80,000 difference in bids.

At a time when our veterans are already struggling to transition to civilian employment, why are the Liberals undermining the country's largest veterans employer instead of supporting it?

Hon. Wayne Long (Secretary of State (Canada Revenue Agency and Financial Institutions), Lib.): Mr. Speaker, I am not sure what it was like 11 years ago, but on this side of the House, politicians are not involved in those decisions—

Some hon. members: Oh, oh!

The Speaker: We have to be careful not to provoke. Sometimes the noise is unjustifiable, but sometimes it is in response to some kind of provocation.

Oral Questions

We will let the secretary of state start again.

Hon. Wayne Long: Mr. Speaker, they are fired up on the other side today.

Let me say this: Politicians are not involved in these decisions. Imagine what it would be like if I could direct the CRA to hire a friend, or something like that. On this side of the House, the CRA had an independent decision. The decision was clear: It is a Canadian company employing 8,000 Canadians.

On this side of the House, with the CRA, we are going to do it right. The opposition can continue with the misinformation.

• (1445)

John Brassard (Barrie South—Innisfil, CPC): Mr. Speaker, hiring friends is already happening.

The Commissionaires is the largest employer of veterans in the country. Taking away the CRA contract and giving it to an American firm is not just a contract that was lost. It is also meaningful employment opportunities and cultural relevance for Canadian veterans to work, after their service, with their friends and their peers. Now it has been lost, and for \$80,000.

Here is a solution to give the contract back to the Commissionaires and secure Canadian veterans' jobs: How about the Prime Minister not spend \$160,000 in catering on his next flight, and use that money to make up the difference that the contract was lost by?

Hon. Wayne Long (Secretary of State (Canada Revenue Agency and Financial Institutions), Lib.): Speaker, the member knows that this is a Canadian company. It employs 8,000 Canadians. The process was independent. There were criteria that were evaluated against. This was an objective, fair and transparent decision. We stand behind the decision.

Fraser Tolmie (Moose Jaw—Lake Centre—Lanigan, CPC): Mr. Speaker, the Prime Minister tells Canadians to buy Canadian, but his own government is happy to buy American. He fired the veterans guarding the Canada Revenue Agency. The Commissionaires, Canada's largest employer of veterans, lost the contract to Allied Universal, an American firm cashing in on the ICE contract. Allied underbid the Commissionaires by \$80,000, which is less than 1%.

Why is the Prime Minister choosing an American firm over veterans who served this country?

Hon. Wayne Long (Secretary of State (Canada Revenue Agency and Financial Institutions), Lib.): Mr. Speaker, the member also knows that the decision was objective. It was transparent. This is a Canadian supplier hiring 8,000 Canadians across the country.

We stand behind the decision. The criteria were met. The company was hired.

[Translation]

Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, the Canadian Corps of Commissionaires was established over 100 years ago to help our veterans reintegrate into civilian life. Today, it remains Canada's largest employer of veterans, yet the Liberal government has just withdrawn its \$12-million

security contract and awarded it to a subsidiary of an American company.

After all that our veterans have given to Canada, is this really how the government wants to thank them?

[English]

Hon. Wayne Long (Secretary of State (Canada Revenue Agency and Financial Institutions), Lib.): Mr. Speaker, the CRA prioritizes hiring veterans. That is number one.

Number two is that, with respect to this decision, it was an independent process. There were selection criteria that were met. This is a Canadian supplier. It hires 8,000 Canadians across this country. We stand by the decision.

[Translation]

Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, does the member opposite remember “elbows up”? Does he remember the Prime Minister getting his elbows up, saying that we need to put Canadians and Canada first?

Today we learned that a Canadian company, the Canadian Corps of Commissionaires, which employs Canadian veterans, lost a \$12-million contract to an American subsidiary.

What happened to “elbows up”?

[English]

Hon. Wayne Long (Secretary of State (Canada Revenue Agency and Financial Institutions), Lib.): Mr. Speaker, the Canadian Corps of Commissionaires is a wonderful organization that does great work across this country, but this decision was objective. There were selection criteria it was evaluated against. It is a Canadian supplier. It hires 8,000 Canadians across this country.

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FINANCE

Tanveer Shah Nawaz (Beaches—East York, Lib.): Mr. Speaker, Canada has a unique opportunity to build a stronger, more independent and resilient country. In a rapidly changing world, that means new jobs, new investments and new opportunities for all Canadians.

Can the Minister of Finance and National Revenue please update the House on the next steps in our plan to help Canadians seize these new opportunities?

Hon. François-Philippe Champagne (Minister of Finance and National Revenue, Lib.): On November 5, I will be tabling this year's budget, which will outline the next steps in our plan to build a stronger, more resilient and more affordable Canada. This plan will unlock investments, create high-paying jobs across our nation and strengthen our economy and our country for generations to come. On November 5, I will present a plan to build Canada strong and continue to build *maîtres chez nous*.

* * *

● (1450)

EMPLOYMENT

Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, Canada has hit an alarming 29-year low in workforce participation. A smaller proportion of Canadians are in the workforce today than at any point in almost 30 years, but the Liberals shut down debate this morning on the unemployment crisis and continue to claim that everything is fine.

How bad does workforce participation have to get before they notice: a 60-year low, a 100-year low?

Hon. John Zerucelli (Secretary of State (Labour), Lib.): Mr. Speaker, in fact, Canada this year has created 160,000 jobs and has created a huge workforce.

I am actually quite pleased to take the opportunity to announce that last week we made a major announcement of \$430 million over five years for union-led training, new expanded training centres, new ways to recruit and train apprentices, and new modern equipment.

That is how you build the skilled workforce of the future. That is what we need to do in this country. We need to build this country. Let us build this Canada together.

Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, it is unbelievable to me how much the minister has his head in the sand. These are Statistics Canada job numbers that were released the week before Friday. It is clear, in black and white, that we are at a 29-year low in workforce participation. I have a news flash for the minister: That is not good news. That is not “everything is fine” news. That is a five-alarm fire.

When will the minister stop patting himself on the back, recognize that Canadians are struggling, and actually do something about it?

Hon. Patty Hajdu (Minister of Jobs and Families and Minister responsible for the Federal Economic Development Agency for Northern Ontario, Lib.): Mr. Speaker, the member for Sherwood Park—Fort Saskatchewan has been at committee many times, advocating for substandard education for youth through private career colleges, which was part of the topic that we were discussing with the opposition just moments before. That is not the kind of thing that helps retain young people and get them into good jobs.

In fact, what we have is strong evidence about the work that we do to make sure young people have access to quality jobs, through Canada summer jobs and work-integrated learning, and those result in not only stronger labour force attachment but better earnings over their lifetime. Maybe that member should stop—

Oral Questions

The Speaker: The hon. member for Battlefords—Lloydminster—Meadow Lake.

Rosemarie Falk (Battlefords—Lloydminster—Meadow Lake, CPC): Mr. Speaker, Statistics Canada reported that Canada lost 68,300 jobs in September, amounting to 110,000 jobs lost in just two months. Young Canadians are the ones bearing the brunt of these losses. For a young Canadian trying to land their first job, build experience and save for a home, these are not just statistics. They represent lost opportunities and a delayed future.

Will the Liberals reverse course on their policies that are holding young Canadians back?

Hon. Buckley Belanger (Secretary of State (Rural Development), Lib.): Mr. Speaker, I want to point out that Canada's economy grew by 0.08% in the second quarter, and one of the leaders in that growth in the economy was the Government of Saskatchewan. We are seeing record investment, not only in potash but in uranium mining. Saskatchewan is an exciting part of our country. We want to continue fostering that development, and one of the things that has led to the excitement in Saskatchewan is that most of the federal Conservatives—

The Speaker: The hon. member for Battlefords—Lloydminster—Meadow Lake.

Rosemarie Falk (Battlefords—Lloydminster—Meadow Lake, CPC): Mr. Speaker, maybe that member does not know, but Canada has the second-highest unemployment rate in the G7, and the labour force participation rate fell below 65% in September, the lowest level in almost 30 years outside of the pandemic. That is the result of over a decade of harmful Liberal policies that have chased jobs and investments out of this country. Canadians who are facing job losses need action now.

Will the Liberals take that real action and unleash our economy and commit to reversing Bill C-69 and Bill C-48?

● (1455)

Hon. Mélanie Joly (Minister of Industry and Minister responsible for Canada Economic Development for Quebec Regions, Lib.): Mr. Speaker, when I listen to my colleagues on the other side of the aisle, they never mention the American tariffs. They never mention what the trade war is doing to our economy and how much, notwithstanding these unjustified American tariffs, we are fighting back.

Oral Questions

I will give some examples. We were able to announce just today, with Xona Space Systems, 126 jobs; at Hitachi Energy in London, Ontario, last week, 550 jobs and \$500 million of investments; and also, at Jubilant Radiopharma, 255 jobs in Montreal. We will continue to create jobs across this country.

[Translation]

Gabriel Hardy (Montmorency—Charlevoix, CPC): Mr. Speaker, Canada is experiencing its lowest level of labour market activity in 30 years. While our young people are desperately searching for their first job, a parliamentary committee heard from 38 witnesses and made 16 recommendations for action. What is the Liberal government's response? They will look into the matter. They support the recommendations in principle and have taken note of them. That is great. Today, the Liberals voted to end the debate on youth unemployment because it seems they have more important things to do in the House than discuss this issue. It is a political game being played by the Conservatives, apparently.

Can the Prime Minister tell us why his government is avoiding talking about our young people's future?

Claude Guay (Parliamentary Secretary to the Minister of Energy and Natural Resources, Lib.): Mr. Speaker, like the finance minister, I have very good news for the member. I am happy to oblige because he missed a lot of news over the past few months. He missed the announcement that the project in Churchill Falls and Gull Island in Quebec and Labrador will generate 23,000 jobs, not to mention the project in Contrecoeur, the Nouveau Monde Graphite project, the Alto project, of course, and all the efforts we are making to help tradespeople get the right training.

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[English]

INTERNATIONAL TRADE

Stephanie Kusie (Calgary Midnapore, CPC): Mr. Speaker, the PBO announced the financial impacts of the Canada-U.S. trade measures, yet unfortunately, successive barriers since 2025 will result in a 1.4% GDP net loss. To make matters worse, if those barriers remain, 185,000 Canadians will lose their jobs.

The Prime Minister promised to get a deal for Canadians. When will he make good on his promise and get a deal?

Hon. Steven MacKinnon (Minister of Transport and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, let us agree that Canada had a very good day yesterday. It was a very good day for Albertans and a very good day for Canadians. That member will want to join with the government in thanking all Albertans who participated in this debate, but more importantly, those Albertans and other Canadians who are now going to continue putting their shoulder to the wheel to build this great country, to develop our resources, to create a future here at home and to create the kind of growth that gives us the best quality of life and makes Canada the best country in the world.

Stephanie Kusie (Calgary Midnapore, CPC): Mr. Speaker, the Prime Minister is trying to convince Canadians that he can replace a trillion dollars' worth of trade between Canada and the U.S., yet up to this point, his hard deals only represent 1% of trade between Canada and the U.S. in 2025.

Canadians cannot live on 1% of previous trade revenue, so why does the Prime Minister not just do his job and get a good deal for Canadians?

Hon. Dominic LeBlanc (President of the King's Privy Council for Canada and Minister responsible for Canada-U.S. Trade, Intergovernmental Affairs, Internal Trade, and One Canadian Economy, Lib.): Mr. Speaker, our colleague should be very reassured that the Prime Minister is doing exactly that: his job. He is building a strong Canadian economy. He is diversifying our trading relationships with reliable partners around the world. He is doing what we campaigned on in the last election. I know the hon. member may prefer to forget the last election. We remember clearly the commitment we made to Canadians to control what we can control, build a strong economy here at home the right way and work with Canadian workers and businesses to grow the economy.

Jamie Schmale (Haliburton—Kawartha Lakes, CPC): Mr. Speaker, Mariposa Dairy in Lindsay supports 200 Ontario dairy goat farms and exports more than \$60 million a year in cheese to the United States. Because of U.S. tariffs, the company is being hit with a \$4.5-million bill every month. It has warned that without an immediate solution, the entire Canadian dairy goat industry will be decimated.

What specifically is the government doing to secure relief for Mariposa Dairy before it is too late?

● (1500)

Hon. Mélanie Joly (Minister of Industry and Minister responsible for Canada Economic Development for Quebec Regions, Lib.): Mr. Speaker, I would like to commend my colleague for his important question. I am indeed seized with the issue. The minister in charge of FedDev Ontario is as well. FedDev has provided funding, we will provide more funding, and we will work together on the solution because we need to make sure that Mariposa Dairy is secured.

Jamie Schmale (Haliburton—Kawartha Lakes, CPC): Mr. Speaker, Mariposa Dairy has been warning the government about this threat since March 2025. It told Ottawa then that tariffs could devastate the Canadian agricultural industry when it comes to dairy goats. On one hand, the Liberals are saying they are here for workers, yet after a year of waiting, time is running out as the company takes on more and more debt.

Will the government commit today to securing a solution that will keep these farmers and workers in business?

Hon. Mélanie Joly (Minister of Industry and Minister responsible for Canada Economic Development for Quebec Regions, Lib.): Yes, Mr. Speaker.

[Translation]

FINANCE

Tatiana Auguste (Terrebonne, Lib.): Mr. Speaker, over the past year, I have had the opportunity to speak with many young Canadians who understand the importance of seizing the opportunities before us to build a better future, one that offers more jobs and opportunities for young people in a stronger, more resilient Canada that is worth fighting for.

Could the Minister of Finance inform the House of the next steps in our government's plan to build that future for young Canadians?

Hon. François-Philippe Champagne (Minister of Finance and National Revenue, Lib.): Mr. Speaker, I thank the member for Terrebonne for her question and for her commitment to the next generation of Canadians. On November 5, I will present our government's next budget, a plan to move Canada forward, attract new investment and create more jobs across the country. This budget aims to build a stronger, more independent and more resilient economy, while making life more affordable for Canadians.

On November 5, I will present a plan to build Canada strong and ensure that we remain masters in our own house.

[English]

Dan Mazier (Riding Mountain, CPC): Mr. Speaker, last year, the Prime Minister campaigned on a promise to lower the federal debt relative to Canada's GDP. Today, the Parliamentary Budget Officer revealed that was just another broken promise. According to the PBO, debt to GDP will increase under the Liberals for years. Meanwhile, the Liberals are hiding behind creative accounting to fool Canadians.

Will the Liberals admit that Canada is facing an affordability crisis after 11 years of their government, or are they totally out of touch?

Hon. Rebecca Chartrand (Minister of Northern and Arctic Affairs and Minister responsible for the Canadian Northern Economic Development Agency, Lib.): Mr. Speaker, what I have been hearing from Manitobans is that we are building Canada's future, but the opposition keeps voting against Manitobans. Conservatives voted against \$19 million for aerospace jobs in Winnipeg. They voted against supports to help farmers get products to market. They voted against broadband for 10,000 residents in northern Manitoba.

Manitobans deserve leaders who vote for them. The opposition needs to get on board.

Michael Cooper (St. Albert—Sturgeon River, CPC): Mr. Speaker, today's PBO report reveals that the Liberals will blow through a key fiscal anchor that they promised only months ago. The Liberals promised declining deficits to GDP. The PBO confirms the opposite: rising deficits to GDP. This is a complete indictment. The Liberals are failing to follow through on a central pillar of their budgetary policy.

In the face of that, how can Canadians have any confidence in their so-called fiscal plan?

Hon. François-Philippe Champagne (Minister of Finance and National Revenue, Lib.): Mr. Speaker, I am afraid the member

Oral Questions

will have to change his QP card. In fact, Canada has the strongest fiscal position in the G7. That is the reality. These are the facts. We have the lowest net debt to GDP. We have one of the lowest deficits to GDP. We have a AAA credit rating. Investment is up, trade is up, and employment is up.

On this side of the House, we are going to continue to build Canada strong with Canadians across the nation.

Michael Cooper (St. Albert—Sturgeon River, CPC): Mr. Speaker, today's PBO numbers confirm what Canadians know and feel. Food bank usage is at a record high, and groceries and rent are unaffordable. Canadians are literally paying the price for the Liberal government's fiscal mismanagement.

After 11 years, will the Liberals finally acknowledge that Canada is in an affordability crisis courtesy of their policies, or are they totally out of touch?

• (1505)

Leslie Church (Parliamentary Secretary to the Secretaries of State for Labour, for Seniors, and for Children and Youth, and to the Minister of Jobs and Families (Persons with Disabilities), Lib.): Mr. Speaker, because today is October 20, I want to make sure that my colleague across the way knows that 3.5 million families in this country are receiving the Canada child benefit today. That is six million children who are benefiting with up to \$8,100 this year as a result of a policy that our government put in place, that our government is delivering and that the opposition continues to vote against.

* * *

[Translation]

SMALL BUSINESS

Marianne Dandurand (Compton—Stanstead, Lib.): Mr. Speaker, it is Small Business Week. Many SMEs in my riding are innovating.

For example, just this week, a \$1-million investment was announced for Omnimed, a company that develops electronic medical records and plans to integrate artificial intelligence into its operations. We also have many manufacturing and agricultural businesses in our region. Our government needs to support these businesses.

Can the Secretary of State for Small Business and Tourism tell us how our government is supporting businesses like those in my riding?

Hon. Rechie Valdez (Minister of Women and Gender Equality and Secretary of State (Small Business and Tourism), Lib.): Mr. Speaker, I thank my colleague for her question.

Points of Order

Our government has taken significant measures to support SMEs. Businesses affected by tariffs have access to \$7.5 million in financial support to invest in their growth. We have reduced the marginal effective tax rate on new business investment to 6.4%.

I wish everyone an excellent Small Business Week.

* * *

[English]

JUSTICE

Michael Guglielmin (Vaughan—Woodbridge, CPC): Mr. Speaker, a violent home invasion does not end when the intruders leave. Families are left lying awake fearing every noise and wondering whether it will happen again. Today, I introduced a bill to keep Canadians safe in their homes. This bill would create a distinct home invasion offence, establish a five-year mandatory minimum sentence and carry with it a maximum sentence of life imprisonment. Canadians deserve to feel safe behind their own front doors.

Will the minister and the Liberal government support my bill and help ensure Canadians can feel safe in the comfort of their own homes?

Hon. Ruby Sahota (Secretary of State (Combating Crime), Lib.): Mr. Speaker, it is very important that we ensure the safety of Canadians. We have been working hard since being elected as a new government to work on these issues, including home invasions and break and enters. That is why we introduced six different bills last year alone that have passed through this House. There is more work to do, and we look forward to collaborating with other parties on it.

* * *

THE ECONOMY

Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, the Prime Minister calls Bill C-39 the most consequential legislation of this Parliament. New Democrats agree it will indeed have profound consequences for all Canadians. It will trample indigenous rights, override environmental laws and violate workers' rights, yet the government has allocated only eight hours to hear from witnesses not chosen by Liberals.

This bill will deeply impact our country for decades to come. Why are Liberals, aided by Conservatives, ramming it through without properly consulting Canadians?

Hon. Steven MacKinnon (Minister of Transport and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, these committee hearings, as the member knows, are only the latest in a long line of consultations that this government has undertaken with first nations, labour, environmental groups, businesses, provinces and stakeholders from right across our country. In fact, we consulted so much, we had to double the amount of consultation time that we undertook over the summer.

This process has been defined by the listening and the consulting that we have been doing with Canadians, and we will continue to do that.

HEALTH

Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, even if we go back to the 1985 version of the Pest Control Products Act, as opposed to the current 2002 version, in that entire history there have never been revisions to the Pest Control Products Act that so reduced protections for human health and the environment, and they have never, ever come from the Department of Finance in an omnibus budget bill until this in Bill C-30 and Bill C-31.

To the hon. Minister for Health, why is this not coming from the health minister, and why is she not protecting our health?

Hon. Marjorie Michel (Minister of Health, Lib.): Mr. Speaker, first of all, I would say the health and safety of Canadians will always remain our top priority. However, we can do this while supporting our agriculture sector and cutting red tape. We are modernizing our regulatory process to take a risk-based approach so that we can focus on higher risk areas and ensure we keep the safety and security of Canadians, and our food supply, first.

* * *

● (1510)

[Translation]

PRESENCE IN GALLERY

The Speaker: I wish to draw the attention of hon. members to the presence in the gallery of Anatole Collinet Makosso, Prime Minister of the Republic of Congo.

Some hon. members: Hear, hear!

[English]

The Speaker: I would also like to draw the attention of members to the presence in the gallery of the Hon. Ted Laking, Minister of Energy, Mines and Resources for the Yukon Territory.

Some hon. members: Hear, hear!

* * *

[Translation]

POINTS OF ORDER

ORAL QUESTIONS

Luc Berthold (Mégantic—L'Érable—Lotbinière, CPC): Mr. Speaker, I rise on a point of order.

During oral question period, the Minister of Jobs and Families misled the House by quoting me in her answer. I must inform the House that I did not, in any letter, ask for a single additional worker. It is important to correct that. I did not ask for a single additional worker in the letter I sent her.

I asked the minister to show respect to current workers. If she believes she is right, I seek the permission of the House to table the letter I sent her.

The Speaker: That is duly noted. As for the second part of the member's point of order, it is clear that there is no unanimous consent to table a document.

GOVERNMENT ORDERS

[Translation]

BUSINESS OF SUPPLY

OPPOSITION MOTION—AFFORDABILITY CRISIS

The House resumed consideration of the motion.

The Speaker: It being 3:12 p.m., pursuant to order made on Monday, October 19, the House will now proceed to the taking of the deferred recorded division on the motion of the member for Battle River—Crowfoot relating to the business of supply.

Call in the members.

And the bells having rung:

[English]

The Speaker: The question is as follows.

Shall I dispense?

Some hon. members: No.

[Chair read text of motion to House]

● (1525)

(The House divided on the motion, which was negatived on the following division:)

(Division No. 179)

YEAS

Members

Albas	Allison
Anderson	Anstey
Arnold	Au
Baber	Bailey
Baldinelli	Barrett
Barsalou-Duval	Beaulieu
Bélanger (Sudbury East—Manitoulin—Nickel Belt)	Berthold
Bexte	Bezan
Blanchet	Blanchette-Joncas
Block	Bonin
Bonk	Borrelli
Bragdon	Brassard
Brunelle-Duceppe	Calkins
Caputo	Chambers
Champoux	Chong
Cobena	Cody
Cooper	Dalton
Dancho	Davidson
Davies (Vancouver Kingsway)	Davies (Niagara South)
Dawson	DeBellefeuille
Deltell	DeRidder
Deschênes	Diotte
Doherty	Dowdall
Duncan	Epp
Falk (Battlefords—Lloydminster—Meadow Lake)	Falk (Provencher)
Fortin	Gallant
Garon	Gaudreau
Gazan	Genuis

Gill (Calgary Skyview)
Gill (Calgary McKnight)
Gill (Abbotsford—South Langley)
Goodridge
Groleau
Gunn
Hardy
Holman
Jansen
Johns
Khanna
Kirkland
Konanz
Kronis
Kwan
Lantsman
Lawrence
Lefebvre
Leslie
Lewis (Haldimand—Norfolk)
Lobb
Majumdar
Mantle
Mazier
McKenzie
McPherson
Menegakis
Morin
Motz
Nater
Patzner
Perron
Redekopp
Rempel Garner
Roberts
Ross
Ruff
Schmale
Shipley
Small
Ste-Marie
Strahl
Stubbs
Thomas
Tolmie
Van Popta
Viersen
Warkentin
Zimmer— 153

Acan
Ali
Anand
Auguste
Baker
Battiste
Begum
Bendayan
Blois
Caley
Carr
Chagger
Chang
Chatel
Chi
Clark
Cormier
Dabrusin

Business of Supply

Gill (Brampton West)
Gill (Côte-Nord—Kawawachikamach—Nitassinan)
Godin
Gourde
Guglielmin
Hallan
Ho
Jackson
Jivani
Kelly
Kibble
Kmieciak
Kram
Kusie
Lake
Larouche
Lawton
Lemire
Lewis (Essex)
Lloyd
Mahal
Malette (Kapuskasing—Timmins—Mushkegowuk)
May
McCauley
McLean (Calgary Centre)
Melillo
Moore
Morrison
Muys
Normandin
Paul-Hus
Poilievre
Reid
Reynolds
Rood
Rowe
Scheer
Seebach
Simard
Steinley
Stevenson
Strauss
Thériault
Tochor
Uppal
Vien
Vis
Williamson

NAYS

Members

Al Soud
Alty
Anandasangaree
Bains
Bardeesy
Beech
Belanger (Desnethé—Mississippi—Churchill River)
Bittle
Brière
Carney
Casey
Champagne
Chartrand
Chenette
Church
Connors
Coteau
Dandurand

Privilege

Danko	d'Entremont
Deschênes-Thériault	Desrochers
Dhaliwal	Dhillon
Diab	Duclos
Duguid	Dzerowicz
Earle	Ehsassi
El-Khoury	Eyolfson
Fancy	Fanjoy
Fergus	Fisher
Fonseca	Fortier
Fragiskatos	Fraser
Fuhr	Gaheer
Gaine	Gasparro
Gerretsen	Gladu
Gobeil	Gould
Grant	Greaves
Guay	Gull-Masty
Hajdu	Hanley
Harrison	Hepfner
Hirtle	Hogan
Hussen	Iacono
Idlout	Jaczek
Jeneroux	Joly
Joseph	Kayabaga
Kelloway	Khalid
Klassen	Koutrakis
Lalonde	Lambropoulos
Lamoureux	Lapointe (Rivière-des-Mille-Îles)
Lapointe (Sudbury)	Laizon
Lavack	Lavoie
LeBlanc	Leitão
Lighthouse	Long
Louis (Kitchener—Conestoga)	Ma
MacDonald (Cardigan)	MacKinnon (Gatineau)
Malette (Bay of Quinte)	Maloney
Martin	McGuinty
McKelvie	McKinnon (Coquitlam—Port Coquitlam)
McKnight	McLean (Esquimalt—Saanic—Sooke)
Ménard	Mendès
Michel	Miedema
Miller	Mingarelli
Morrissey	Myles
Naqvi	Nathan
Nguyen	Noormohamed
Ntumba	Oliphant
Olszewski	O'Rourke
Osborne	Petitpas Taylor
Powlowski	Provost
Ramsay	Rana
Robertson	Romanado
Royer	Sahota
Saini	Sarai
Sari	Sawatzky
Schiefke	Sgro
Shahnawaz	Sheehan
Sidhu (Brampton East)	Sidhu (Brampton South)
Sodhi	Solomon
Sousa	St-Pierre
Sudds	Tesser Derksen
Thompson	Valdez
van Koevorden	Vandenbeld
Villeneuve	Watchorn
Weiler	Yip
Zahid	Zerucelli
Zuberi— 165	

PAIRED

Members

Aboultaif	Fry
Hoback	Hodgson
Housefather	Kramp-Neuman
Kuruc	Lattanzio

MacDonald (Malpeque)	Plamondon
Richards	Rochefort
Turnbull	Waugh— 14

The Speaker: I declare the motion defeated.

* * *

PRIVILEGE

ALLEGED PREMATURE DISCLOSURE OF BILL C-40

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am rising to respond to a question of privilege raised on October 6 by the opposition House leader respecting the alleged premature disclosure of Bill C-40.

I would like to begin by stating that the government takes any allegation of potential premature disclosure of information during the notice period extremely seriously. This is why there has been a slight delay in responding to the points raised by the opposition House leader, as the government looked into this matter thoroughly.

I can categorically state that our comprehensive investigation revealed that no one provided any information related to the content of the bill during the notice period. For that reason alone, I would assert that there is not a prima facie question of privilege in this instance. However, I want to provide the House with relevant information regarding the Defence Investment Agency that clearly demonstrates that the subject and nature of public deliberations on the form of the organization to lead this work of defence procurement could have led to the conclusion that the government was considering establishing a Crown corporation for this purpose.

As it relates to the comments by the opposition House leader, there are two arguments that I would like to address. The first is the assertion that there is no way that any intelligent observer would be able to infer that the government was proposing that the form of the organization to manage defence procurement would be a Crown corporation. Second, when the opposition House leader refers in media reports to “sources” or “federal sources”, he seems to imply that these individuals provided confidential information to journalists during the notice period. While that may be his implication, it does not in any way corroborate that an individual divulged confidential information about the contents of a bill that was on the Notice Paper.

As I have indicated, I can confirm to the House that we have looked thoroughly into this matter, and we have found no evidence of an internal leak of the contents of Bill C-40 during the notice period. In contrast to previous Speakers' rulings where the government stated that it could not confirm who leaked the contents of a bill during the notice period, our comprehensive investigation revealed no evidence that anyone provided any information related to the content of the bill during the notice period. What these inquiries and the public record demonstrate is that individuals did speak publicly about the possibility of a Crown corporation that would report to a supporting ministerial position under the Minister of National Defence over many months, but I can assure the House that these conversations did not occur at a time even proximate to the notice of the bill.

The government's objective for defence procurement has remained unchanged since the beginning of the mandate in early 2025: to have an organization that would be sufficiently independent from the public service in order to have the flexibility and agility to procure military materiel to support our armed forces to defend our sovereignty and to meet our international commitments. That objective is at the heart of our work. The form that this would take has been a deliberative effort, building on the diverse perspectives from international engagement on different models for procurement, from input from stakeholders, and from procurement specialists.

On April 27, 2026, Mr. Doug Guzman, chief executive officer of the Defence Investment Agency, appeared before the Standing Committee on National Defence and was asked about the Defence Investment Agency and what form it could take. He said the following:

There are a number of ways it could be set up, and we're working our way through them. I don't know the answer right now. It could be anything from a Crown corporation to a traditional department, or something in between.

The reason Mr. Guzman stated that the organization could take the form of a Crown corporation in the spring of 2026 was due to the fact that it was still a live debate within the government. We were still consulting on whether the model proposed in Bill C-31 was the best way to proceed.

• (1530)

Since the 2025 general election, the government has been investigating different models of defence procurement and investment and has discussed these possibilities both in Parliament and publicly. I submit that the subject and nature of these deliberations on the form of the organization to lead this work could have led to a conclusion that the government was considering establishing a Crown corporation for this purpose.

I would further add that the proposal to create the Defence Investment Agency in Bill C-31 was introduced in the House on May 6, 2026. The fact that the government gave notice of a new bill related to defence investment and procurement in September telegraphed that the government was thinking of an alternative approach to give more independence and flexibility to a body to undertake these activities. The conclusion would be obvious, based on the public deliberations that had taken place, that it would be a Crown corporation.

In fact, whether or not the Defence Investment Agency would become a Crown corporation, this possibility has been in the public domain since the spring of 2026. Individuals who would have been involved in the deliberations on the form of the organization to manage defence procurement would have discussed the possibility that the Crown corporation would ultimately be the preferred mode during this period, but our investigation did not reveal any discussions during the notice period.

During the 2025 general election, the Liberal platform stated with respect to various forms of procurement, including defence procurement, that it could be modelled on the powers and independence of a Crown corporation. Page 7 of the platform states:

Deploy a made-in-Canada procurement strategy that prioritizes, whenever possible, Canadian suppliers and supply chains, and limiting bidders from foreign suppli-

Privilege

ers to bidding only on what we have agreed to in Canada's Free Trade Agreements. We will prioritize Canadian contractors in our defence procurement, including the Canadian aerospace industry. Crown Corporations with major capital acquisitions, like VIA Rail, will also be encouraged to meet this standard.

On February 17, 2026, the Prime Minister launched Canada's first defence industrial strategy to strengthen security, create prosperity and reinforce strategic autonomy. On page 15 of the document, it states, "The Defence Investment Agency (DIA), created in October 2025, will address these challenges. Initially created as part of PSPC, the Government's intention is to establish the DIA as a stand-alone entity."

The government made it clear, over eight months ago, that the Defence Investment Agency would become a stand-alone entity. What is proposed in Bill C-31, the budget 2025 implementation act, no. 2, is not truly an independent entity. It is a government agency. A federal government agency is not considered a completely stand-alone, independent entity in legal and accounting terms, because it remains part of the core public service.

Only a Crown corporation is a true stand-alone, independent entity, and the government's intention to potentially proceed this way was made public over eight months ago. Once Bill C-40 appeared on the Notice Paper, it became clear that the government had decided to evolve its course. It was logical to conclude that the government was moving ahead with what it had previously announced, which is to make the Defence Investment Agency a truly independent, stand-alone entity, as it had previously announced. By definition, this can only be a Crown corporation.

As I stated earlier, Mr. Guzman, chief executive officer of the Defence Investment Agency, talked about the possibility of a Crown corporation at committee in April of this year. The government has been on the record speaking about the possibility of the Defence Investment Agency becoming a Crown corporation for many months now.

• (1535)

The Globe and Mail article that the opposition House leader references also states the following:

Philippe Lagassé, a professor at Carleton University who researches defence policy, said that if Ottawa turns the DIA into a Crown corporation, it would operate at arm's length from the government....

Prof. Lagassé said he will still need to see the mechanics of the legislation....

What is important here is that Professor Lagassé refers to "if" the Defence Investment Agency were to become a Crown corporation and says that he cannot offer a precise analysis because he has not seen the bill or the specific details contained within it. This further makes the case that the details of the legislation were not divulged during the notice period.

The opposition House leader also points out that the Globe and Mail story makes mention of the creation of a new cabinet position: the minister of defence procurement. I would like to point out to the House that on page 145 of the 2026 spring economic update, which was tabled on April 28, 2026, it states:

Privilege

In the Spring Economic Update 2026, the government proposes to introduce legislation to establish the Defence Investment Agency as a departmental agency presided over by a new minister and to make related amendments to the Defence Production Act that would, among other things, enhance financial and transactional authorities available to the new minister.

The government's intention to create a new minister of defence procurement was made public over six months ago. However, the opposition House leader failed to point out that Bill C-40 would not actually create a minister of defence procurement. Rather, it states that the government may appoint an associate minister of national defence for procurement, not an associate minister of defence, as the article states. In the context of alleging premature disclosure of a bill, these details matter.

The opposition House leader also alleged that ministerial responsibility related to the Defence Investment Agency was not “telegraphed...in any previous public statements by the government”. I would assert that, if the government were to give notice of a bill entitled “an act respecting production, procurement and investment in relation to national defence and national security”, combined with the previous commitment that this agency would be presided over by a new minister, as announced in the 2026 spring economic update, it does not take much to deduce that new legislation would set some parameters around this process. This is just common sense. All legislation contains ministerial powers and responsibilities. That is how our Westminster system of government works.

I also want to point out that the CBC story that the opposition House leader referenced says the following:

In the spring, the government proposed to allow up to 14 exceptions, including procurements of national interest. It also made economic security a key pillar of the DIA mandate.

How those measures will be reflected in the Crown corporation and whether it will have even greater authority is unclear.

I would assert that it is unclear because the bill had not been introduced in the House, which further illustrates that there has been no premature disclosure of the contents of the legislation during the notice period.

In conclusion, I have clearly shown that the government has been on the record for many months about the creation of a stand-alone entity responsible for defence procurement and the possibility of a Crown corporation. I have shown that only a Crown corporation is truly a stand-alone entity. I have also outlined how the government has been on the record for many months about a new minister responsible for defence procurement, and I have established the discrepancies between what was reported and what was actually contained in Bill C-40. Furthermore, I have demonstrated that all pieces of the legislation contain ministerial powers and responsibilities as part of our Westminster system of government. Finally, I have shown that quotes within the stories referenced by the official opposition House leader substantiate that details were not available about the legislation and thus are speculative.

● (1540)

I would assert to you, Mr. Speaker, that it is a high bar to meet to find a *prima facie* question of privilege, and I believe that I have provided, on the record, public evidence that refutes the allegations that there was premature disclosure of the bill.

Having said all that, I also want to reiterate what I said at the beginning of my intervention, namely that the government takes its responsibilities to safeguard information contained in legislation on notice very seriously. While I believe that I have demonstrated that no premature disclosure took place, the government has taken the allegation seriously and made inquiries with ministerial offices as well as with officials in the public service. These inquiries have concluded that there is no evidence to support that the content of Bill C-40 was prematurely disclosed during the notice period, which further reinforces the point that there is not a case of *prima facie* privilege in this instance. In fact, the evidence suggests the contrary.

There have been discussions within government since the formation of this government in 2025. This process has evolved from establishing an agency through an order in council in the fall of 2025. Then there was a proposal in Bill C-31 to create a new agency, and now there is the proposal to create a Crown corporation. These discussions have occurred publicly and in a committee of the House. While the model to execute defence procurement investment has continued to evolve, the objective remained the constant to create an independent, agile organization to procure defence-related equipment as efficiently as possible. It was not a stretch of the imagination that this could result in an establishment of a Crown corporation.

It would appear to me that there are two sets of competing facts before the House. In such cases, Speakers have declared that a dispute as to the facts constitutes debate. On June 19, 2025, the Speaker ruled on a matter that constituted dispute as to the facts and which I would like to quote. He said:

If every disagreement is to be raised as a question of privilege, the House would spend its time doing little else. There are many opportunities in our debates for members to challenge each other on the facts of a particular case, and that is the correct way of dealing with such disagreements.

As for the conclusion of our inquiry into the possible premature disclosure of the contents of Bill C-40, I can assure the House that no evidence has been found to corroborate that anyone divulged the contents of the bill during the notice period. I would remind the House of the importance of taking members at their word. On December 6, 2011, the Speaker ruled on a member's involvement in inviting individuals to the gallery who were the cause of a disturbance. In this case, the Speaker ruled, and I would quote, “Remembering the time-honoured tradition in this place that members are taken at their word and so in keeping with the precedents just cited, the Chair is prepared to consider this particular aspect of the matter to be closed.”

In light of the review of the evolution of the policy to determine the best manner in which to procure and invest in defence capabilities to support our Armed Forces, it was logical to assume that this could be through an establishment of a Crown corporation. The policy evolution has taken place in a public sphere, including in a committee of the House. Therefore, the conclusions drawn in the media reports are reasonable assumptions and do not point to a deliberate internal leak of the contents of Bill C-40 during the notice period.

Mr. Speaker, I appreciate your time and patience.

● (1545)

FREEDOM OF SPEECH IN MEMBERS' PARLIAMENTARY WORK

Matt Strauss (Kitchener South—Hespeler, CPC): Mr. Speaker, I am rising on a question of privilege concerning a Canadian Press report published on Thanksgiving weekend. It reported that our colleague, the hon. member for Thunder Bay—Rainy River, is potentially facing professional disciplinary proceedings in connection with his parliamentary committee work. According to this report, the hon. member, a physician, is the subject of a complaint to the College of Physicians and Surgeons of Ontario, of which he is a member, concerning his supplementary opinion attached to the first report of the Special Joint Committee on Medical Assistance in Dying.

Specifically, The Canadian Press reports that a member of the public, whom I understand is also a plaintiff in constitutional challenges concerning the current law, which absent parliamentary intervention is due to sunset next year, has complained to the college about the hon. member's "written arguments against expanding access to [medical assistance in dying] for mental illness until fundamental concerns are addressed." It is further understood that the hon. member was given until October 22, Thursday, to answer a college investigator, following which the complaint will be referred to a college committee for review.

The bottom line is that a member of the House is facing serious legal proceedings over his contributions to a parliamentary proceeding. This, I believe, offends the constitutionally guaranteed freedom of speech in Parliament. Paragraph 3.52 of *House of Commons Procedure and Practice*, fourth edition, explains just how central this is to the work of Parliament: "Freedom of speech is the cornerstone of the rights and parliamentary privileges accorded to members. It is both the least questioned and the most fundamental right of the member of Parliament on the floor of the House and in committees."

While we often think of this freedom in terms of not being sued for defamation for what is said here, the reality is that it is much more widely scoped than that. This privilege is anchored in article 9 of the Bill of Rights, adopted by the Parliament of England in 1689: "That the Freedom of Speech and Debates or Proceedings in Parlyament ought not to be impeached or questioned in any Court or Place out of Parlyament"

Those last words "Place out of Parlyament" are key here. To be sure, it should not be interpreted as meaning literally any place outside of here. Public debate and accountability of politicians are fundamental features of a parliamentary democracy such as Canada's. As Janse and LeBlanc explain at paragraph 3.57, "The House of

Privilege

Commons could not work effectively unless its members were able to speak and criticize without having to account to any outside body."

While we have clear jurisprudence in Canada concerning the use of parliamentary proceedings before the courts, and to a lesser extent royal commissions and human rights commissions, we do not have a body of precedent concerning where we ought to draw the line concerning "any outside body", to borrow the phrase of Janse and LeBlanc, or a "Place out of Parlyament", to use the wording enacted by the convention on Parliament. Authorities elsewhere have, however, contemplated this matter.

For its part, the 1999 United Kingdom Parliament Joint Committee on Parliamentary Privilege commented at paragraphs 91 and 92 of its first report:

The prohibition in article 9 is not confined to the questioning of parliamentary proceedings in courts. It applies also to any "place out of Parliament". This is another obscure expression of uncertain meaning. To read the phrase as meaning literally anywhere outside Parliament would be absurd. It would prevent the public and the media from freely discussing and criticising proceedings in Parliament. That cannot be right, and this meaning has never been suggested. Freedom for the public and the media to discuss parliamentary proceedings outside Parliament is as essential to a healthy democracy as the freedom of members to discuss what they choose within Parliament. So the embrace of the phrase is narrower than this, but wider than merely "courts": the whole phrase is "...any court or place out of Parliament".

The interpretation of this expression has never been the subject of a court decision.

Meanwhile, *Parliamentary Practice in New Zealand*, fifth edition, at page 702, explores the history of the phrase and its evolved interpretation:

the reference to any place out of Parliament, if taken literally, would inhibit criticism or examination of parliamentary proceedings on any occasion outside Parliament. Such a result would be an absurdity that would unacceptably infringe citizens' freedom of speech. Occasional judicial statements have rhetorically imputed this extreme meaning, but these suggestions have not been taken seriously by either the House or the courts. The parliamentarians of 1688 probably had in mind the jurisdiction of the councils formerly established by royal prerogative to exercise executive and judicial functions. The latter functions were in conflict with the jurisdiction of the regular common law courts.

In promulgating the Bill of Rights 1688, members sought to ensure that councils established by the King, in addition to the regular courts, could not examine parliamentary proceedings. In the modern State, such parallel, non-curial executive and judicial functions are exercised by tribunals and other bodies established by legislation, and the prohibition on questioning proceedings in Parliament is taken to be addressed today to such bodies.

● (1550)

For a practical, contemporary approach to the 17th-century phrase, the 1999 U.K. joint committee opined at paragraph 95:

Privilege

The Parliamentary Privileges Act 1987 (Australia) applied the article 9 prohibition to any court or tribunal, and defined tribunal as any person or body having power to examine witnesses on oath. This seems to provide a clear and sensible basis for the future. In general, power to administer oaths is dependent upon statutory authority. The power is conferred on bodies whose proceedings are endowed with a degree of legal solemnity and formality. It means, for instance, that article 9 will apply to coroners' inquests, lands tribunals and industrial tribunals. Beyond such formal tribunals, article 9 will not apply. By this means the boundary can be clearly delineated, with an embargo on examination of parliamentary proceedings in all courts and similar bodies but not elsewhere.

In addition to Australia, the Parliament of New Zealand has since similarly legislated on parliamentary privilege, adopting a comparable definition of "tribunal" in its Parliamentary Privilege Act 2014.

Turning back to the immediate case at hand, subsection 76(1) of the health professions procedural code, a schedule to Ontario's Regulated Health Professions Act, 1991, vests the college investigator with the authority of section 33 of the Ontario Public Inquiries Act, 2009. What this means is that the investigator has the power to issue summonses to any witnesses, including the hon. member for Thunder Bay—Rainy River, legally compelling the witness to provide a statement and/or documents. Failing to comply with a summons may result in a contempt of court order, among other consequences.

What is more is that the hon. member, as a physician, is under a positive obligation imposed by subsection 76(3.1) of the code to co-operate with any investigation into him. Failing to co-operate could amount to a further allegation of professional misconduct under the regulations made pursuant to Ontario's Medicine Act, 1991, and specifically as behaviour considered "disgraceful, dishonourable or unprofessional."

Beyond the procedural concerns about co-operation with the investigation where the member's supplementary opinions would be questioned, the complainant's goal here is to hold the member accountable for his supplementary opinions. In other words, she wants the member's opinions to be impeached, as article 9 of the Bill of Rights puts it. To quote paragraph 36 of the 1999 U.K. joint committee's report, "the meaning of 'impeach' is not clear: possible meanings include hinder, challenge and censure." A censure is exactly what the complainant is seeking here.

To sum up this aspect of my intervention, our colleague is facing legal proceedings with very serious personal and professional consequences to him because of his words published in connection with a committee report contrary to the constitutionally guaranteed freedom of speech in Parliament. While the procedural authorities are clear that supplementary and dissenting opinions are not part of a committee's report in terms of representing a committee's views, I would submit that they are nonetheless proceedings in Parliament as far as the protections of parliamentary privilege are concerned.

Janse and LeBlanc clarify at paragraph 3.54:

Proceedings include the work of the House and members' actions in the context of the parliamentary process. Proceedings are not limited to debates. Members generally take part in proceedings by speaking during debates in the House and its committees, but also by various recognized forms of formal action, such as presenting documents, petitions or committee reports....

Moreover, committee reports, including any supplementary or dissenting opinions, are publications of the House. Subparagraph (i) (ii) of the special order adopted by the House on February 13, 2026,

constituting the Special Joint Committee on Medical Assistance and Dying, gave the committee the power, among other things, "to print such papers and evidence as may be ordered by the committee".

Janse and LeBlanc add context at paragraph 20.55: "it is now, by and large, interpreted as a power to publish the necessary records and documents at its discretion, namely on the committee's website. It is the practice to publish the Minutes of Proceedings, the Evidence and the reports that committees present to the House." This is important because, in addition to the centuries-old parliamentary privilege of freedom of speech, the House also enjoys a relatively newer privilege concerning the right to publish papers, traced back to the United Kingdom's Parliamentary Papers Act 1840 and explained by Janse and LeBlanc at paragraphs 3.49 and 3.50:

The Parliament of Canada Act provides protection for the publication, by order of the House, of parliamentary papers such that no lawsuit may be brought relating to the contents of the papers or their appendices. This includes all documents published by a committee acting under the authority of the House....

Within three weeks of the opening of the First Session of the First Parliament of Canada, the Senate and the House passed An Act to define the privileges, immunities and powers of the Senate and the House of Commons, and to give summary protection to persons employed in the publication of Parliamentary Papers, which claimed for the Parliament of Canada the privileges, immunities and powers of the British House of Commons. This statute also provided that parliamentary papers were protected by privilege and protected publishers of the authorized parliamentary papers and records against civil or criminal suits. These provisions are now in sections 7 to 9 of the Parliament of Canada Act.

● (1555)

Regardless of which privilege avenue the Speaker considers, the College of Physicians and Surgeons of Ontario is, through this investigation of a member of Parliament's contributions to a parliamentary proceeding, trespassing over the privileges of the House of Commons.

The Canadian Press reports that for her part, the complainant "acknowledges in the complaint that a member of Parliament is entitled to freedom of speech", yet she then proceeded to ask that the hon. member for Thunder Bay—Rainy River be held accountable for his very speech. What good is the freedom of speech if it is only meant to protect the things that we can all agree on or, worse, that only those in positions of authority agree on?

This is why I, a Conservative MP, am rising today on this question of privilege about something concerning a political opponent who sits on the Liberal benches. The case that has emerged is one that I believe could set a dangerous precedent if it is allowed to proceed unchallenged by the House.

Every single party represented in the House, including the two unrecognized parties, have members who have come from and are still members in good standing of these self-regulated professions. If members of the House now must self-censor during important debates in Parliament because their opponents outside of the House will weaponize professional disciplinary bodies to imperil their professional reputations and their ability to earn livelihoods after their service here, then we have lost the freedom of speech and the important contributions that those members must make.

This is not just a loss for those specific MPs or even for all 343 of us. It is actually a loss for Canadians as a whole. As Janse and LeBlanc explain at paragraph 3.7:

...the privilege of freedom of speech is secured to members not for their personal benefit, but to enable them to discharge their function of representing their constituents without fear of civil or criminal prosecution for what might be said in the House and committees. When a constituency has returned a candidate, it is the electors' right that this chosen representative should be protected from any kind of improper pressure.

Facing legal proceedings, professional misconduct investigations, potential blemishes on a professional record and possibly the inability to practise a profession are, I submit, forms of improper pressure. If prospective parliamentarians are told that in addition to the usual challenges we all face to varying degrees, some of them will also be putting their professional careers at risk if, once elected, they speak up for their constituents, especially if they have something to say that does not neatly line up with elite, establishment opinion, what hope do Canadians have that these potentially fine representatives will be willing to offer themselves for public service through election to Parliament?

That our constituents can and should hold us accountable in the so-called court of public opinion is natural, appropriate and a vital part of political and democratic life. Cancel culture, however, is not. We must together draw a firm and bright line that defends and supports the essential role the House of Commons and its members play as the beating heart of Canada's democracy.

Given the unprecedented nature of this issue, coupled with the somewhat vague and older statutory wording involved, which I have quoted, this is something the Standing Committee on Procedure and House Affairs should study thoroughly. It should, in turn, provide recommendations concerning both the specific case of the hon. member for Thunder Bay—Rainy River and more generally for any future repetition of a challenge such as this.

Please join me in standing up for freedom of speech here in Parliament and in protecting our colleagues from the Kafkaesque threat of professional misconduct hearings being weaponized against them because of their parliamentary work. This is not just about special exemptions for MPs from rules that apply to everyone else. This is about protecting MPs from cancel culture and protecting them from having their professional designations threatened for speaking out on behalf of their constituents.

Even if a tribunal ultimately rules in favour of the member, in too many cases the process itself is the punishment. The fear of professional repercussions will have a chilling effect on the ability of MPs to speak their minds fully. The words spoken in Parliament or written in a committee report should be judged at the ballot box and

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the ballot box alone. Canadians themselves hold the ultimate authority in judging the words we use in this place.

Should you agree, Mr. Speaker, that this situation amounts to a *prima facie* case of privilege, and I strongly urge you to do so, I am prepared to move an appropriate motion to refer this matter to the committee.

• (1600)

The Speaker: I thank the hon. member.

The hon. parliamentary secretary to the government House leader.

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I appreciate the manner in which that was presented, and I reserve the opportunity for a member of our caucus to respond.

The Speaker: It is noted.

I wish to inform the House that because of the deferred recorded division, the time provided for Government Orders will be extended by 12 minutes.

* * *

STRENGTHENING CANADA'S DEFENCE SECTOR ACT

The House resumed consideration of the motion that Bill C-40, An Act respecting production, procurement and investment in relation to national defence and national security, be read the second time and referred to a committee.

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am disappointed that the Conservatives do not recognize that a Crown corporation is the best direction to go in when it comes to military procurement. This is for many different reasons. Suffice it to say that one of those reasons was part of the last election platform. We had indicated that it would be independent in nature. We want to be able to speed up the process to better serve our Canadian military and build a stronger, healthier economy through supporting our military industrial communities throughout the country.

Why does the Conservative Party not support something that has been well established in many other areas in terms of accountability, transparency and so much more?

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Scott Anderson (Vernon—Lake Country—Monashee, CPC): Mr. Speaker, this is a bit ridiculous. The parliamentary secretary stood up for a good 10 minutes and told us all about how this was really the plan from the very beginning. He referenced that Mr. Guzman stood in committee and said that maybe it would be that. Mr. Guzman was completely confused as to what the direction of the DIA was at the time and said that he did not know and that maybe it would be that.

I would like to discuss the PBO appearing before us recently, who was similarly confused as to the direction of the DIA. They have no clue. This is an experiment that is rolling out, with big announcements and changes of plans. The PBO does not even have a handle on what we are doing. I have no idea.

• (1605)

[Translation]

Jean-Denis Garon (Mirabel, BQ): Mr. Speaker, as I understand it, there seems to be some confusion about what the procurement system should look like, because we have two bills before the House right now. First there is Bill C-31, which will create a Crown corporation, and then there is Bill C-40, which proposes a completely different process.

From what I understand, once Bill C-31 is passed, much of what we are debating today will simply go out the window. Today, in committee, the secretary of state told us that the plan was always to have a temporary structure before setting up a permanent one later.

I wonder if my colleague knows why the government, in this case, is presenting us with the structure that was meant to be temporary, Bill C-40, and the structure that is meant to be permanent, Bill C-31, and why we are debating them at the same time in the House.

What is the logic behind that?

[English]

Scott Anderson: Mr. Speaker, the logic escapes me entirely. Most governments will make a plan and then follow the plan. The Liberal government has no plan, but it spends lots of money and makes lots of announcements, and then changes the plan that it said it had in the first place. Then it changes it again and says that it meant to change it all along. Even the PBO is confused as to what direction we are going in. I think the government is similarly confused.

James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, I want to thank the hon. member for Vernon—Lake Country—Monashee for his service as a veteran.

It is quite laughable listening to the parliamentary secretary, the member for Winnipeg North. Five months ago, when we were talking about the second iteration or version of the Defence Investment Agency in Bill C-31, he was saying that it was the greatest idea since sliced bread. Now he is up here saying that this new Crown corporation being created for the Defence Investment Agency is the best thing we have created since sliced bread.

The Liberals can get up here and make all these claims, but at the end of the day, is this the type of thing we need, or is it just something that gives unfettered power to one minister and access to \$1

billion under the general revenue fund? Does it provide opportunities for political interference and corruption and to get away from accountability and transparency?

Scott Anderson: Mr. Speaker, as I said before, we are moving at speeds not seen since the last ice age. These are not generationally quick speeds. These are speeds that have no direction whatsoever. The Liberals are simply meandering along and changing plans. My good colleague across the aisle is here to tell us all that this was the big plan in the first place, but there is no direction whatsoever.

Hon. David McGuinty (Minister of National Defence, Lib.): Mr. Speaker, because this is the first time I have had an opportunity to address the House with respect to the incidents that occurred this past weekend, I want to say a few things about the tragedy that occurred in Wainwright.

On Saturday afternoon, at CFB Wainwright, a violent, fast-moving fire broke out while soldiers were training on the range. Thirty-nine members of the Canadian Armed Forces were injured, including 19 critically, and four lost their lives: Private Aidan Goulding of the 3rd Battalion, Princess Patricia's Canadian Light Infantry, from North Vancouver, British Columbia; Private Shaun Farrell of the 3rd Battalion, Princess Patricia's Canadian Light Infantry, from Prince Albert, Saskatchewan; Private Hayden Lykkemark of the 3rd Battalion, Princess Patricia's Canadian Light Infantry, from Langley, British Columbia; and Sergeant Morgan Wong of the Loyal Edmonton Regiment, from Edmonton, Alberta. Canada will remember them. This is one of the most difficult moments the Canadian Armed Forces has faced at home in peacetime.

Yesterday, I met with Canadian Armed Forces members and first responders and received an update from CAF leadership on the ongoing response. Our priority remains the well-being of the families of the fallen and those who remain hospitalized. As of this moment, 27 members of the Canadian Armed Forces are still in hospital receiving treatment. I want to take a moment to thank all of the health care workers in our hospitals, our surgeons, our nurses and our critical care experts for the support they are providing to these incredibly brave members of the Canadian Armed Forces. In particular, I would like to single out those whom I met yesterday at the hospital in Wainwright, the men and the women who performed heroically throughout the crisis. It was indeed a crisis. In the face of profound loss, they have shown extraordinary strength, compassion and care for one another. We will continue to stand with them and their families and ensure that they have the support they need.

Let me now turn to the legislation before us and explain why our government is taking action to strengthen Canada's defence sector. I do rise today in support of Bill C-40, the strengthening Canada's defence sector act.

• (1610)

[Translation]

This is a defining moment for Canada's security and sovereignty. Threats are evolving rapidly. Technology is changing the nature of conflict, so we and our allies must adapt to a new reality. Canada must be ready. We need to strengthen our military capabilities, modernize our institutions and ensure that our investments produce concrete results.

That is exactly what the bill seeks to do.

[English]

At the heart of every decision we make in national defence are the women and men who serve the country. I have had the privilege of meeting them on bases and wings across Canada, aboard our ships and alongside our allies overseas. Wherever I go, I am reminded of the extraordinary professionalism, determination and sense of duty that define our Canadian Armed Forces. We ask a great deal of these Canadians, as we have all been witness to this past weekend. We ask them to defend our sovereignty in the Arctic, to stand alongside our NATO allies in Europe, to respond when Canadians face wildfires, floods and natural disasters, and when necessary, to put themselves in harm's way. They answer that call without hesitation.

Behind every member in uniform is a family that serves alongside them, families that endure long separations, repeated moves and sacrifices of their own. When we ask that much of our people, we have a responsibility to give them the tools they need to succeed, because readiness is not an abstract concept; it is whether a sailor can depend on the ship beneath their feet, whether an aviator has the capabilities needed to complete the mission, whether a soldier has the equipment and protection necessary to return home safely. We owe these Canadians more than our gratitude. We owe them those results, and delivering those results begins with ensuring that our defence procurement system works for the people who actually depend on it.

Canada is making generational investments in national defence. This is irrefutable. We reached NATO's 2% defence spending target in fiscal year 2025-26, five years ahead of our previous scheduled commitment.

Budget 2025 committed approximately \$81.8 billion in additional defence funding over five years. We are rebuilding, rearming and reinvesting in our national defence. As I have said before and will repeat again here, investing more is only part of the job. We must also change how we deliver, because money committed is not capability delivered. A contract signed does not put equipment in the hands of a service member. An announcement cannot defend our airspace, patrol our oceans or protect our sovereignty. Only real military capability can do that.

For too long, Canada's defence procurement system has been too fragmented, too complex and too slow, with too many steps, too many hand-offs and too much time between identifying what our armed forces need and getting that capability into their hands. That is not a reflection of the talented military personnel, public servants and procurement professionals who work within the system, but a

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reflection of a system that must simply evolve. The world is not going to wait for us to do just that, pursue that evolution.

That brings us to the legislation before the House. The Defence Investment Agency was established in October 2025 to transform how Canada acquires and delivers defence capabilities. Bill C-40 would take that transformation even further. It would establish the agency as a Crown corporation within the national defence portfolio, giving it a permanent structure, greater commercial flexibility and the specialized expertise needed to manage complex defence investments. This is not simply about creating another institution, as some would have us believe, but about fundamentally improving how we deliver for our armed forces, bringing procurement, production and investment together, connecting military requirements with the industrial capacity needed to meet them and ensuring that decisions can be made with the speed and discipline that national security demands.

Acquiring equipment is only one part of the challenge. We must also be able to maintain it, repair it, replenish it and sustain it throughout its operational life. Bill C-40 would provide broader procurement and investment tools, including mechanisms to help strengthen production capacity in strategically important areas. It would also amend the Defence Production Act to better reflect Canada's evolving national security requirements, including economic security. It would support a more coordinated approach to major defence acquisitions. The Canadian Armed Forces, National Defence and the Canadian Coast Guard would continue to determine what capabilities they need. The Defence Investment Agency would focus on getting those capabilities delivered. The proposed agency would remain subject to appropriate government and parliamentary oversight, with clear governance and accountability arrangements.

Canadians expect their government to move with urgency. They also expect responsible spending and value for money. We can do both, we must do both, and in Bill C-40 we will do both.

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Canada has never been a country that turned away from difficult challenges. Generations of Canadians have stepped forward to build, serve and defend this country. They built the institutions that protect us. They served in conflicts far from home. They understood that sovereignty, security and freedom could never be taken for granted. Today, that responsibility belongs to us. We have inherited it. As a result, we are making the investments. We are strengthening our armed forces. We are rebuilding our defence industrial capacity. We launched Canada's first ever defence industrial strategy a short 10 months ago. Now we must ensure that our institutions can deliver at the pace this moment demands because it is accelerating. The measure of our commitment to national defence is not simply what we promise, but what we build, deliver and sustain, and whether the women and men who serve Canada can count on us when it matters most.

• (1615)

They are ready to serve. We must be ready to deliver. Bill C-40 takes the process of procurement to its next logical step, building on our experience to be able to provide the equipment, the materiel that is required by the women and men on the front lines of the Canadian Armed Forces, because ultimately we are here for them as they acquit themselves courageously of their responsibilities as members of the Canadian Armed Forces.

James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, I want to thank the minister for the hard work he did this weekend being out there at CFB Wainwright, being there to support the families. I appreciate that he was there to be with the troops and that he kept the Canadian public informed. I cannot express that enough. I share his sympathy and condolences to the families, and want to give our thanks and gratitude to all the first responders. There was incredible work done in fighting the fire, rescuing those who were injured and providing medical care and attention. We are, as Canadians, all grateful for the minister's commitment to our troops.

However, I have to say that on Bill C-40 we are seeing a third iteration of the Defence Investment Agency and we are still not seeing any real true procurement happening on the scale that we want. We have seen a lot of announcements. We have seen reannouncements. We have seen intentions to deal with preferred suppliers. However, they talk about building at speeds that we have not seen yet, and all we are getting is bureaucracy. What started off as the defence investment agency under PSPC then became the Defence Investment Agency as a stand-alone entity in Bill C-31, and now, in Bill C-40, the Liberals are turning it into a Crown corporation.

I just want to ask the minister this: One of the concerns we have as Conservatives is around the accountability and transparency within this system. How are we going to ensure that we exercise our fiduciary responsibilities and still support the troops at the same time?

• (1620)

Hon. David McGuinty: Mr. Speaker, my colleague and I are in complete agreement with respect to the troops and our combined support and, I think, Parliament's support for the folks who are battling right now in our health care system and struggling for health. We wish them, of course, speedy recoveries.

I want to begin perhaps by just going back to the first part of his question, which was about the distinction between the Crown corporation and the special operating agency. One of the things that happened when we actually began the reform of a procurement regime in defence, for the first time in decades in this country, is that there were lessons to learn. We have learned from experience. We have learned in terms of the sophistication of the commercial marketplace. We have learned how to deal more overtly with the suppliers of goods and services.

That is why we believe the Crown corporation will have greater flexibility to draw on commercial expertise, execute innovative investment tools and streamline decision-making processes. For example, it will allow, in this case with the Crown, the opportunity for the Crown to invest by buying equity or even providing loans. That is something that the agency previously could not provide. We think this is a step forward.

[Translation]

Luc Thériault (Montcalm, BQ): Mr. Speaker, the Bloc Québécois joins our colleague in expressing our heartfelt sympathy and condolences to the people affected by the tragedy in Wainwright. Our thoughts are with them.

Making the Defence Investment Agency a Crown corporation will enable the government to practise selective accountability. On the one hand, with Bill C-40, the government is removing oversight mechanisms for its most costly expenditures. On the other hand, by creating an independent Crown corporation, the government will take credit for successes when doing so suits its purposes and deny responsibility when sensitive or controversial matters arise on the grounds that the corporation operates independently. Why has this government been working to reduce accountability ever since it came to power?

Hon. David McGuinty: Mr. Speaker, on the contrary, I would say to my colleague that the proposed Crown corporation will be accountable to Parliament through a new associate minister of national defence for procurement. This is exactly the case in several other allied countries in Europe, for example, in Great Britain.

The government will establish a board of directors to oversee the agency's day-to-day management and supervision. In addition, the Crown corporation will be subject to ministerial requirements regarding reporting to Parliament and financial controls, as well as audits and reviews by the Office of the Auditor General of Canada.

We have established a model, or an architecture, that will streamline procurement. At the same time, we are ensuring that there is the kind of accountability to which the member is referring.

[English]

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I appreciate many of the words, especially the tributes by our members making reference to the disaster that took place in Wainwright.

I wonder if the minister can just provide his thoughts. From the last federal election, with our new Prime Minister and 70-plus new members of Parliament, one of the highest priorities was to deal with the Canadian Forces. It is one of the reasons we saw the substantial increase, meeting the 2% GDP. It is one of the reasons we saw raises going to our military personnel and so many investments. This piece of legislation is just a continuation of commitments to our Canadian Forces and the Canadian economy as a whole, that military industrial component in Canada that provides thousands of jobs.

• (1625)

Hon. David McGuinty: Mr. Speaker, my colleague is a former serving member of the forces, and I thank him very much for his service.

What the member is really indicating is that we made a decision some 14 months ago to transform the Canadian Armed Forces in terms of investments, recruitment, retention and pay packages. Overall, as I mentioned, we made a 2% commitment to spending, \$81 billion-plus over the next five years, and we have seen results. We have seen, for example, a 61% increase in completed applications to join the Canadian Armed Forces this year as compared with last year. We have seen recruitment numbers continue at other levels. We have seen retention also continue to augment and ameliorate. What we are really doing here is making the requisite investments to recruit, retain, arm and rebuild, and this is exactly what the Canadian Armed Forces have been waiting for, for some time.

Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, first, I want to extend our gratitude to the minister for his efforts yesterday, representing all of Parliament in Wainwright and supporting the Canadian Armed Forces and the families who have been impacted.

I know the minister is sincere and wants to get military equipment to our military faster so they have the right equipment. However, there are serious concerns about parliamentary oversight of a Crown corporation. We just heard, right now, that the government gave a contract to a subsidiary of a U.S. company, its Canadian supplier, that is delivering services to ICE on behalf of the Trump regime, and that is unacceptable. No one here, across the country, believes it is acceptable that a foreign company is taking contracts like this.

Does the minister agree that this is outlandish and unacceptable? What is he going to do to ensure that this would not happen with what they are proposing here today?

Hon. David McGuinty: Mr. Speaker, what the member is referring to is overall accountability and, for that matter, also compellability. The CEO of this Crown corporation could be brought before committee at any time. The board could be convened at any time. There would be opportunities to put tough, difficult and probative questions to them. There is no off-ramp with respect to the creation of the Crown in terms of accountability to Parliament.

On the contrary, what it would do is make this body more fleet-footed, more focused, more commercial and more able to negotiate better deals more quickly. We have seen that most recently with the example of the forthcoming acquisition of the fleet of new sub-

marines. A process that normally would have taken five years was in fact, hopefully with a completed contract soon to come, completed within 20 months.

Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I count the hon. Minister of Defence as a dear friend.

I want to very quickly put this forward, and I am sorry if it sounds hypercritical. We transferred the Coast Guard into the defence budget to reach the 5% target, and I am hearing from Coast Guard folks in my riding. They used to be able to do the work to remove derelict vessels that were hazards to navigation by picking up the phone and calling someone they knew was competent, like a local contractor, to say, “Come and get this vessel out of our waters.” They are now forced through the defence contract and procurement process, which slows them down tremendously. I think every time we change regimes and the way the bureaucracies work, whether in civil society or in the military, we slow things down.

Is the minister aware of this problem within the Coast Guard, and what can be done to ensure they can move quickly?

Hon. David McGuinty: Mr. Speaker, I am aware of the continuing responsibilities the Coast Guard has in this regard.

I would like to set the record straight, though. The Coast Guard was not transferred into the DND family as a result of our trying to hit a target. It was transferred into the DND family in order to provide security and intelligence functions in a more complete defence posture for the country.

• (1630)

Hon. Jenna Sudds (Parliamentary Secretary to the Minister of Government Transformation, Public Works and Procurement and to the Secretary of State (Defence Procurement), Lib.): Mr. Speaker, I will be sharing my time today with the member for Tobique—Mactaquac.

I rise today to speak in support of Bill C-40, the strengthening Canada's defence sector act. This legislation represents an important step in modernizing Canada's defence procurement system, strengthening our domestic defence industry and ensuring that the investments we make in our national security deliver meaningful results for Canadians.

At its core, the bill is about three things: equipping the Canadian Armed Forces with the capabilities they need, building a stronger and more resilient Canadian defence industrial base and ensuring that Canada is positioned to meet the security challenges of an increasingly uncertain world. These three objectives are deeply connected. We cannot have a strong national defence without the industrial capacity to support it. We cannot build that capacity without giving Canadian businesses the opportunity to innovate, compete and grow. We cannot achieve either objective if our procurement system is unable to move at the speed our national security demands. That is why Bill C-40 matters.

Government Orders

As parliamentary secretary and the member of Parliament representing the communities of Kanata, Carp, Bells Corners and Stittsville, I see this legislation through two important lenses: our responsibility to defend Canadians, and our opportunity to build on the extraordinary talent, innovation and entrepreneurial spirit that exist within communities across the country.

My community of Kanata is home to a remarkable technology ecosystem. Our businesses work at the forefront of advanced software, cybersecurity, communications, aerospace and other technologies that are increasingly essential to modern defence. These companies understand innovation. They understand the importance of investing in research and development. They understand that in a rapidly changing technological environment, the ability to move quickly can make the difference between leading and falling behind. We need a defence procurement system that understands that reality as well.

I would like to address three key areas: how this bill supports the objectives of Canada's defence industrial strategy, how we can create greater opportunities for Canadian small and medium-sized businesses, and how this legislation helps modernize the way Canada acquires the capabilities necessary to defend our sovereignty.

On the first, supporting the objectives of Canada's defence industrial strategy, our government recognizes that defence procurement must serve a purpose beyond merely the acquisition of equipment. Of course, our Canadian Armed Forces must have the equipment, technology and infrastructure they need to carry out their work. That is our first responsibility. However, the way we make those investments also matters. Defence spending represents an opportunity to strengthen Canadian industrial capacity, support highly skilled workers, encourage innovation and develop the sovereign capabilities we need to protect our country over the long term.

Canada's defence industrial strategy provides a framework to achieve these objectives. It recognizes that our national security and our economic prosperity are closely linked. This bill supports this ambition by proposing to establish the Defence Investment Agency as a Crown corporation, with a clear mandate, dedicated leadership and greater operational and commercial flexibility. This is a meaningful change.

By bringing key defence procurement, production and investment activities together within a dedicated organization, the agency will be better positioned to reduce unnecessary hand-offs, make decisions more efficiently and provide greater predictability to Canadian industry. The proposed model also maintains government oversight and preserves the responsibility of National Defence and the Canadian Armed Forces to establish their operational requirements.

• (1635)

We are working to improve how decisions are delivered, without losing sight of who those decisions are meant to serve.

Our defence industrial strategy recognizes that Canada must be deliberate about what we build domestically, where we partner with trusted allies, and when we purchase capabilities from international suppliers. This approach allows us to strengthen Canadian expertise

where it is strategically important, while recognizing that collaboration with our allies remains essential to our collective security.

Our geography, our Arctic responsibilities, and our commitments to NATO and other international partners require strong domestic capabilities combined with reliable international partnerships. The Defence Investment Agency can help connect those priorities. It can help ensure that major defence investments are considered not only in terms of what we need to acquire today, but also in terms of the industrial capacity, supply chains and technical expertise that we will need tomorrow. That is how defence procurement becomes a longer-term investment in Canada's security and sovereignty.

Secondly, we must ensure that Canadian small and medium-sized enterprises have a meaningful place in this strategy. When we talk about Canada's defence industry, it is natural to think about major shipbuilding projects, large equipment manufacturers and significant military platforms. Those are important, but a strong defence industrial base also depends on the smaller businesses developing specialized technologies, designing advanced components, building secure software and solving complex engineering problems. Those companies are often responsible for the innovations that give our defence capabilities a competitive advantage.

There are also important employers in communities all across our country. In my riding of Kanata, we have a strong and growing defence innovation ecosystem. The Ottawa area has built an international reputation for technology and innovation. We have companies with deep expertise in software, secure communications, cybersecurity, sensors and advanced digital systems. I look to the work of Kanata-based company Adaptive Marine Solutions, which is designing and engineering the next generation of vessels for the Canadian Coast Guard. These vessels will give the Canadian Coast Guard the tools it needs to conduct marine research, mapping, search and rescue, and maritime security and enforcement operations. I also look to Kongsberg Geospatial. Its real-time geospatial software supports applications such as situational awareness and unmanned systems.

These examples demonstrate the kind of specialized Canadian expertise that can contribute to modern defence capabilities, but they also demonstrate why it is so important that our procurement system be accessible to innovative Canadian businesses. A smaller business or smaller company may have a promising technology that may address a genuine operational need. It may have talented engineers, a strong research team and a solution that could benefit the Canadian Armed Forces, but developing a technology and operationalizing it are two very different challenges.

We must make sure as we move forward that our procurement system does not unintentionally prevent Canadian innovation from reaching the people who need it. Bill C-40 would create an opportunity to improve the relationship between government and industry. With greater commercial flexibility, the Defence Investment Agency would be better positioned to engage with suppliers, assess potential solutions and move from validated requirements to procurement decisions more efficiently.

I am honoured to have the opportunity to speak to this bill today, and I look forward to the questions that will come.

● (1640)

Arnold Viersen (Peace River—Westlock, CPC): Mr. Speaker, the Liberals have been talking about reform to the acquisition method in Canada. I am wondering if the member could give us a history of the acquisition of the F-35s and whether she thinks the Liberals have done a good job of that or not.

Hon. Jenna Sudds: Mr. Speaker, we know that procurement is ongoing, and I will not speak to the status of that in this moment, but I will point to some recent successes. We are negotiating for up to 12 submarines currently, which would potentially be supporting up to 100,000 Canadian jobs. We have a strategic partner with General Dynamics that is supporting thousands of jobs in London and across the country. We have seen an \$11-billion investment in the Davie icebreaker, which is involving more than 1,500 Canadian suppliers. This is evidence of the progress that we are making as we move forward.

[Translation]

Jean-Denis Garon (Mirabel, BQ): Mr. Speaker, today we are discussing Bill C-40, a procurement process that will be demolished by Bill C-31, which will be passed because it is a budget bill, a confidence vote.

Earlier today, the Standing Committee on Finance heard from the Secretary of State for Defence Procurement. I asked him why a new Crown corporation was needed for procurement, which runs counter to Bill C-40. He replied that our companies do not want government contracts, but rather commercial ones. However, none of the Five Eyes countries or any other NATO member has a Crown corporation, or a state-owned enterprise, that handles procurement. That is evident from the fact that politicians will continue to control the procurement process.

I would like my colleague to tell me why she is selling us this bill that Canadian businesses want nothing to do with. That is what the secretary of state said this morning.

Government Orders

Hon. Jenna Sudds: Mr. Speaker, I think the questions are as follows: Why create a Crown corporation? Why was the decision made to do that now?

The answer is that the goal is actually the opposite. I think the agency would have greater flexibility to negotiate and manage contracts using business practices better suited to the industry. It will also bring procurement and strategic investments under a single mandate.

[English]

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am a little confused about the motivation of the Conservative Party, along with the Bloc, and why they would oppose corporations. In fact, Crown corporations have a huge history of success, whether it is municipal, provincial or federal. It is a way to ensure more transparency and more accountability, and to have something be at arm's length of government. These are all positive things we have witnessed for generations, at both the provincial and the national level, yet we have the Conservatives and the Bloc now saying that they do not support it.

I am wondering if my colleague could provide her thoughts not only on how it would make it more efficient, but on the fact that there is a high level of accountability and transparency with Crown corporations.

Hon. Jenna Sudds: Mr. Speaker, as I shared with the last question, the decision to move forward with a Crown corporation for the new Defence Investment Agency would enable the agency to move more quickly and give it the ability to meet the pace of industry. As someone who represents a riding with many companies in both defence and dual-use technologies, a comment I hear often is that it is a challenge for the government to keep pace. Here is the government in action, doing just that. The ability to move more quickly, at the speed of commercial contracting, to ensure that the Canadian Armed Forces has the cutting-edge solutions that it truly needs and is looking to acquire is really an opportunity. I am proud of the work of our government in moving forward with this legislation.

● (1645)

[Translation]

The Assistant Deputy Speaker (John Nater): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Sherwood Park—Fort Saskatchewan, Finance; the hon. member for Saanich—Gulf Islands, Health; the hon. member for York—South Simcoe, The Economy.

*Government Orders**[English]*

Richard Bragdon (Tobique—Mactaquac, CPC): Mr. Speaker, I want to thank my colleague across the way for sharing her time. It is an honour to rise in the people's house once again, to speak in regard to Bill C-40. I would like to commence my remarks by recognizing and giving honour to those to whom honour is due. Our hearts, thoughts and prayers go out to the members of the Canadian Armed Forces and their families who have been affected and devastated by the tragedy that has taken place at CFB Wainwright. I want to offer, to them and the Canadian Armed Forces from coast to coast to coast, our thoughts, prayers and sympathies to the families that have been affected and are going through loss at this time.

Upon further reflection in regard to that, thinking of our brave men and women in uniform, past and present, and as we approach Remembrance Day coming up, it would only be correct for me to once again recognize that we owe a debt of gratitude that can never be repaid to those who paid the ultimate price, and to their families, who suffer so much along with them, providing such tremendous support and hope to Canadians. We are enjoying freedoms because they paid the price, they made sacrifices and their loved ones allowed them to serve. They have served in so many ways that we cannot begin to adequately express. On behalf of a grateful nation and on behalf of the good people of Tobique—Mactaquac, we thank all of them for their service and sacrifice. We give honour to them today.

We recognize that the Canadian Armed Forces deserve the best of the best, and they deserve our best. They have an expectation of government, and rightly so, that if they are going to make sacrifices and go to serve a cause greater than themselves, they need the best equipment and supplies and the weaponry that they need to do combat in the 21st century. Part of that is making sure that we give them all the tools that they need to succeed.

While I was thinking about this, I was reflecting upon how many times our brave men and women have punched above their weight in service to our country. The Canadian Armed Forces have done incredible feats throughout history. Whether it was at Vimy Ridge, where heroism was on full display; at Juno Beach when our troops, our brave young soldiers, stormed the beaches; the liberation of the Netherlands in the Second World War; the Korean War; those who served valiantly and bravely in the Persian Gulf War, or those who served more recently in Afghanistan and throughout various peace-keeping missions around the world, one thing that is clear is that their service, abilities and capabilities as fighting men and women are quite unparalleled in any other fighting force around the world. They are to be commended. They have always punched above their weight. To this day, they continue to excel and give their utmost in service to our country.

That is why it is so important to get this type of bill right. That is why, when we invest in our brave men and women, we want to make sure we do it right, with the level of investment that it requires and deserves, but also with integrity around that investment to ensure that it is done properly and in the way it should be done.

Too many times, we have gotten the defence spending aspect wrong in this country. It has not been the priority it should have been. This goes back throughout our history. Our brave men and

women deserve much more. The government has committed to spending more on national defence, which we in the official opposition support. It is important that we make sure the safeguards are put in place, so that the money being pledged, and the spending that is going to happen, actually gets to the brave men and women who are wearing the uniform. It must get to the right equipment at the right time, expeditiously, and not be siphoned off through reams of more layers of bureaucracy, or be unaccounted for or not answerable to those who represent the people of Canada, namely the Parliament of Canada. Proper oversight and proper safeguards should be put in place.

• (1650)

By doing that, we would be giving honour to the Canadian taxpayer, but also to the brave men and women who serve in our forces. The Canadian Armed Forces need equipment. They need it delivered. They need it on time, but they do not need another layer of bureaucracy.

The Canadian Coast Guard, for example, most recently has been allocated under National Defence. Recently, at the government operations committee, I asked the defence officials who were representing it there whether the Coast Guard was still more or less a civilian operation or if it was being militarized. Are the ships being equipped with defences? Are they doing defence exercises? Are they being prepared and equipped, if they are part of National Defence, and is the spending that has been allocated under the Canadian Coast Guard for years now being attributed toward NATO required spending?

I asked simply, in that committee, whether they are being equipped. The answer was that no, there are no defence mechanisms being put on the vessels. They said at that time that they were still continuing to do fish-counting operations and surveillance on the waters for fish, civilian and operational purposes, but really there was not a whole lot that would fall under the mandate of Canadian National Defence.

As such, Canadians do rightly have questions, when we say we spent this much more under National Defence, whether it really is going to National Defence and equipment upgrades or it is going to reallocation through a budgetary mechanism. By reassigning certain departments, what was once under Fisheries and Oceans is now accounted for under National Defence. It helps augment the numbers quickly, but does it achieve the objective of providing the equipment that we need, the training that is needed and the resources that are needed to defend our nation and our waters?

These are questions that Canadians legitimately have. There are reports of a proposed 10% cut in the Canadian Armed Forces operating budget. When we are talking about cutting 10% while saying we are going to augment and meet our NATO obligations, Canadians are right to ask how we square that circle. How does it come together that we are going to cut 10% out of operating budgets but somehow augment tremendously our level of spending on national defence? Canadians are right to ask how that goes together.

I grew up in a little place called Hartfield, New Brunswick, and there, still to this point, two plus two equals four, but I am coming to learn in the House that this is not always the case. Sometimes two plus two equals 104 or 305 billion. I do not know. I cannot keep up with the figures that keep coming out of this place as relates to the finances of the nation.

That is why we as the official opposition have an obligation to make sure, when it comes to procurement, that it is done properly, that it is prioritized, that the needs of the brave men and women in our armed forces are of the utmost priority and that what is needed is prioritized. If that is equipment, the forces get the equipment that they need. If they need more weaponry, they are going to get that weaponry. If they need better protective equipment, they get that. That should be the utmost priority, and contracts should not be awarded to friends and associates, those who are well connected in high places. They really should be going to those who are most qualified.

I will end with this. There is a quick story that I am brought back to, and I hope I can squeeze it in. It is a story of a young man who was in a position of authority in a country that was not his own. He heard about his hometown, which was in a state of ill repair. The defences had fallen and the walls had collapsed, and this young man, whose name was Nehemiah, was quite distressed over the condition of the wall that surrounded the city where he grew up. He sought permission to come up with a strategy. He went back, and of course, it was dilapidated. It was in rough shape, and they did not know what could be done. The critics came, and they said that they could never do it for this reason; it would never get done for that reason; it was going to be faulty, and it was not going to be right.

However, here is the good news: That young man came up with a strategy. He said that they were going to do something. Yes, there were threats that were emerging, and yes, it looked overwhelming to rebuild the defence of the city the way it should be, but they were going to put a brick in one hand and a sword in the other and build and defend at the same time.

That is what the government needs to do, both build and defend. Let us do it together.

• (1655)

Sherry Romanado (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, before I get to my question, I want to highlight that today is the difficult anniversary of the death of Warrant Officer Patrice Vincent, who was killed back in 2014. Our thoughts are with his family today.

The member opposite talked about a couple of things. He asked about the Canadian Coast Guard and the capabilities it brings to the Department of National Defence. One of those capabilities is the

ability to actually share security information with our allies, which was not the case when it was under Fisheries and Oceans. It also brings training opportunities to the Canadian Armed Forces.

The member also mentioned a question with respect to New Brunswick. I have visited CFB Gagetown, and anyone who had a chance to go visit this summer would have seen the incredible investments happening on bases and wings across Canada.

The member mentioned that successive governments had difficulty in terms of getting defence procurement right. Would he not agree that perhaps we need to look at a different way of doing what we do to get those capabilities to our men and women in uniform?

Richard Bragdon: Mr. Speaker, I give my deepest respects to the service member, who paid a huge price in service, and to his family.

Canadians are looking for the best way to invest in our armed forces to give them the adequate supports that they need and make sure it is timely. Canadians also want, and are demanding, that this be done with integrity. They want it done in a way that is transparent, open, with proper accountability and checks and balances in place. This is a huge amount of money, and rightly so, but it needs to be done properly, with the oversight of Parliament.

[Translation]

Luc Thériault (Montcalm, BQ): Mr. Speaker, is my colleague not concerned, as I am, that, by creating a Crown corporation and giving a board of directors who are not elected the responsibility of spending billions of dollars, the government is shirking its responsibilities and washing its hands in the event of unpopular decisions or scandals?

Does he not think that there will be less accountability, if not a complete lack of accountability?

Richard Bragdon: Mr. Speaker, indeed, I share my colleague's concerns.

[English]

Regarding the procurement process, we want to make sure that checks and balances are put in place that protect taxpayer dollars and hold the government to account. I share the member's concern that there is the potential for this to be abused, and it does not have adequate oversight and accountability from this body, from the House. We have to make sure that safeguards are put in place.

Government Orders

Fraser Tolmie (Moose Jaw—Lake Centre—Lanigan, CPC): Mr. Speaker, the member made a couple of comments with regard to insiders and friends. We have seen this with the ArriveCAN app and the green slush fund. This is a huge concern for Conservatives. I heard a previous colleague from across the aisle talking about a closer relationship between government and corporations. I think that is what scares us the most about that. Would the member like to share his point of view and thoughts on that and on why there are some reservations on our side?

Richard Bragdon: Mr. Speaker, I thank my colleague for his service to our country.

I share the member's concerns, as do many Canadians. Obviously, past behaviour can sometimes be an indicator of future behaviour. Members can understand why Canadians are looking at this with a bit of leering and wondering if we are establishing a corporation through which perhaps associates and friends could be rewarded with contracts without proper oversight from this body. I believe we have to look at that, make sure safeguards are put in place, and make sure that Parliament has proper oversight of any of this procurement that takes place.

• (1700)

[Translation]

Steeve Lavoie (Beauport—Limoilou, Lib.): Mr. Speaker, I will be sharing my time with the member for Riding Mountain.

I am pleased to rise today on behalf of my constituents in Beauport—Limoilou to speak to Bill C-40, the strengthening Canada's defence sector act.

Last week, I was back in my riding with my colleagues from Québec Centre and Louis-Hébert. We held a round table with businesses from across the greater Quebec City region. The word that came up most often was "predictability". Businesses want greater predictability so that they can make informed decisions. I will come back to this theme often in my speech, particularly as it relates to the needs of businesses.

Bill C-40 is built on three fundamental pillars: production, procurement and investments in relation to national defence and national security. One of its aims is to modernize our policy instruments by creating a Canadian corporation for defence investment and expanding the scope of the Defence Production Act to more explicitly address matters relating to national security, services, certain types of infrastructure, investment and economic security.

Beyond the legislative provisions themselves, today I would like to talk about something that I believe is essential: the difference between being involved and being committed.

There is an important distinction between being involved and being committed. There are many ways to work on a project. One can choose either to be involved or to be committed. Some members may be wondering what the difference is. Let me share a little family anecdote that may bring a smile to their faces.

I grew up on a dairy farm. When I was young, my father used a simple analogy to explain the distinction to me. He would tell me that, at breakfast, the chicken is involved, but the pig is committed. I think members can appreciate the distinction I am drawing here.

That analogy has stayed with me throughout my life. At its core, being involved means contributing to a project. Being committed means accepting the responsibility to devote the necessary resources, take risks and assume greater accountability to ensure its success. Depending on the circumstances, a government may choose either to be involved or to be committed.

With this bill, we are talking about a concrete commitment in three areas: production, procurement and investment. It is a commitment to our defence, our national security and our economic security.

How is that commitment being put into action?

This bill sets out the financial tools that would allow the government to intervene in various ways to support the development of our defence industry, particularly by providing loans to support industrial projects and strategic investments; making advance payments to make it easier for certain projects to get off the ground; offering financial guarantees, such as loan guarantees, loan insurance or credit insurance; and buying, holding and selling shares and other financial instruments that make it possible to participate in funding certain businesses and projects.

Why is that important?

It is important because these tools will enable strategic projects to get off the ground, whereas they might otherwise have struggled to secure the funding they need.

To fully understand the significance of this change, we need to put ourselves in the shoes of businesses and consider the economic reality they face. All too often, the government issues calls for tenders to procure equipment or specialized services, only to find that there are too few companies willing or able to bid. Why is that? It is because bidding for these contracts often requires substantial front-end investment by businesses, while the predictability of future orders is not always satisfactory. Allow me to provide a concrete example. A Canadian company is hoping to secure a major defence contract. To be competitive, it may have to purchase new equipment, modernize its production line, expand its facilities and recruit and train specialized workers. All of that requires significant investment, often amounting to millions of dollars. We are talking about our SMEs here in Canada.

Before making this kind of investment, a company must conduct a thorough financial analysis and ask itself some fundamental questions.

• (1705)

Will this investment be profitable? Will future revenues enable them to repay the amounts invested, when it comes to loans? Above all, will the contracts be predictable enough to justify the expense? A company cannot invest millions of dollars based solely on hope. As we know, hope is not a strategy.

This reasoning applies to financial institutions as well. Naturally, a bank analyzes the profitability of the project when it lends money to a business. The bank is primarily interested in the business' ability to repay the loan and its long-term viability. Why? The reason is simple. It wants to ensure that the business will be able to repay its loans. Banks will not lend money to a business that takes on too much debt or manages its debt poorly. That is how financing works in our economy.

That is precisely where the tools in this bill can make a difference. It will create predictability to stimulate investment, particularly by allowing loans, guarantees and other forms of financial support that will help reduce some risks associated with investments in the defence sector. This can facilitate access to financing, encourage businesses to modernize their facilities and give them more confidence to develop their production capacity. The goal is not to replace private investment with public investment. Rather, it is about creating the conditions that enable more private capital to be mobilized to serve strategic priorities.

In other words, it is about using the government's financial tools to incentivize investments that might otherwise be delayed or never realized. Just last summer, I met with the owners of a business I used to know that was unable to bid on contracts because it did not have access to bank loans. Today, it can do so thanks to the BDC, a financial tool of the government. This company has adapted and is able to access the market.

In Canada, we have tremendous strengths. We have knowledge, with one of the most educated populations in the world. We have innovation through dynamic entrepreneurs, researchers and technology companies. We have the natural resources and strategic materials needed for industrial production. We also have recognized expertise in sectors such as aerospace, shipbuilding, advanced technologies and specialized manufacturing. I am thinking of the Davie shipyard in the greater Quebec City area. Most importantly, we have women and men who have the talent, skills and ambition to grow these industries.

However, as we know, having these assets is not enough. We still need to be able to mobilize them, connect them and give them the means to contribute to our national objectives. At the end of the day, our national security also depends on our industrial capacity. It depends on our ability to produce, innovate, procure and maintain strategic skills and technologies here in Canada.

I will close with that analogy my father used when I was young: There is a difference between being involved and being committed. Being involved means participating. Being committed means being prepared to invest the necessary resources and take the necessary steps to achieve one's objectives. That is the lens through which I see the measures proposed in Bill C-40, which would give Canada new tools to support our defence industry, stimulate investment, and strengthen our national security and our economy.

Canada's ability to defend itself does not depend solely on the equipment we buy. It also depends on our ability to design, manufacture, maintain and upgrade that equipment right here in Canada. Achieving that requires more than just wanting a stronger defence industry; it means giving that industry what it needs to realize its ambitions and grow.

Government Orders

• (1710)

[English]

Fraser Tolmie (Moose Jaw—Lake Centre—Lanigan, CPC): Mr. Speaker, we have some very big concerns on this side from what we have seen and the track record of the Liberal government. The Cormorant helicopters were cancelled, and then the F-35 program was cancelled.

We are hearing platitudes. What confidence can the Canadian public have in a Liberal government that has such a bad track record in procurement?

[Translation]

Steve Lavoie: Mr. Speaker, yes, it is clear that the public trusts our government. They believe we are giving our businesses the resources they need to achieve their goals. For 20 years, I worked with businesses. They did not have the resources to succeed. The government could issue calls for tenders, open up new sectors and create new opportunities all it wanted, but the resources were not there to support them.

Take the Business Development Bank of Canada, or BDC, for example, which has adapted its financing criteria for businesses. Six years ago, businesses could not do business with the BDC because certain sectors, such as defence, were excluded. Today, however, that is possible. We are taking a flexible approach to allow sectors within our industry to qualify again and adapt their operations to support this.

We are taking real action, and, yes, people can trust our government.

Alexis Brunelle-Duceppe (Lac-Saint-Jean, BQ): Mr. Speaker, my colleague talked about commitment. The government is committed to paying Douglas Guzman a salary of nearly \$700,000 annually, which is double the salary of the Minister of Finance and National Revenue. Douglas Guzman is a former associate of the Prime Minister's at Goldman Sachs. He is committed to satisfying Guzman, since Guzman was threatening to leave his position because he felt that working in the public service was ineffective.

It is committed to being the only country among its NATO and Five Eyes allies to have such a structure, which raises a number of questions about transparency, ministerial responsibility and the use of public funds.

Furthermore, it is committed to preventing the Office of the Procurement Ombud from reviewing contracts signed with the Defence Investment Agency, or DIA, since it does not have the authority to investigate Crown corporations. This means less transparency and less control over the government's most expensive procurements.

Is that the kind of commitment the government was elected on?

Government Orders

Steeve Lavoie: Mr. Speaker, my colleague's question contains several parts, but I will do my best to address them. Several countries, including the United Kingdom and Sweden, have adopted this model, incidentally. It is interesting to hear him speak about the ombud today while raising concerns about how contracts may be awarded..

Two of his colleagues spoke about this this morning. His colleague from Vallée-du-Haut-Saint-Laurent expressed concern about interference and political intervention. I took notes this morning. However, his colleague from Pierre-Boucher—Les Patriotes—Verchères said that the process was too politicized. I am not sure how the Bloc Québécois is interpreting the bill, but its members should agree on whether it is too politicized or not politicized enough.

As for the salary issue, does it really have a place in the discussion on improving the bill at this stage? Bloc Québécois members can propose amendments if they wish. The member spoke about the ombud. He is free to bring forward amendments.

What I would like to see is the Bloc Québécois helping to improve the bill, because many Quebec businesses stand to benefit from it.

[English]

James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, I listened to my colleague speak, and he talked about how the Defence Investment Agency and setting up this Crown corporation is about more than just national security and national defence. He also talked about economic security.

Bill C-40 would not only give power to the government to have up to \$1 billion at any one time with no questions asked, so the minister can go get money from the general revenue fund, take those tax dollars and put them into who knows what at the Defence Investment Agency, since there would be little oversight and accountability there. It also talks about being able to buy things, items including residential housing, they could invest in that are non-military.

Is the Defence Investment Agency as a new Crown corp really all about trying to find more dollars to put into other government ideas rather than national defence?

[Translation]

Steeve Lavoie: Mr. Speaker, I would simply like to make a clarification.

My colleague said that there was no accountability at all. Crown corporations are still subject to financial disclosure, audits and the submission of documents to Parliament, and they require ministerial approval. That aspect is important.

Yes, this will be important for our businesses. In my region, we have the Davie shipyard. My colleague was talking about economic security. The Davie shipyard in my riding, with six icebreakers, represents \$11 billion and 5,000 workers alone on the south shore of Quebec City, which will have an impact on more than 600 suppliers. We often hear about the major contractors. Many suppliers will be able to benefit from this.

• (1715)

[English]

Dan Mazier (Riding Mountain, CPC): Mr. Speaker, before I begin, I want to acknowledge the sacrifice made by the brave men and women of the Canadian Armed Forces. On Saturday, a fire swept through a training exercise at CFB Wainwright, and Canada lost four of its brave soldiers. These soldiers were doing exactly what we asked of them: training to defend our freedoms. I ask that all of us keep the families of these soldiers, and those fighting for their lives, in our hearts and prayers.

I rise today to speak to Bill C-40, which would turn the Liberals' Defence Investment Agency into a new Crown corporation. Barely a year after creating this agency, the Liberals are already proposing to give it a new name. Canadians do not need another bureaucracy, another ministerial title or another government announcement. They need a military that has the equipment to defend our country. We cannot defend Canada with press releases or Liberal promises.

According to the government's own data, only 61.3% of military force elements were ready for operations. Since the agency was created last October, the Liberals have talked about speeding up defence procurement, but they have failed to deliver equipment for the Canadian Armed Forces.

I should also note that the Prime Minister's friend from Goldman Sachs, Doug Guzman, was hand-picked to be the CEO of the Defence Investment Agency. He receives a taxpayer-funded salary of nearly \$700,000. I think this is important to flag, because the Prime Minister has a trend of rewarding his buddies. While Canadians struggle to make ends meet, it has never been so good to be a Liberal insider.

The Liberals say that this new Crown corporation will operate at arm's length from the government, yet the bill itself says that "the Corporation must do as the Minister directs". A Crown corporation that must follow the minister's order is the Liberals' definition of independence. This raises serious questions about transparency, oversight and expanded powers that would be given to the associate minister responsible for procurement. Billions of taxpayer dollars are at stake, and every one of those dollars must deliver real capability for our armed forces.

Let us talk about the Liberal government's record on procurement. Let us think about the last time we went grocery shopping. I know that many Canadians have flipped over a box or a jar to check where the product was made. Since the trade war with the United States began, 61% of Canadians say they are buying more Canadian products. Canadians are making an effort to support Canadian workers and Canadian businesses. However, despite Canadians' reading labels, their own government is not. The Prime Minister has criss-crossed the country promising that Ottawa would buy Canadian. Most people have never heard how that is supposed to work, so I will explain.

Every year, Public Services and Procurement Canada spends tens of billions of Canadian tax dollars on everything from software to steel. Last year, the Liberals launched their buy Canadian policy, which was supposed to give Canadian suppliers an advantage when the government awards big contracts. In other words, when Ottawa goes shopping, it is supposed to shop in Canada. While the Prime Minister's buy Canadian promise sounded like common sense to most Canadians, the results tell a very different story. The Liberal policy does not require a company to be Canadian-owned to qualify as a Canadian supplier. That means foreign firms can wrap themselves in a Canadian flag and qualify as Canadian despite being controlled overseas, and that is what is happening.

In the policy's first six months, more than 70% of contracts awarded under buy Canadian went to foreign-owned entities. A Toronto Star analysis found that in the Prime Minister's first 16 months in office, his government awarded \$7.8 billion in contracts to American-controlled companies. The share of federal contract dollars awarded to U.S.-controlled companies has increased from 20% to 31%, a 55% increase. Of the 10 companies receiving the largest federal contracts, six are American.

● (1720)

While the Prime Minister travels across the country telling Canadians to buy Canadian, his own government is shopping down south with their tax dollars. Perhaps we should not be surprised by this because when the Prime Minister chaired Brookfield Asset Management, its board approved moving the company's headquarters from Canada to New York. Why does this matter to Canadians? In September alone, Canada lost 68,000 jobs, including 13,000 in manufacturing. While Canadian businesses fight unjustified tariffs just to keep the doors open, the Liberals keep sending Canadian tax dollars south of the border. If the Prime Minister really wants to buy Canadian, he should start by reading the labels.

When Canadians hear the words "defence spending", they picture fighter jets and soldiers with the equipment they need. They do not picture a research ship counting fish off our coast, but under the Liberal government, that is exactly what is being labelled as defence spending. At a government operations committee, I asked department officials a simple question: Are the Coast Guard's offshore fishery science vessels now being counted as defence spending? The deputy commissioner answered yes, and members will not believe this, "100% of the expenditures of the Coast Guard are counted against the NATO targets." Nobody disputes the importance of these services, but important services are not the same thing as military defence.

The Liberals moved the Coast Guard under the Department of National Defence, and suddenly every dollar it spends helps the Prime Minister claim he is meeting our NATO targets. Moving an expense from one government category to another does not magically turn fisheries research vessels into battleships. Meanwhile, the government's own reporting revealed that only 52% of key systems in the Canadian army's fleets were serviceable. Instead of inflating numbers with fishery science missions, the Liberals should fund the military capabilities Canada's armed forces need.

We cannot talk about defence without talking about veterans. It is difficult to comprehend this, but thousands of veterans are home-

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less in Canada. When veterans lose their homes, we probably will not find them in a shelter. They may be sleeping in their car or on a friend's couch. These are the men and women who once put on a uniform to defend our country. Unfortunately, earlier this year, the Liberal government decided they could not find any homeless veterans to support. It is unbelievable. A briefing note obtained through an access to information request shows that in February, the Liberals moved more than \$3 million out of the veteran homelessness program.

Government officials claimed that organizations had struggled to identify eligible veterans and that all opportunities to use the money had been "exhausted". That is the same briefing note that predicted that veteran-serving organizations may raise concerns. That is undoubtedly so. Those concerns were not difficult to predict. At a government operations committee, non-profit veterans organizations expressed frustration, disappointment and even disgust that this funding was allowed to lapse. Debbie Lowther of VETS Canada said her organization helps 400 to 600 veterans every year, and about 80% of them are referred by Veterans Affairs Canada itself. The same Liberal government that sends hundreds of veterans to these organizations every year claims it could not find any veterans to help. The Liberals cannot claim to take the defence of our country seriously while turning their backs on the people who already defended it.

Bill C-40 is the Liberal approach to governing. In a nutshell, it is more bureaucracy and less accountability. Whether it is a buy Canadian policy that sends contracts south, fish-counting ships labelled as defence spending or \$3 million pulled away from homeless veterans, the pattern is the same. The Liberals love to change labels, hoping that Canadians will not ask for results. Canadians deserve a procurement system that meets our armed forces' needs, supports Canadian workers and respects tax dollars.

Private Members' Business

• (1725)

Hon. Mark Gerretsen (Kingston and the Islands, Lib.): Mr. Speaker, it must be tough for the opposition when all its members can do is criticize the way we calculate our investment in defence. I heard this member, like I heard the member for Selkirk—Interlake—Eastman earlier today, criticize how we are investing by counting the Canadian Coast Guard in the calculation. This member seems to take issue with it.

However, I am sure he would agree with it me that when NATO-allied countries are comparing themselves to each other, it is important that we all use the same formula and all account for the same things. This member might be surprised to learn that the United States has been counting its coast guard in its calculation long before Canada ever did.

Would he not agree that rather than the rhetoric we hear from him, it is probably more important that the formula among all NATO countries is the same and therefore counting the Coast Guard is a good thing?

Dan Mazier: Mr. Speaker, there we go, another misleading statement and another misled Liberal member of Parliament. I cannot honestly believe he is actually trying to defend this. The Prime Minister and the Liberal government are purposely misleading Canadians and the entire world when they say they are going to use research vessels for defence. That is wrong on so many counts, and I cannot state it more. It is deplorable.

An hon. member: Oh, oh!

The Assistant Deputy Speaker (John Nater): Order, please. Let us keep it between the rhubarb here.

Some hon. members: Oh, oh!

The Assistant Deputy Speaker (John Nater): Order. We will get to more questions if we can get through this part. There are certain words we cannot say in the House. We also cannot do indirectly what we cannot do directly, so we have to be careful about the words we use when we do that.

James Bezan: Mr. Speaker, I do have to respond to—

The Assistant Deputy Speaker (John Nater): There is a point of order from the hon. chief government whip.

Hon. Mark Gerretsen: Mr. Speaker, the member did say that I “misled” the House, and now he is saying it again. You just said, Mr. Speaker, that we cannot do indirectly what we cannot do directly, and that is to call somebody a liar, and he is basically saying—

An hon. member: Oh, oh!

Hon. Mark Gerretsen: Now the member for Selkirk—Interlake—Eastman is also saying that I am a liar.

Would it be possible for the Speaker to ask them to withdraw that comment, given the fact that I am not misleading? I am telling them the way the calculation is made.

The Assistant Deputy Speaker (John Nater): I am going to address a couple of things. First of all, let us try to keep the crosstalk down to an absolute minimum. Specifically saying “misled” is not considered unparliamentary. Saying “deliberately misled” or “pur-

posely misleading” is where the issue is, so we are going to address that. It is not acceptable. We cannot accuse someone of being dishonest using certain words.

We are going to leave that there. If there are specific things we want to withdraw, we will do that, but we will review that and see if there is something specific we need to come back to.

We are going back to the member for Selkirk—Interlake—Eastman.

James Bezan (Selkirk—Interlake—Eastman, CPC): Mr. Speaker, first of all, I just have to say, again, that the Liberals like to call the Canadian Coast Guard part of the defence menu. We have to remember that not all coast guards are treated equal. The Canadian Coast Guard is not a military or paramilitary organization, nor is it armed up. The United States' is. The U.K.'s is. Other countries that use and count their coast guards are armed up and actually provide some defensive services.

Transport Canada aircraft that count fishing vessels are included. Is that considered national defence?

Dan Mazier: Mr. Speaker, I will just reiterate my conclusion. Whether it is the buy Canadian policy that sends contracts south, fish-counting ships labelled as defence spending or \$3 million pulled away from homeless veterans, the pattern is the same.

PRIVATE MEMBERS' BUSINESS

• (1730)

[English]

CANADA REVENUE AGENCY ACT

The House resumed from May 28 consideration of the motion that Bill S-217, An Act to amend the Canada Revenue Agency Act (reporting on unpaid income tax), be read the second time and referred to a committee.

Michael Ma (Markham—Unionville, Lib.): Mr. Speaker, I am thankful for the opportunity to speak about Bill S-217, an act to amend the Canada Revenue Agency Act, regarding reporting on unpaid income tax. Maintaining the integrity and fairness of the Canadian tax system is a priority for the Government of Canada. It goes without saying that we are fighting on all fronts against tax evasion and tax avoidance, both nationally and internationally.

Private Members' Business

I want to emphasize that the tax gap estimate provides valuable information to the Government of Canada. The tax gap is the difference between the amount of taxes that taxpayers would have paid if they had fully met their tax obligations and the amount of taxes they actually reported and paid. By estimating the tax gap, we can get a clearer picture of tax non-compliance and a better understanding of the overall health of the Canadian tax system. It also plays a role in delivering on the government's commitment to transparency. Understanding how and why taxpayers are non-compliant is critical to preserving the integrity of the tax system. It is vital to protecting Canada's revenue base, which supports programs and benefits that improve the quality of life for all Canadians.

That being said, we are here today to discuss Bill S-217, which proposes to amend the Canada Revenue Agency Act. Specifically, it would require the CRA to list all convictions for tax evasion, including international tax evasion, in the annual report submitted to the Minister of National Revenue. It also proposes that the CRA, once every three years, include statistics on the tax gap in the annual report. In addition, it further proposes that the minister provide data on the tax gap to the Parliamentary Budget Officer without delay. I would like to take this opportunity to welcome the appointment of Ms. Annette Ryan as Canada's new Parliamentary Budget Officer.

I should note at the outset that the CRA takes a firm stance on non-compliance, such as posting all convictions on Canada.ca, including convictions related to offshore tax evasion. The CRA also remains committed to supporting the PBO in carrying out her mandate, while at the same time protecting Canadians' confidential tax information in accordance with the law. I recall that since 2016, the CRA has undertaken extensive work to study and report on the tax gap. Back in April 2016, the Government of Canada committed to estimating the federal tax gap. Consequently, the CRA established a dedicated unit to examine and publish a series of reports analyzing different aspects of the tax gap.

In June 2022, the CRA published Canada's first "Overall federal tax gap report". This report brought together all of the agency's previously published tax gap components, as well as updated estimates and key findings up to the 2018 tax year. Most recently, in late March, the CRA published the second "Overall federal tax gap report". This edition presented the overall federal tax gap with updated estimates based on the latest available data for tax years from 2014 to 2022.

This second overall report includes tax gap estimates for all major tax components: personal income tax, corporate income tax, goods and services tax, harmonized tax, sales tax and excise revenue. It also includes two new subcomponents, the payroll payment gap and cannabis excise gap, as well as the impact of the COVID-19 pandemic on the federal tax gap. All of the data in this report is also available through the Open Government portal for easy access.

In addition to publishing the report, the CRA published its approach to addressing the tax gap, which focuses on strengthening compliance efforts by encouraging voluntary compliance, identifying compliance gaps and addressing non-compliance. Publishing this approach supports the Government of Canada's commitment to transparency and fairness.

• (1735)

Let us take a closer look at some of the results related to the estimation of the tax gap in Canada. From 2014 to 2022, the tax gap has remained stable at approximately 9% of the federal tax revenue. In the 2022 tax year, the gross tax gap stood at 16% of the federal tax revenue, or \$59.5 billion. However, after accounting for the CRA's compliance and collection activities, the total net tax gap was estimated at 9.3% of the federal revenue, or \$34.7 billion.

This means that the CRA's compliance and collection activities continue to play a key role, potentially resulting in a 42% reduction, or \$24.8 billion, in the overall gross tax gap. A detailed analysis shows that these compliance and collection activities represent a decrease of \$10.8 billion of the gross personal income tax gap, \$9.3 billion of the gross corporate income tax gap, \$4.5 billion of the gross GST and HST gap, and \$0.2 billion of the gross excise tax gap.

It is important to note that Canada is among the few countries leading in such vast work on studying the tax gap. To do so, the CRA collaborated with experts, other government departments and international partners to develop methodologies that work within the Canadian context for the different components of the tax gap. Canada is part of a select group of countries that estimates tax gaps and publishes its analysis. The CRA is a member of the tax gap community of interest of the Organisation for Economic Co-operation and Development, the OECD.

The CRA has clearly demonstrated its commitment since 2016 to better study and report on the tax gap. Our knowledge of this issue comes from a wide variety of factors, including tax evasion, honest mistakes and bankruptcies resulting in unpayable tax debt. Since there are many factors outside of the control of the tax administration, there is an international consensus that the tax gap is unlikely to ever reach zero.

Private Members' Business

In addition, the tax gap is a historical estimate of theoretical non-compliance and estimates can evolve over time as new data are obtained. Therefore, it is not a performance target for the CRA, but rather an important piece of information to monitor what is happening in the tax system. That being said, its measurement encourages an open and transparent discussion on tax non-compliance. In addition, a more insightful understanding of the tax gap can help the CRA better target its compliance and collection activities.

With enhanced data sources, the CRA is well positioned to target those who push, or exceed, the limits of acceptable tax planning to evade or avoid taxes. This, of course, includes wealthy individuals and businesses. As such, the CRA takes a comprehensive approach to monitor and address tax non-compliance. Those who wilfully choose not to fulfill their tax obligations can face serious consequences, including criminal charges, prosecution, court-imposed fines, jail time and a criminal record.

The CRA continues to use the tools at its disposal to detect and deter the most serious instances of non-compliance. In fact, through the CRA's enhanced risk assessment, business intelligence, advanced data analysis, use of legal tools and international collaboration, it is much more difficult for any taxpayer to evade or avoid paying the taxes they owe. The CRA will continue its work to better understand Canada's tax gap. It remains dedicated to playing a central role in maintaining tax fairness by administering tax laws and regulations impartially, conducting audits and taking—

• (1740)

The Deputy Speaker: Resuming debate, the hon. member for Mirabel.

[Translation]

Jean-Denis Garon (Mirabel, BQ): Mr. Speaker, I would like to thank the senator who introduced this bill. Much of the work has therefore already been done in the other place.

I would also like to thank my colleague who is sponsoring Bill S-217, of course. This is a bill about accountability and transparency. The Bloc Québécois will be supporting it, so there is no suspense there.

Essentially, the bill seeks to have the Canada Revenue Agency disclose all convictions for offshore tax evasion and to have the agency release an annual report presenting statistics on the tax gap, which represents the taxes that should have been collected but were not and that Canadians and Quebecers ultimately make up for through their own taxes. After all, there are some people who do pay their taxes.

The government member told us that Canada was part of a select group of countries that published this information. He told us that the Canada Revenue Agency had done so twice, successfully, and congratulated the government. My Liberal colleague is not wrong, because the federal government made that commitment in April 2016. It committed to estimating the tax gap, including data on fraud, bankruptcies and honest mistakes. However, the most recent data are from 2022. It is now 2026, almost 2027, and there has not been any update. It is true that the Canada Revenue Agency released a report in 2026, but the data covered only the period from 2016 to 2022.

The government supports the principle of the bill. However, it also serves as a reminder that binding legislation is needed for the Canada Revenue Agency to carry out this work. As taxpayers and parliamentarians, we have a right to know the size of the tax gap.

Earlier, my colleague told us that the tax gap will never be reduced to zero. There is nothing in the bill that calls for the tax gap to be eliminated. The bill does, however, require that the tax gap be measured and publicly reported so that it can be quantified. Moreover, this is only a first step, since the bill deals solely with offshore tax evasion. For example, a Canadian taxpayer may hold assets or real estate abroad, decide to sell those assets and fail to report the resulting capital gains in Canada. It is possible to develop estimates of those amounts. As taxpayers, we are entitled to that information.

I understand that this may seem like an original idea, but there are many other countries that do this. I think it is a transparency measure. I would like to point out that two other bills contained essentially the same measures, but they were defeated in the House: Bill S-258, in the 44th Parliament, and Bill S-243, in the 42nd Parliament.

What is interesting about Bill S-243 is that the Liberals voted against it. The Liberals had a majority. Mr. Trudeau's government came in with all the best intentions in the world, which it kept up for one, two or three years and, ultimately, those intentions did not translate into results. When we demanded results, they voted against the bill that called on them to honour their own commitments. That is why we need legislation.

I said that this was not a partisan issue. The Parliamentary Budget Officer has come out in favour of the principle of the bill and the bill itself. It is also the role of the Parliamentary Budget Officer to prepare revenue projections for the government. What we heard from the Parliamentary Budget Officer is that a greater ability to access data on the tax gap would help her in her work. The last I heard, the Parliamentary Budget Officer is not the Bloc Québécois, it is not the Conservative Party and it is not the New Democratic Party.

In my opinion, there is a consensus in Quebec society, in Canadian society, among experts, those who do research and analyze the performance of our tax agencies, and among parliamentarians. I am certain that there are members on the other side of the House who would like to see improvements at the CRA.

• (1745)

The first person who should want that is the Minister of Finance and National Revenue, who is also responsible for the Canada Revenue Agency. If the goal is to improve, that needs to be quantified and done right.

Again, it is important to put a name to things. Back when the Liberal government rejected a similar bill, it told us that it was because the bill would violate the right to privacy, personal information and so on. Many cases of fraud and wrongdoing are made public when there are convictions. When it comes to tax evasion—not tax avoidance, which is legal even if it is not desirable—someone who is caught abroad creates a tax gap. I do not see the issue with making that information public.

This also brings us to the broader issue of the Canadian government's ability or lack thereof to collect tax revenues from taxpayers. As I said at the outset, a taxpayer who does not pay their fair share of taxes is a taxpayer who puts the burden of paying down the debt, servicing the debt, and paying for the armed forces, the public service and family benefits on the shoulders of another taxpayer. Those who do not pay their taxes are people who think that another taxpayer is going to pay them. At some point, some of our most vulnerable citizens might be in a position where they do not receive certain services because the Canadian government does not have the full fiscal capacity to pay for them. My Liberal colleague said earlier in his speech that this gap could be as much as 10% of federal government revenues. Do they realize what 10% means? Even if the government does not bring it down to zero, it is huge.

The bill addresses international tax evasion. However, it is important to document where the tax gap comes from. Are there bankruptcies involved? Are there people who are unable to pay their taxes, as we saw during the pandemic? How much of the gap is due to those situations? If the goal is to take action in the right place, it is important to know that information and put a name to those things. More broadly, the government will also have to take the issue of tax avoidance more seriously. For a number of years, certain corporations and the wealthiest individuals, those who should be contributing more, have been resorting to increasingly aggressive tax avoidance strategies. That is perfectly legal because, in many ways, Canada's tax laws are like sieves. As is known and documented, the Canada Revenue Agency has one of the lowest tax recovery rates among all the tax agencies in developed countries.

I remember that soon after the government came to power there was the KPMG scandal. KPMG is one of the companies known as “the big four”. One of those four firms went under. The big four are large firms with very large clients. They advised these clients on schemes to pay less tax, such as through transfer pricing, the shifting of intellectual property abroad and other similar mechanisms. So aggressive were these schemes that criminal charges were laid in the United States against KPMG for promoting them to clients. At the time, we asked the then minister of national revenue Ms. Lebouthillier why she was not using her authority to investigate what had happened at KPMG in Canada. While federal criminal charges had been brought in the United States, here the minister told us that her government could not do anything because the agency was at arm's length and that she was there merely to sit in the minister's chair. She made sure it stayed warm and did nothing else, even though the law allowed the minister to launch an investigation. While the law did not empower the minister to meddle in individual taxpayers' files, it did empower her to launch an investigation. What happened next? A backroom deal was made with KPMG. No charges were ever laid. We do not know what kind of accountability resulted from the agreement. We do not know what im-

pact it had on the tax gap, namely the revenues that the government failed to collect. It has damaged Canada's reputation as a supposedly advanced tax jurisdiction. Perhaps had this law been passed, we would now have a clearer picture of what occurred in the KPMG case in Canada. I will conclude on this point: Because of the delay in disclosure, the report that would have resulted from the application of this legislation would have shed light on what happened in the KPMG scandal in Canada. We know what happened in the U.S.

It seems obvious to me that if the government wants to keep its word and its promise, it will have to vote in favour of this bill with the Bloc Québécois.

● (1750)

[English]

Pat Kelly (Calgary Crowfoot, CPC): Mr. Speaker, it is always a pleasure to rise to participate in Private Members' Business, because what we are here for is to debate legislation. However, it is disappointing that tonight we are debating this particular bill, because it has passed the Senate not once, not twice, but three times, and it has been presented in this chamber now three times. This bill should have been passed into law quite some time ago.

I carried this bill into this chamber in 2019. It was supported by all opposition parties. It was supported by independent members. The only group of people in this chamber that opposed this bill in 2019 was the Liberals. I have some hope that maybe they have smartened up a bit and might support this bill tonight. I hope they will. That is not really the indication that I seemed to get from the last Liberal speaker. I got a lot of self-congratulations for what a wonderful job the Liberals think they have done with the CRA. However, we need this bill, and I am going to talk about it.

First, I want to thank the member for Simcoe North for his leadership with respect to tax accountability, for sponsoring this bill in the chamber in this Parliament and in the last Parliament, and for his other bill, Bill C-230, which is an important piece of accountability to ensure that Canadians know what taxes are not collected and what taxes are written off.

This bill would do three basic things. It would force the CRA to calculate the tax gap, to share the data on the tax gap with the Parliamentary Budget Officer and to publish a list of tax evaders, those who have been convicted of tax evasion. The Liberals say that the CRA does calculate the tax gap; they do not see what all the fuss is about, but there are several problems with what exists now. The CRA's reports are not up to date, and the Parliamentary Budget Officer is not able to verify its homework. It does not share the data with the Parliamentary Budget Officer, so we need more than what we are getting right now.

Private Members' Business

The Parliamentary Budget Officer is an important officer of Parliament who is there to help parliamentarians develop policy that is based on the budgetary information that her or she provides. Several parliamentary budget officers have asked for this tax information, and they do not get it. CRA officials have repeatedly said that they will not give the data to the Parliamentary Budget Officer even though they are required to do so by law. They refuse to do so, usually citing some type of privacy excuse for not providing anonymized data to the Parliamentary Budget Officer. Yes, this is anonymized data. The Parliamentary Budget Officer has not asked for the identity of any tax filer, nor information that can be identified and connected to any particular tax filer. What the Parliamentary Budget Officer needs in order to do the work of the office is the data so they can come up with their own measurement of the tax gap.

This is important because there is a history of the CRA, when left to its own devices, underrating its own performance. The Auditor General has repeatedly found that the internal audits of the CRA are not up to snuff. We can think of the call centre at the CRA. The CRA's internal auditors have thought that it answers the phone reasonably and gives Canadians the information they need. The call centre has been running just fine, according to its internal audits.

● (1755)

Every Canadian who has ever called that call centre knows the reality. It hangs up on 70% of the people who call. It gives incorrect information to 30% of the people who actually get through. This is what the Auditor General has found. They found that the CRA's version of what was going on in the agency was not matched to reality. It is important that the Parliamentary Budget Officer be given the data so that they can make their own estimate on the tax gap and advise Parliament so that parliamentarians have the information to formulate policy and judge legislation.

They talk a lot over there about the work they do and about combatting tax evasion, but in reality, we have the Panama papers, in which 900 Canadians were identified. No charges have been laid. In other jurisdictions where citizens were identified, charges were laid and convictions were achieved, but not in Canada. This is important to Canadians, because when people evade their taxes, the rest of Canadians have to pay more. Canadians, by and large, correctly provide information, declare their income accurately and do their best to comply with all of the onerous rules and complicated tax laws of this country. They do their best; they declare their income and pay their taxes, but some do not. It undermines the system and discourages honesty when people get away with evasion.

The last thing the bill would do is compel the publication of a list of evaders. Members might know that in a country with over 40 million people and tens of millions of tax returns, corporate and individual returns, excise tax returns and GST returns, all the different types of taxes that are filed, sadly a number of people do not pay their taxes. However, I think many Canadians would be quite disturbed to realize how few people are charged with and convicted of evasion. It is a staggeringly low number. On average, it is about a dozen a year. In a country of 40 million people, does that sound like a government that is tough on evasion? That is within a whole year, with tens of millions of returns. I do not know what the number of false or evasive returns is. We do not have accurate informa-

tion on that, but most would presume that it is, sadly, a bigger number, and 12 convictions in a year is pretty disappointing.

The time for the bill has come. It is time to pass it. Let us have transparency. All members of Parliament, regardless of party, regardless of whether they sit on the government benches or the opposition benches, on behalf of their constituents should surely wish to see a Canada Revenue Agency that does a better job of collecting taxes accurately. Part of being able to do that is to have accurate data and accurate information that can be independently verified and that allows us to transparently see who is evading taxes. Yes, a trial is public, but we cannot search and create a list of evaders from that. An evader is someone who has committed a criminal offence and has been convicted. They do not have the right to privacy and for it to not be known that they have been convicted of a crime.

The bill's time has come. It should have been passed many years ago. I hope that it will pass second reading tonight and move on to the next stage. I hope the Liberals will vote for it. It sounds like all the opposition parties are in favour of the bill. I hope that it passes this stage within the hour.

● (1800)

Tamara Kronis (Nanaimo—Ladysmith, CPC): Mr. Speaker, we spend a lot of time in this place talking about how the government spends money. We debate appropriations, pore over spending reports from the Parliamentary Budget Officer and call out boondoggles like the arrive scam, PrescribeIT and the green slush fund. That is important work.

Bill S-217 has the potential to augment that work by helping Parliament pay the same attention to the revenue side of the ledger, because as we hold governments to account, we should also spend time checking that they do a good job of collecting what is owed and that they do so fairly. Parliament should be just as demanding about the government's ability to collect money as we are about its authority to spend it. We decide in this place what taxes may be imposed, and we authorize the expenditure of public funds. When revenue goes uncollected, it narrows our choices about borrowing, spending and taxes. We need reliable data to understand that.

Private Members' Business

Canada's tax system depends heavily on people complying voluntarily. Most businesses in my community are small. Their owners keep records and remit payroll deductions, and at tax time, many still bring a cardboard box of receipts to a bookkeeper or accountant. They pay their taxes even when they are struggling to pay their own bills. When the government does a good and fair job of collecting taxes owed, we have more choices about how to use that money, including reducing what we borrow, reducing the deficit and leaving Canadians with more money in their pockets. When the government does a bad job, more people evade their obligations and honest taxpayers end up carrying more of the burden. Tax evasion hurts us all, and Parliament should be able to get reliable data from the agency that administers the law in ways that will allow us to help ourselves.

The tax gap is the difference between the taxes Canadians and businesses legally owe and the amount the government actually collects. Not all of that is due to tax evasion. Taxpayer non-compliance can be intentional or unintentional, and in some cases can result from the inability to pay. It is one of the CRA's core jobs to minimize the tax gap.

Bill S-217 would give Parliament better information to judge how effectively the CRA is doing that and to tell whether we are giving CRA officials the training and tools they need in order to be successful. Bill S-217 would require the CRA's annual report to include a detailed list of tax evasion convictions, with international cases identified separately. Every three years, it would require tax gap statistics for individuals and corporations, broken down by size and trusts. It would also require the Minister of National Revenue to give the Parliamentary Budget Officer the tax gap data and other information needed for economists and others to do independent analysis. The bill would neither raise taxes, nor give the CRA new investigative powers. What it would ask the CRA to do is to provide data so that we can account for the government's performance.

The CRA already studies the tax gap and publishes some information about convictions. There is considerable expertise that lies behind that work, but the CRA's willingness to publish information is not the same as Parliament's right to receive it. Statutory reporting would provide a baseline and a consistent stream of data that we can use for analysis and improvement. It would survive changes in governments and changes in political priorities and would let us test the agency's assumption longitudinally instead of simply accepting its conclusions.

In March, the CRA published estimates for 2014 to 2022. For tax year 2022, its upper bound estimate of the gross federal tax gap was just under \$60 billion. After projecting the effect of compliance and collection, the upper bound net gap was closer to \$35 billion, or 9.3% of the federal tax revenue covered. These estimates include income tax, GST, HST and excise taxes.

• (1805)

That \$35 billion is not a pile of cash waiting to be recovered, and it would be wrong to suggest that all of it reflects deliberate evasion. The gap includes unreported taxes and amounts assessed but unpaid, and the estimates depend on assumptions. Parliament still needs to understand where these shortfalls come from and what the

CRA does about them. No matter how we look at it, it is big money at a time when we need all the help we can get.

Consider the CRA's 2024-25 departmental results report. It records \$18.1 billion in what the agency calls "fiscal impact" from close to 85,000 completed compliance cases. Fiscal impact includes tax assessed, refunds reduced, interest, penalties and the present value of certain future tax assessments. The report expressly says it does not account for amounts reversed on appeal or left uncollected. That is a perfectly legitimate measure, if we understand what it measures. It is not the same thing as money collected.

A reassessment is not the final word on what a taxpayer owes. Reassessments can be challenged, and confirmed debts are sometimes uncollectible. It is valuable to know the difference between enforcement activity and recovered revenue. For the 2022 tax year, the CRA's upper-bound estimate of the corporate income tax reporting gap attributable to large corporations was \$17.2 billion. That is an estimate, not a finding of deliberate evasion, but it gives Parliament a good reason to examine this part of the tax system carefully.

When former parliamentary budget officer Yves Giroux testified on an earlier version of this bill, he explained that section 241 of the Income Tax Act properly protects taxpayer information, yet the CRA sometimes aggregates data so heavily, to protect indirect identification, that it becomes difficult to analyze. Giroux said he needed useful data, not taxpayers' names. This is an example of the privacy balancing that needs to happen. This bill preserves existing confidentiality restrictions. We still need to test it at committee to know whether it solves the problem he identified. What he suggested was considering a carefully limited exception to section 241, and the committee should examine how to give the PBO useful evidence while protecting Canadians' private tax affairs.

Private Members' Business

The convictions list needs to be treated with similar care. Criminal prosecutions are appropriate for serious cases, but much tax enforcement takes place through civil reassessments. A higher conviction count does not necessarily mean better administration, because convictions do not always lead to collections. However, it is useful to know when and how well Canadian law has been followed, and whether the government is doing a good job of minimizing that tax gap.

The committee should also examine the definition of the tax gap in the bill, which is tied to the Income Tax Act even though the CRA's overall reporting includes GST, HST and excise. The new requirements should strengthen, not narrow, the reporting that is already available. Better reporting will not replace experienced investigators, and it will not make a complicated tax system easier to comply with. The former parliamentary budget officer testified that simplifying the rules could free CRA staff to concentrate on audits and collections. Instead of adding to the burden on taxpayers, we ought to be looking at where clearer laws and better targeted enforcement would actually improve results.

Collecting taxes already legally owed could relieve pressure to borrow or raise rates or create room to lower taxes for Canadians who are already paying their share. Instead of asking Canadians to contribute more at this difficult time, Bill S-217 would help us find out how effectively the government collects what Parliament has already required. That is why I support this bill and have made some suggestions on how the committee could make it a stronger instrument of parliamentary scrutiny.

Let us give the Parliamentary Budget Officer the best information she can use, with proper protections for people's privacy. We should get Parliament better information about what happens after taxes are assessed, and we should insist on an equally credible account of what the government has collected alongside what it spends.

• (1810)

The Deputy Speaker: The hon. member for Simcoe North has the floor for his right of reply.

Adam Chambers (Simcoe North, CPC): Mr. Speaker, it was a pleasure indeed to hear the wonderful words of my colleagues from multiple parties in this chamber about the need for greater transparency at the CRA and, if I heard correctly, general support of the principles of Bill S-217.

I have to commend my hon. colleague from Calgary Crowfoot for his following of this issue, from sponsoring a bill similar to this in a previous Parliament to his work on the finance committee, which helped expose some of the challenges that this bill would help to address. As he has said, this is indeed the third time that this chamber has been given the opportunity to pass this bill into law, and I think the third time is the charm.

I also have to commend the principal proposer of this bill, Senator Downe, who is a tireless advocate for greater transparency, greater efficiency and a better-functioning CRA.

Many Canadians were dismayed and, frankly, shocked this weekend by what was reported by the CBC. Harvey Cashore has been doing a lot of work with his colleagues at the CBC, including

Daniel Leblanc, on exposing some of the challenges of the large-scale frauds that are perpetrated on the public but that somehow escape even the most simple screening at the CRA. In one case, an individual was paid \$40 million in tax refunds. This individual was a regular T4-ed employee living in northern Ontario. For fun, he submitted a fake tax return, and he got a \$40-million refund as a result. Even he could not believe he was going to get that refund.

Bills like Bill S-217 would require greater transparency at the CRA, as has been discussed, to identify the tax gap and then, when there are bad actors or tax evasion, require that that information be made public to all Canadians. The least that Canadians should expect is greater transparency.

I want to thank Senator Percy Downe for his tireless advocacy and congratulate him on passing this bill for a third time. I hope we will be able to have a phone call tomorrow morning with the senator to tell him that this House duly passed this legislation this evening.

Of course, we should also thank the drafters and the parliamentary support personnel in the legal team here who support private members, both in the House and in the Senate, to bring forward common-sense pieces of legislation.

The Deputy Speaker: The question is on the motion.

If a member participating in person wishes that the motion be carried or carried on division, or if a member of a recognized party participating in person wishes to request a recorded division, I would invite them to rise and indicate it to the Chair.

Adam Chambers: Mr. Speaker, I request that it be carried.

The Deputy Speaker: I declare the motion carried. Accordingly, the bill is referred to the Standing Committee on Finance.

(Motion agreed to, bill read the second time and referred to a committee)

Hon. Kevin Lamoureux: Mr. Speaker, I rise on a point of order. I suspect that if you were to canvass the House, you would find unanimous consent to call it 6:30 p.m. so we could move on to government business on Bill C-38.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1815)

[Translation]

CANADIAN FUEL AFFORDABILITY ACT

The House proceeded to the consideration of Bill C-38, An Act to amend the Excise Tax Act (extension of the federal fuel excise tax relief), as reported (without amendment) from the committee.

The Deputy Speaker: There being no motions at report stage, the House will now proceed, without debate, to the putting of the question on the motion to concur in the bill at report stage.

[English]

Colin Reynolds: Mr. Speaker, on a point of order, I would like to give unanimous consent to split the time in the first Conservative slot.

The Deputy Speaker: I understand that applies to third reading.

I would ask a member to rise so the Chair is not assuming what the chamber wants to do.

Hon. Kevin Lamoureux: Yes, Mr. Speaker, we are prepared to give unanimous consent to split the time at third reading for the Conservatives once we get through report stage.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

Hon. Rebecca Alty (for the Minister of Finance and National Revenue) moved that the bill be concurred in.

The Deputy Speaker: If a member participating in person wishes that the motion be carried or carried on division, or if a member of a recognized party participating in person wishes to request a recorded division, I would invite them to rise and indicate it to the Chair.

Hon. Kevin Lamoureux: Mr. Speaker, I request that it be carried on division.

(Motion agreed to)

Hon. Rebecca Alty (for the Minister of Finance and National Revenue) moved that the bill be read the third time and passed.

[Translation]

Carlos Leitão (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, I am pleased to rise to take part in today's important debate on the third reading of Bill C-38, the Canadian fuel affordability act.

This bill aims to extend the federal excise tax on gasoline, diesel and aviation fuels. This is a very important issue at a time when many Canadian families continue to face a high cost of living. Some of them find it difficult to afford groceries, fill up their gas tank and pay all their bills.

Before we continue, I would like to clarify a few things about the affordability challenges we are all facing. Let me start by saying that this is a global issue. Ultimately, all OECD countries are now feeling the effects of an affordability crisis that is challenging for many households. We need to try to put this into context. In fact, we need to go back to the time of the COVID-19 pandemic. I know

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that seems like a long time ago, but it really had a significant impact on the global economy, especially in the period following the COVID-19 pandemic, when consumer spending here, as elsewhere, rebounded very quickly, even as supply chains remained disrupted and were not yet operating at full capacity. This led to high and rapid inflation, here as elsewhere. In Canada, for example, the inflation rate reached 8%, a level not seen in generations. As a result, many Canadians, as well as Americans, Europeans, and Japanese, were caught off guard by this rapid rise in inflation and all the upheaval it caused.

Just as we were starting to get a bit of a handle on the situation, the war in Ukraine broke out, triggering a sharp increase in energy prices due to the entirely justified boycott of Russian oil and natural gas exports. Ironically, some countries are currently backtracking on that boycott, but that is a discussion for another day.

All of that contributed to a sharp increase in energy prices, which has kept inflation high and forced central banks to raise interest rates very quickly. This rise in interest rates also had an impact on housing affordability, as mortgage rates suddenly began to rise rapidly. Meanwhile, very few Canadian households were prepared to cope with those rising mortgage rates. In many cases, they rose from barely 1% to 3%, 4% or 5%. Needless to say, that can dramatically alter a family's budget.

Thus, a global crisis and a full-blown energy crisis were followed by shocks in food production, since Ukraine was also a major grain exporter. The price of raw food materials, in particular, rose rapidly as a result. All of this happened at the same time and, to make matters worse, in February 2026, a new war broke out in the Middle East, which led to the closure of the Strait of Hormuz. Suddenly the price of oil was back up to \$100 a barrel. Just when things were beginning to get back to normal, everything went off the rails again.

• (1820)

This situation began a long time ago outside of Canada, and it is complicated for us and for other countries.

It is also worth noting, and so I will point it out, that there is a difference between the very high cost of living caused by all of the crises that I just mentioned, which caused price increases year after year, and the rate of inflation.

As we saw this week, the inflation rate in Canada is currently 3.1% , which is not that far outside the Bank of Canada's target range. The biggest factor driving inflation right now, in September and October 2026, is energy prices, gas prices. In Canada, the inflation rate is less than 2% if we exclude gasoline.

The most recent shocks that have occurred since February 2026 because of the war in the Middle East are having a major impact on inflation.

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Inflation is returning to the target range, but the cost of living remains very high. That is the situation we are facing today. Similar conditions exist in many parts of the world. Naturally, our government cannot control decisions made elsewhere. What we can control, however, is what we do here at home. We can put in place measures that help families and households cope with these challenges.

In a situation where the shock is external and persistent, government measures must be targeted, timely and temporary. They must be phased out quickly, because there is no certainty as to how long these external pressures may last.

Through Bill C-38, we will make it possible for millions of Canadians to save money by continuing to suspend the excise tax on gasoline. Canadians who drive to work and those who take their children to school or to sporting activities can continue to do so.

The bill proposes to extend the suspension of the federal fuel excise tax until January 31, 2027. In February and March 2027, rates will then gradually return to just half their usual level, before returning, on April 1, 2027, to what they were. Canadians will therefore keep receiving relief of up to 10¢ a litre until January 31.

Since that announcement was made, and although the price of crude oil remains above \$100 a barrel, the price of gasoline has increased a bit, but remains relatively stable. As we had hoped, this shows that extending the excise tax suspension is directly benefiting Canadian consumers. We have seen all that take effect now.

The government estimates that this extension will provide about \$2.9 billion in additional tax relief to Canadians, raising the total fuel tax relief to approximately \$5.3 billion in the 2026-27 fiscal year.

It is important to mention that the cost of this to the government is substantial, at \$5.3 billion. We are well aware that it is substantial. We are well aware that it takes effort, but it is effort that the government is willing to make, considering the steep rise in fuel prices confronting Canadian households.

• (1825)

Something had to be done, and we acted quickly by implementing targeted measures aimed at lowering the price of gas. This is a temporary measure because, of course, we, like everyone else, want the crude oil market to return to more normal, stable levels, similar to where it was before hostilities broke out in late February 2026. We will reassess this at the appropriate time, but we are confident that this is a temporary situation and that our support measures should also be temporary.

However, as I said, it is a substantial amount. We need to find a way to fit this \$5.3 billion into the federal budget. As the Minister of Finance mentioned earlier today, the budget will be tabled on November 5, and we will be able to measure the progress of Canada's public finances at that time. All that to say that \$5.3 billion is no small sum. Canadian households can count on this significant support to help them get through this tough period.

This measure is in addition to other measures that we have already put in place, such as the Canada groceries and essentials benefit and the tax cuts that we had previously made. These are a few

measures that we have put in place and that we believe are necessary to help people get through this situation, but we should not assume that they will be permanent, because, as I just mentioned, the cost to the public purse is pretty substantial. However, there is a real need and we are in a real emergency, which fully justifies this situation.

Bill C-38 is a necessary tool. We have clearly recognized this reality, and we are responding to it. As Canadians continue to suffer the consequences of an uncertain global context, our government is taking action to help them. Bill C-38 is a perfect example of that. It is a targeted measure that will help all Canadians cope with the cost of living. This is a measure that will provide real, direct help to families, workers and businesses. I therefore enthusiastically urge everyone here in the House to support Bill C-38 and vote in favour of it.

• (1830)

Alexis Brunelle-Duceppe (Lac-Saint-Jean, BQ): Mr. Speaker, we are told that this type of measure is temporary, but it seems to be becoming permanent. Which government will want to reinstate the excise tax when, increasingly, the Liberals are getting people used to the fact that this tax no longer applies when they fill up?

My question is extremely simple. Will my colleague formally commit before the House that, when the deadline set by the Liberals arrives, they will reinstate the excise tax?

Carlos Leitão: Mr. Speaker, Bill C-38 clearly states that, as of January 2027, the suspension of the excise tax will be reduced by half and that on April 1, we will return to where we were before. Yes, the tax suspension will be eliminated. We will go back to where we were. That is why I have said several times that this is a temporary measure.

Louis Villeneuve (Brome—Missisquoi, Lib.): Mr. Speaker, my colleague is an economist, and I would like him to explain something to us. He touched on it in his speech. The countries of the Organisation for Economic Co-operation and Development, or OECD, are responding to the current crisis.

In this context, why do we need to quickly pass Bill C-38 to help our constituents?

Carlos Leitão: Mr. Speaker, this is indeed a global situation that affects not only Canada, but also all other countries.

What is being suggested, whether by the OECD, the International Monetary Fund or even the World Bank, in the face of a shock like the one we are currently experiencing, is that governments respond in a targeted, temporary way.

That is what is happening elsewhere. That is what is happening in some European countries, in Spain, for example, and in Germany as well. These are temporary measures that are lowering fuel prices. Everyone wants that. Everyone assumes that the oil shock is artificial in some way, because it is caused by the closure of the Strait of Hormuz, and that eventually this situation will subside and oil prices will return to where they were before, around \$60 to \$70 a barrel. Then we will no longer require the kind of assistance that is currently being implemented.

Alexis Brunelle-Duceppe (Lac-Saint-Jean, BQ): Mr. Speaker, this actually goes back to the question I just asked my hon. colleague.

What I am hearing is that the government is not setting an actual date. My colleague is telling me that, yes, the date is specified in the bill, but what I just heard is that if the price goes down, the suspension of the excise tax would be lifted at that point.

My colleague is telling me two things right now. Either we really have to believe the government when it gives us a date, or we have to listen and believe it when it says that it will reinstate the tax once prices go down. I do not know which one I am supposed to listen to or what I am supposed to make of this.

Will the tax be reinstated when gas prices go down, or will it actually be reinstated on the date specified in the bill? It is not clear.

• (1835)

Carlos Leitão: Mr. Speaker, the date is in the bill. The current situation reflects the rise in crude oil prices. Like everyone else, we hope this situation will be resolved. The measure we will be voting on here in the House expires at the end of March 2027.

Eric Lefebvre (Richmond—Arthabaska—des-Sources, CPC): Mr. Speaker, something just happened that really highlights the difference between the Bloc Québécois and the Conservative Party. The Bloc Québécois is asking questions as though it wants Quebecers and Canadians to pay more taxes. It is asking the government to bring taxes back. While we are in the midst of an affordability crisis with regard to gas, groceries and the rising cost of living, the Bloc Québécois wants the government to raise taxes.

What I am asking the government to do, to help Quebecers and Canadians cope with the cost of living and to bring down the cost of living, is to make the tax cut permanent.

Carlos Leitão: Mr. Speaker, the tax cut will remain in effect until January 2027. That is what Bill C-38 proposes. What happens after that will happen after that.

Alexis Brunelle-Duceppe: Mr. Speaker, let us put aside the Conservative Party's populist rhetoric. We have gotten used to it. In fact, it cost them many seats in Quebec. There are few of them left. I do not even know if there are even 10 of them.

Here is what I wanted to ask my Liberal colleague. What happens if gas prices have not come down by the date set out in the bill? What he is saying is that the tax will be suspended until prices come down, yet the bill still sets a date. If prices have not come back down, will the bill as drafted still stand, or will he once again choose to extend the measure, ultimately turning what was supposed to be a temporary measure into a permanent one?

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That is my main question. If the price of gas has not dropped at Christmas and in April, will he maintain the measure proposed today?

Carlos Leitão: Mr. Speaker, we will be voting soon, I hope, on Bill C-38, which provides that, starting in January 2027, the suspension of the tax will gradually decrease, and then in April, we will return to where we were before.

What will happen in April? I am no psychic. I cannot predict what will happen, but whatever we can control, we control. This is how it will be until April 1. After that, it will be in God's hands.

Alexis Brunelle-Duceppe: Mr. Speaker, the government justifies this measure on the grounds that gasoline prices have risen as a result of the oil shock. It even tells us that the Organisation for Economic Co-operation and Development has called on certain member countries to take this approach. However, if gasoline prices have not come down, the government's entire rationale falls apart, and what it is proposing makes absolutely no sense. That is my main question. I am being told that the bill specifies a date, but what the bill proposes is tied to the price of gasoline.

Let me be clear. The question is straightforward. I do not want to hear about a date. If, when the bill calls for the excise tax to be reinstated, gasoline prices have not fallen and remain at the same high level, will the government nevertheless restore the excise tax regardless of the price of gasoline? That is my question.

Carlos Leitão: Mr. Speaker, under Bill C-38, the excise tax of 10¢ a litre will be reinstated on April 1, 2027. That is what the bill provides for.

Will there be another bill down the road? I have no idea. We will see when the time comes. However, according to this bill, the excise tax of 10¢ a litre will be reinstated on April 1, 2027.

• (1840)

Eric Lefebvre (Richmond—Arthabaska—des-Sources, CPC): Mr. Speaker, we are currently witnessing a historic moment. The Bloc Québécois is once again speaking out to demand that the Liberal government impose even more taxes on Quebecers and Canadians.

I would encourage people to listen to what was said in the past 10 minutes. We really see the difference between the Bloc Québécois, the Conservative Party and the Liberal Party. I understand why my hon. colleague, for whom I have a great deal of respect, is uncomfortable with these questions, because he, too, wants to make sure that Canadians have a good quality of life.

The Deputy Speaker: The parliamentary secretary has less than 15 seconds to respond.

Carlos Leitão: Mr. Speaker, in less than 15 seconds, I will say that Bill C-38 has an expiration date. That is how it is.

Government Orders

Jason Groleau (Beauce, CPC): Mr. Speaker, today I am going to talk about a subject that directly concerns the wallets of Canadians, Quebecers and, obviously, the people of Beauce. I am going to talk about diesel prices, which have an impact on our families, on inflation, on the cost of groceries and on our constituents' abilities to make ends meet.

To begin, I would like to talk about my magnificent region, Beauce. Beauce is a region of entrepreneurs, builders, manufacturers and, of course, farmers. Beauce is the entrepreneurial capital of Canada. It is home to proud, and even very proud, people who work hard. The people of Beauce are job creators and wealth creators. In my riding, entrepreneurs do not wait for the government to move forward. They wait for neither government money nor, above all, subsidies.

In Beauce, we work together, support one another and stand united. The people of Beauce are asking the government to stop putting obstacles in their way through the layers of red tape created by the Liberals over the past 11 years. Today, one of those obstacles is the cost of fuel. Diesel is a tool of the trade in Beauce. It powers tractors, farm equipment and delivery trucks, and it is an important part of the regional economy. When the cost of diesel goes up, it is not just another bill; the effects ripple through the economy and drives inflation.

When I meet with farmers from Beauce, whether in Saint-Isidore, Saint-Éphrem-de-Beauce, Saint-Victor, Saint-Gédéon-de-Beauce or elsewhere in my riding, they all tell me the same thing: Their production and operating costs are skyrocketing. Over the past year, they have had to cope with periods when the price of diesel nearly doubled. Imagine a farmer who suddenly has to pay almost twice as much to run his machinery. He cannot simply decide not to cultivate his fields. He cannot stop feeding his livestock. He cannot stop producing the food that Canadians need. He has to keep going as well as keep paying his bills.

According to estimates by the UPA, the Union des producteurs agricoles, the rise in diesel prices could cost Quebecers as much as an additional \$200 million. That is \$200 million in Quebec alone. The worst part is that this money is not being invested in farms. It is not being used to buy new equipment or create jobs. This \$200 million will directly drive inflation. The cost always ends up being passed along the supply chain. The cost of diesel does not stop at the farm gate. It follows the produce. It follows the truck. It follows the distribution network. Ultimately, it is passed on in the price paid by consumers. The producer is the first to absorb the increase. That is always how it goes. However, it is always Canadian families who foot the bill in the end.

That is why I am pleased to see that the government has finally decided to defer the excise tax on gasoline. However, let us be clear that this did not happen by chance. It happened because Conservatives spent months pressuring the government to do it. We asked the government to stop adding to Canadians' tax burden. We asked the government to recognize that families had had enough. Now the Liberals are finally being forced to acknowledge that reducing fuel taxes, which was not possible a few months ago, can help bring down the cost of living. They found a calculator and realized that it could lower prices.

That is good news, but it is not enough. A cost-of-living crisis cannot be resolved with temporary half measures. Our Conservative proposal is clear: eliminate all federal taxes on gas and diesel until July 1, 2027. This includes the excise tax, the GST on fuel and regulatory costs that contribute to higher prices. We are also calling for the permanent elimination of industrial carbon pricing. We need to grant emergency permits and tax relief for refinery construction so we can boost diesel production to one million barrels per day and thereby increase supply to meet demand.

● (1845)

We estimate that these measures could save each family nearly \$1,000 a year. I want to emphasize something. I am talking about both diesel and gasoline. Cutting the cost of gasoline helps families get around, spend time with their families and travel, but lowering the cost of diesel also helps reduce the cost of producing and distributing almost everything we consume.

I would now like to talk about something that is particularly close to my heart: the impact of diesel on food inflation. For several years now, Canadians have been seeing higher grocery bills. They have to make choices they should never have needed to make. Seniors are having to choose between certain food products and other essentials. Meanwhile, we continue to hear all sorts of explanations for this increase. There is talk about producers, processors, wholesalers, distributors and retailers, but who can really explain to Canadians where these increases are in the food supply chain and, most importantly, who is benefiting? Those are the questions we have to ask ourselves.

I am particularly proud to make an announcement today in the House. At the request of my colleague, the member for Nanaimo—Ladysmith, I have agreed to serve on a special committee focused on the supply chain and food inflation. Why is that important to me? It is simple. It is because I know the industry. I spent 30 years of my life working in the grocery sector and across the entire supply chain. I am familiar with these realities and these challenges and, more importantly, I have worked at every stage of the supply chain. I grew up in a farming family, worked on the supplier side for 15 years, worked in distribution and worked with wholesalers. Now, I also understand the reality of the final link in the chain, that is, the point of sale. At every stage, there are costs involved. At every stage, business decisions have to be made. At every stage, prices might have to go up.

Where are the costs really going up? What increases are justified? Which companies are absorbing higher costs and which ones are passing them on to consumers? I truly believe in transparency, and when millions of Canadians are struggling to pay for groceries, they deserve answers. That is what we want. I can assure the House that we will leave no stone unturned. I intend to put my 30 years of experience to work for the public in this effort.

There is one thing that I think is especially important in the debate on diesel. The government is talking about inflation as though it were an abstract phenomenon, as though prices just magically appear on items on store shelves. However, behind every price is an economic reality. There is a farmer who has to pay for diesel, a business that has to pay for power, a trucker that transports goods, a retailer who has to pay their employees, pay their electricity bill, buy equipment and fund their operations. That is why the cost of fuel is so important.

Diesel is like the blood flowing through the veins of our economy. We do not have to like it. People may not like it, but that is a fact of life. That is how it is. When the price of diesel goes up, the strain is felt everywhere: on our farms, in our factories, on our roads, in our businesses and at the grocery store checkout. That is why the government needs to stop treating taxes on fuel as simply a tax issue. This is a matter of competitiveness, food security, purchasing power and respect for those who feed our country.

We welcome the Liberal government's backtracking on rising gas prices, but we are not going to stop there. We will continue to fight to eliminate federal taxes on gas and diesel. We will continue to stand up for our farmers. We will continue to stand up for our manufacturers.

• (1850)

Louis Villeneuve (Brome—Missisquoi, Lib.): Mr. Speaker, I thank my colleague, whom I respect very much, for his speech. In his speech, he said that we had announced some good news with this bill but that it was not enough. That is a valid argument. I think reasonable people can have opposing views on the best course of action. However, I think there is no question that this measure will bring concrete and immediate relief to millions of Canadians.

Will the Conservative Party support the bill or stand in the way of it? Is the Conservative Party prepared to work with the government to make life more affordable for Canadians?

Jason Groleau: Mr. Speaker, I would like to thank my colleague from Brome—Missisquoi, whom I hold in high regard, for his excellent question.

Why am I saying that this is not enough? I do not know whether the Liberals have any data suggesting that diesel prices will fall in the coming weeks, but for the time being, prices are increasing month after month. I do not know whether they are aware that there is currently a cost of living crisis. People are struggling to make ends meet. I do not know whether the government realizes that we sell our oil to the United States while paying 24¢ more per litre than they do. We have the resources; we have everything we need.

Why are we not investing in refineries to ensure a long-term, permanent reduction in the price of diesel?

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Jean-Denis Garon (Mirabel, BQ): Mr. Speaker, I would like to congratulate my colleague on his committee appointment. He told us that he will leave no stone unturned in determining which companies are passing these increases on to consumers and which are not. This means he acknowledges that when the excise tax is suspended, some businesses simply pocket the savings. He acknowledges that.

I know that he was not a parliamentarian at the time, but I would remind him of the following: From the very outset of the war in Ukraine, the Bloc Québécois proposed significant tax credits for transportation companies, taxis and farms to ensure that these businesses would not have to bear the additional fuel costs and, more importantly, to prevent those higher costs from being passed along the entire supply chain and ultimately to consumers, as the Bank of Canada warned could happen.

I would like to know why he and his colleague who spoke before him keep saying that the Bloc Québécois never puts any solutions forward.

Is it possible that when we proposed this in 2021, 2022 and 2023, they were simply not around?

Jason Groleau: Mr. Speaker, he is right that I was not here in 2023; I was not around. That is a good point. In fact, it is one of the only good points he made on the subject.

Earlier, I talked about inflation. I would like to point out that inflation did not start when the excise tax suspension was extended. It has been around for years, since 2019. As far as I know, the tax was in effect then.

What we are trying to figure out is whether fuel prices directly affect inflation. Obviously, fuel prices have gone up by 80% over the past few years. That definitely comes at a cost. It makes sense. It is simple math.

I would invite my colleague to the committee so I can explain the supply chain and everything involved in that. I would be happy to explain all of that to him.

[English]

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, of course the tax break would be passed on to the consumer, and that is something the government does watch for. The idea of what would take place is not necessarily a new idea. In fact, Wab Kinew, to his credit, after the last provincial election in Manitoba, did the same thing, and it did provide relief and dealt with, in part, the issue of affordability.

My question to the member opposite is this: Does he not agree that providing this sort of tax relief would at the very least address the issue of affordability for a period of time when Canadians need to get that break?

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• (1855)

[Translation]

Jason Groleau: Mr. Speaker, I am a bit surprised by his question. We moved a motion earlier because we wanted to talk about affordability. He voted against that motion, so I am having a hard time understanding his question.

Again, the Liberals have set an end date for the taxes. Why not eliminate them altogether? That would give Canadians and Quebecers, including the people of Beauce, a bit of breathing room.

Eric Lefebvre (Richmond—Arthabaska—des-Sources, CPC): Mr. Speaker, I want to thank my colleague from Beauce for the excellent speech he just gave and join in congratulating him on his appointment to the committee.

I rise today to speak to Bill C-38 at a time when our country is experiencing an affordability crisis that is hitting every Canadian family hard. Across the country, especially in the regions of Quebec, people are forced to cope with an increasingly difficult reality as the cost of living rises, bills pile up and families' purchasing power is stretched to the limit. As everyone knows, buying groceries is more expensive. Getting to work is more expensive. Transporting goods is more expensive. For our farmers, producing the food that we put on our tables is an escalating financial challenge.

It is in this context that we must examine the measures proposed in Bill C-38 and ask ourselves a fundamental question: Will these measures provide Canadians with sufficient, lasting relief? That is the question. The Liberal government has finally decided to extend the suspension of the federal excise tax on fuel and postpone its reinstatement until early next year, in 2027. This relief is, of course, welcome news for car owners, workers and businesses. However, one fact should be kept in mind: This decision comes after months of pressure from Conservatives calling on the government to reduce the tax burden on gasoline and diesel. For months, we urged the Liberals to give Canadians some relief. We repeatedly called for the suspension of this tax to be extended at least until Canada Day, July 1, 2027. However, time and again, the Liberals voted against our proposal.

Today, the Minister of Finance announced that the government will extend a measure that it had said itself would be temporary. I find it interesting to hear the Bloc Québécois pleading with the Liberal government to reinstate the gas tax today. The Bloc is asking when the government will reinstate the gas tax. I do not know whether the Bloc Québécois members are living in the same province as I am. This weekend, Quebecers were telling me that they are struggling to make ends meet, that things are not working and that they need some breathing room. One way to give them that breathing room is to eliminate this gas tax. However, the Bloc Québécois is currently pleading with the government to keep it in place.

We are saying that Canadians need more relief. They need practical measures that will help them regain real purchasing power. It is important to understand that gas and diesel prices do not just affect car owners. When we talk about fuel prices, we are also talking about food prices, the cost of materials, transportation costs and, ultimately, the cost of almost every product that Canadians need and

buy on a daily basis. Fuel is present in almost every stage of our economy.

Let us take a simple example: a can of vegetables at the grocery store. Before it reaches the shelves, the vegetables will be grown, harvested, packaged, transported and distributed. The farmers use tractors, combine harvesters and many other machines that run on diesel. The transporters then use trucks to move crops to distribution centres and businesses. Each of these stages involves energy costs. When the price of diesel increases, the cost of production and transportation increases. That pressure ultimately affects the price that consumers pay. In other words, Canadians are not just paying the high fuel prices at the pump; they are also suffering the consequences at the grocery store checkout. This happens every week. Families have to watch every dollar of their budget. What are they going to do?

I would like to draw the House's attention to the realities facing Quebec farmers. A few weeks ago, I spoke here about Nick Majeau, a farmer from Quebec. His story is a perfect example of the challenges that agricultural producers face.

• (1900)

During harvest season, he has to spend \$2,000 a day on diesel to power his farm equipment. That is twice as much as it cost him the previous year. Imagine what that means for this farming business.

I spoke with other farmers in the Centre-du-Québec region of my riding. They told me that for some farmers, the costs are much higher than in Mr. Majeau's case. For some, the costs are three times what they used to be.

This money is not being spent to expand the business, hire more workers, or invest in equipment. It has to be spent just to continue production.

As my hon. colleague, the member for Beauce, said earlier, farmers cannot opt out of farming next week just because the price of diesel has gone up. They cannot say they are going to take a week off until the price goes back down. That is not how it works. They have to go out to the fields and cannot just decide to leave their tractors in the garage. Unlike other businesses, they cannot always pass on all of these costs to their customers right away. They have to absorb the increase and cover the expenses to stay competitive.

These men and women work tirelessly to feed our communities and contribute to the economic strength of our regions, our food sovereignty and Quebec's prosperity. I am talking about our farmers.

I see that my Bloc Québécois colleague does not like hearing me talk about this, but when I hear the Bloc Québécois calling for the tax to be reinstated as quickly as possible, my thoughts turn to our rural communities and the farmers who fight every morning to make a living. Morning, noon and night, agriculture is on our plates. Without these men and women who get up every morning to work their fields, we would not enjoy the harvests that feed us day in and day out. Now they are getting some breathing room. We are calling on the government to make that relief permanent. When I hear the Bloc Québécois calling for the excise tax be reinstated, it leaves me shaking my head.

There are also parents who must choose between filling up their gas tank and buying groceries. I am not exaggerating. They have a limited amount of money and have to decide whether to fill up the tank or put in just 20 dollars' worth so they can still afford groceries. That is the reality for many right now.

There are seniors living on fixed incomes who are seeing the cost of essentials continue to rise.

The government now recognizes that cutting fuel taxes can help ease costs in several sectors of the economy. In its announcement, it acknowledged the benefits of tax relief for truckers, farmers and people working in the construction, housing and delivery sectors. That alone is an important acknowledgement, but it also raises an important question: If the government now recognizes that cutting the fuel tax helps Canadians, why not extend it even further? Why end this measure so soon when families continue to struggle with the rising cost of living? Why not offer farmers more predictability?

Farmers run businesses. They are businessmen and businesswomen. What businesses need most is predictability, which the government is not giving them at this point. That is why we, the Conservatives, are asking the government to do more. We are calling on the government to suspend all federal taxes on gasoline and diesel at least until July 1, 2027.

I look forward to answering my colleagues' questions because this issue really matters to me. Ordinary people are going through tough times. Folks are struggling, and this is one way to give them a bit of breathing room. I am convinced that permanently eliminating the gas tax would give Canadian families a chance.

• (1905)

Louis Villeneuve (Brome—Missisquoi, Lib.): Mr. Speaker, I am a father and a grandfather, and my own father is 94 years old. We are all experiencing the challenges that you are talking about. My question is this: Do you believe that you can predict with certainty where oil prices will be in six to 12 months?

I believe that the government is acting responsibly by proceeding the way it is.

The Deputy Speaker: Before I go to the hon. member for Richmond—Arthabaska—des-Sources, I want to remind the member that he is to address his comments through the Chair and not to the member directly by referring to him in the second person.

The hon. member for Richmond—Arthabaska—des-Sources.

Government Orders

Eric Lefebvre: Mr. Speaker, the member for Brome—Missisquoi is a colleague for whom I have great respect. He is fortunate to still have his father around and to be a grandparent. As for me, I will become a grandfather in two weeks. I will get the greatest gift that life can give me in a couple of weeks. We all think about our children and grandchildren. I am certain that all members here, on both sides of the House, are thinking about their children and grandchildren. Our shared goal is to leave a better country for future generations. I am sure that we all share that vision.

Where do our visions differ? I spoke earlier about predictability. What we on the Conservative side are saying is that we need to give our constituents some predictability by permanently eliminating this tax. There are many ways to make up the revenue, such as by reducing the size of government.

Jean-Denis Garon (Mirabel, BQ): Mr. Speaker, my friend, the member for Richmond—Arthabaska—des-Sources, is attacking the Bloc Québécois. Deep down, he is soft-hearted guy, a future grandfather, and we know that he really likes us. We all want the cost of living to improve.

In committee, we asked the minister whether the reduction in the excise tax was really helping to keep money in the pockets of consumers and farmers. What was really interesting about my colleague's speech is that he said the opposite of what is taught in economics and what actually happens in the real world. He said that a farmer cannot take a day off when they are in the middle of harvesting their crop. They have to keep their machinery running and they need to fill the tanks with fuel to do that. That is exactly the kind of situation where diesel distributors will pocket the five cents from the tax on diesel. When a farmer is in the middle of harvesting their crop and goes to get diesel, what does the diesel distributor do? He pockets the excise tax, so it does not do the farmer one bit of good.

Does my colleague agree that, when the government implements and extends a measure like this, it is only reasonable to expect the Department of Finance, which has had this measures in place for several months now, to provide us with studies so that we know what we are voting on?

Eric Lefebvre: Mr. Speaker, I must also admit that I hold my colleague from Mirabel in very high regard. What is more, he is looking out for me today. He told me not to eat my whole dessert and to watch my sugar intake. We look out for one another here, and these are moments that people back home do not get to see.

In response to my colleague, I would say this: For the farmer who was paying \$1,000 last year and is paying \$2,000 this year, what matters is not where the five cents from the tax is going. What matters to that farmer is that this is costing him twice as much out of his own pocket and he does not have enough income to keep going. That is what worries him.

Jason Groleau (Beauce, CPC): Mr. Speaker, I would like to congratulate my colleague from Richmond—Arthabaska—des-Sources on his excellent speech. We are experiencing an affordability crisis, and we had a vote today. I would like to ask him the following question: How does my colleague view the fact that the Bloc Québécois wants to reintroduce the excise tax on gasoline?

Government Orders

Eric Lefebvre: Mr. Speaker, I feel a little awkward because it is true that I have talked a lot about the Bloc Québécois this evening. We are really here to talk about Bill C-38, concerning the excise tax on gasoline. I must admit, however, that I was a bit taken aback to hear the Bloc Québécois say today that it is asking the government to reinstate the excise tax on gasoline even though Canadians and Quebecers keep talking to us about the affordability crisis every single weekend.

Yes, on this side of the House, we are asking that this tax be permanently removed. I see that as one way to ease the affordability crisis this country is going through.

• (1910)

[English]

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, we have heard from a couple of Conservative speakers that the Conservative Party's position is to permanently get rid of the gas excise tax. Are there other taxes that the Conservatives would permanently get rid of?

[Translation]

Eric Lefebvre: Mr. Speaker, my colleague, a person I hold in high regard, has just asked an excellent question.

The Conservatives' goal is to put money back in Canadians' pockets. If we end up being able to eliminate other taxes, we will have to do better at managing what is going on now. Maritime Launch Services comes to my mind, along with the \$200-million investment heading its way. That is not the way to put money back in Canadians' pockets.

Jean-Denis Garon (Mirabel, BQ): Mr. Speaker, I would like to thank my Conservative colleagues for their earlier speeches.

I am a little baffled because they seem to know how we are going to vote before we do.

We are being thorough. We have taken part in parliamentary committees, pushed for witnesses to be called and pushed to ensure that we understand exactly what we are voting on and have all the facts before us. I must admit that I am somewhat disappointed because, beyond our ideological preconceptions—it is true that we have different values—there is a reason why, at some point, we decide to put our face on an election sign of a certain colour, whether it be pale blue, dark blue, red or whatever else. Our values inevitably shape how we interpret the facts, and that can lead us to support different policies. However, we cannot each have our own version of reality. We must begin with the same facts and the same rigorous analysis. From there, we can apply our respective principles and values and potentially arrive at different conclusions. In my view, that is precisely the purpose of parliamentary debate. It serves as a forum to express our interpretation of the facts at our disposal.

The reality of this bill is that we have no facts. We know what the facts are in foreign jurisdictions. In many ways, the Americans' situation is actually comparable to ours because we are among the two or three countries in the world that have lower taxes on gasoline and diesel. We know that when certain American states removed or reduced the excise tax, a significant portion of the tax cut

did not end up in the pockets of consumers and families. We agree that the purpose of this bill is not to help the distribution chain, but to help families. That was the justification that the Minister of Finance gave. The Minister of Finance said that there are two ways to help families: the excise tax, which is temporary, and the new groceries credit, which is the GST credit that was renamed because it obviously is no longer really a GST credit. The goal is to help families.

It is important to rely on facts. Personally, I am deeply convinced that no one here today is rising, as the Conservatives are saying, to say that they would like the cost of living to increase for households. No one here thinks that we should not ease the pressure on household finances. No one here thinks that we need fewer jobs, less growth and less wealth and that it should be redistributed less effectively. I do not think that view exists. The issue is the methodology.

What methodology does this bill actually propose?

First, it would reduce the excise tax by four cents for diesel and 10¢ for gasoline. Let us consider the four cents for diesel. A number of events have affected the retail diesel market. First, there was the crisis in Ukraine. For our farmers, there was also the issue of fertilizer that came up at the time. It was very difficult for them. Then there is the Strait of Hormuz involving our friend President Trump, as if he had not already done enough. A four-cent reduction is fairly minor when the supply chain is considered. What we are really talking about is relief for people who drive personal trucks. We voted in favour of that. At the time, the Bloc Québécois supported it. That is why, when I listen to my Conservative colleagues, I wonder if they believe that the Earth is flat. We voted for it. We believed that the situation was urgent, that the measure might not have been perfectly targeted and that we did not necessarily know the impact, but that, at that time, it could be implemented quickly and provide some relief. We voted in favour of that motion. I do not recall them applauding that or coming over to congratulate the Bloc Québécois. Nevertheless, we voted in favour of it.

As the summer came to a close, we were presented with a notice of ways and means motion and told that it had to be debated in the House. I have no problem with that. It is the Minister of Finance's prerogative to introduce a tax bill, but we said we needed witnesses to appear before the committee. We needed to know the facts of the matter.

I especially wanted to hear from people at the Department of Finance, which is filled with top-notch economists, people I knew in my previous professional life, who are very familiar with the issue. Although many variables affect the price of diesel, there are statistical methods we can use to determine, possibly not very accurately, whether this fairly considerable 10¢ reduction in the excise tax is actually ending up in consumers' pockets. We insisted on hearing from witnesses, but there have been very few.

Government Orders

● (1915)

We are talking about billions of dollars in spending and, today, the Parliamentary Budget Officer updated her projections. She said that things were not going well and that the deficits would be even larger than expected over the next few years. We have not seen the November 5 budget yet, so we will see what happens. However, all other things being equal, the deficit forecast will be \$3 billion to \$4 billion more per year than previously projected. Four billion dollars is the cost of the measure we have before us, when we combine the spring version with the one we have here. I realize that, in the grand scheme of things, this is not very much money as a percentage of the government's revenue and spending, but given the size of our deficits, it becomes marginally significant when the government is constantly adding measures.

I thought it was a good idea to hear from witnesses. I thought the right place to try to find out whether the policy was working was in committee. The study was rushed through in two hours. We heard from the minister and just three witnesses. What is more, the minister showed up at the committee meeting with an infographic. I do not know whether my colleagues knew what it was, and there are people on the Hill who are watching, so I am almost embarrassed to mention it. The minister had a sheet of printer paper covered in little coloured bubbles: an infographic.

We asked whether he had done any studies, whether he had checked if this was going into taxpayers' pockets. Nothing could prove that we are in favour of helping taxpayers more than the fact that we asked the minister whether he is sure that when 10¢ is taken off the excise tax, those 10¢ go into the pocket of the person who needs to use their car to go to work in the morning. There is no way in the world we could show more consideration for the person who needs to use their car.

The minister showed us an infographic with little bubbles. In a condescending tone, he told us we should include it in the householder mailings we send to our constituents and show them the measures the government is taking. He had an infographic, but we asked the minister if he had done any studies. Obviously, some portion of the excise tax cut went into people's pockets. Retailers do not keep 100% of the excise tax. However, we want to know whether 95% went into people's pockets or whether it was 90% or 85%. Was it two-thirds, as it is in some parts of the United States? Is it less than that, as was the case in Quebec during the Jacques Parizeau days, for example, when it did not have much of an impact? The minister's response was that he had an infographic. Let us take a moment to reflect on what the minister thinks of the parliamentary process. He showed up with a brochure, like kids going door-to-door to sell chocolate. It was pretty much on the same level.

Afterwards, I told the minister that we still needed to know that. Anyone can go watch the recording. The minister told me that the average person at home knows full well that the 10¢ savings on gas went back into consumers' pockets, just like the four-cent savings on diesel, and that people are fully capable of doing the math with pen and paper at home. That is what Canada's Minister of Finance, the minister of a G7 country, told us.

Let me go back to my premise. No one here in the House wants consumers to not get a break. All we want is to ensure that taxpayers' money is managed properly. If the goal is to put money back in families' pockets, it seems logical that we should try to find out whether it is in fact ending up in families' pockets.

We made proposals. Once again, people are saying that we want to reinstate the tax, and so on. We made proposals. I said this earlier in my question. This has been going on since the war in Ukraine began. It is not the first time. First, we saw significant inflation in the supply chain during the pandemic. That took a toll. Interest rates went up for people who had bought homes. All too often, they had variable-rate mortgages even when rates could not go any lower. These people may have made a mistake, but it hit them hard.

There was the war in Ukraine. That had an impact on our farmers when it came to fertilizer. At the time, the government had imposed sanctions on fertilizer coming into the country. We had to fight to ensure there would be no sanctions on fertilizer that local farmers had already purchased before the war in Ukraine broke out. We succeeded. Back then, the government was somewhat receptive to our concerns. It was a minority government. Let us hope for another.

We came up with a proposal. The idea was to prevent inflation in fuel costs from working its way into the supply chain. How do we do that? We make sure it is not embedded in the inputs at every stage of production. There are special tax provisions for people who work in transportation—taxi services, para transit and freight transportation—and for farmers. Anyone who represents an agricultural riding knows that.

● (1920)

As members know, farm diesel is a different colour. The same goes for heating oil. There are different tax rules that apply. This takes pressure off the supply chain as a whole. This increase in diesel does not influence the Bank of Canada's decision. The inflation that the Bank of Canada uses to determine whether to raise rates excludes energy and food, for which prices are determined internationally. Monetary policy has no impact on that. The government needs to make sure that the increase does not affect grocery bills or cans of food. Incidentally, my colleague from Richmond—Arthabaska—des-Sources talked about peas earlier, but he did not know that a combine harvester is not used to pick peas. He gave an example earlier, but someone should have told him that combine harvesters are not used to produce canned vegetables. We will forgive him for that, as he was overcome with emotion. Anyway, what we want is to make sure that this does not result in inflation.

That is what the Bank of Canada is telling us. When the Governor of the Bank of Canada testified before the Standing Committee on Finance, he told us that they were waiting to see whether the oil price shock would last so long that inflation, which is not included in the index used to set monetary policy, would end up affecting food prices. There is a possibility that it might happen after this bill expires in the third quarter of 2027. There is good reason to believe that this is not the right approach and that it does not help enough people. While it may help a few people, it costs too much and misses the mark. Those are the questions we have been wondering about.

Government Orders

We are here to vote on a bill that is going to cost billions of dollars, and its impact on redistribution is unknown. We know what impact it will have on public finances. Now people are accusing us of wanting to raise taxes.

The riding I represent, Mirabel, is an agricultural riding. People know that I keep a pair of boots in the trunk of my car. They know that I visit farms and that I know our farmers by name. This proposal to take the pressure off them and ensure that diesel price increases do not end up in supply chains has a trickle-down effect and also meets a number of environmental objectives at the pump.

It is important to understand how taxes work. If I ever go back to teaching economics, I am going to use my colleague from Richmond—Arthabaska—des-Sources's speech to show my students what not to say.

Diesel and gas consumers are people who are dependent on diesel and gas in the very short term. When there is an oil crisis, people are not going to change their vehicle or heating system right away, but they might do so down the road. They are not going to replace their combine harvesters or other machinery with more fuel-efficient models. People are going to continue to buy gas and diesel because they need to get around and keep their businesses running. In the short and medium terms, oil and gas consumers are very dependent.

Demand is barely affected by price. The member for Richmond—Arthabaska—des-Sources said as much. When it is time to harvest, it is time to harvest. Farmers need to fill up their tanks. Producers and distributors know, just as the member for Richmond—Arthabaska—des-Sources does, that farmers need diesel.

Does the government really believe that suspending the excise tax, which amounts to a savings of just four or five cents per litre, means it can tell farmers that they are getting a gift because the price has gone down by four cents? They have no choice but to fill their tanks. Diesel suppliers will do what they have always done. They will lower prices for two or three days because they do not want to end up on the front page of the *Journal de Montréal*. They do not want to be seen as the bad guys. They will lower prices for two days, but once the news cycle moves on, they will raise prices again.

I asked the minister if any studies had been done and if anyone knew that it was working. These are legitimate questions. The minister told me that we did know because the price dropped by 10¢ on the first day. When was this policy implemented? It was in June, 120 days ago. It seems as though the minister does not care about the other 119 days. He cares about the first day, but not the other 119 days, when it is no longer news and once the policy has been implemented. There is still some uncertainty in market signals. Prices are fluctuating. The Americans are causing trouble in the Strait of Hormuz. The price is going up. Oil companies know full well that no one can say where the price increase is coming from, so they are pocketing the savings from the excise tax. I would like someone to explain how that helps consumers.

Someone will say that, basically, if the excise tax is reduced, the 10¢ can be split between consumers and retailers. Maybe retailers need a little help, too. Some fuel retailers might be having a bad

year. They are business owners, and maybe they need help. If the minister's goal is to help gas retailers, he should say so.

● (1925)

When I am out and about in my riding, I do what everyone else does. I see businesses; I see farmers; I see people who have to travel back and forth a lot between Mirabel and Saint-Jérôme or Mirabel and Montreal. They have to put gas in their cars. No one tells me that we should be helping the Ultramar on the corner or that we absolutely need to drive along Curé-Labelle—Highway 117—and help gas retailers. I have not heard any such thing, not once. That is the fear, though.

We heard from witnesses in committee. Generally speaking, they told us that the government should help households with the cost of living. I agree, but this situation calls for more targeted measures. The witnesses told us that temporary measures like this one always become permanent. Other provinces have done it. I believe Ontario and Newfoundland and Labrador have done it.

I am not a big fan of Milton Friedman, but he said nothing is so permanent as a temporary government program.

Back then, Milton Friedman was talking about tax increases, but the same applies to tax cuts. We must not imagine that once we have lowered taxes once, twice or three times, people will not be angry when we raise them again. We cannot tell Canadians and Quebecers that it will be temporary. That will not fly.

If we want to do this, then we need to help families. How should we go about it? We should use the GST credit. It is targeted, has the same criteria as family benefits, takes into account the number of children, and is means tested.

In Quebec, there is the solidarity tax credit, which is refundable. It even takes into account additional criteria, such as living in a rural or remote area. Gas retailers would have kept some of that money for themselves, but this way, it is used to help families directly. That is one way of doing it.

What is more, it helps people who do not have a car. There are people who do not have cars. Some people are being hit so hard by the cost of living crisis that they no longer have a car. Will this measure help them, or would they be helped by a broader, more targeted measure? That is a question worth asking. People who do not have a car also need to eat, and they are also grappling with the rising cost of groceries. These people need help too. That is one of the things we need to think about, among many.

I will say it again. I think this is the fifth speech I have given on this subject. I did two the first time. We are now at third reading.

Regarding inflation, over the past 15 to 20 years, the price of gas has fluctuated a lot, but it has generally followed the same trend. When we factor in inflation, it has gone up. That is called the nominal price. We see the price going up. When we remove inflation, the price does not change, but it fluctuates a lot. Yes, it fluctuates a lot, while the purchasing power of the wealthiest 80% of Canadians has increased significantly.

There are two things going on here. The wealthiest 80% of people have bigger cars. The number of cars on the road, including in Montreal, is growing faster than the population. That is what is happening. Among the bottom 20% are people on tight budgets. When the price fluctuates, when the price goes from \$1.60 to \$1.80, those folks stop eating. They stop taking their kids to activities. They stop going to the movies. They stop spending in other sectors of the economy. That is 20% of the population. Those are the facts. I looked at the data sets. I calculated that. That is what Luc Godbout is telling us. That is what Antoine Genest-Grégoire is telling us. That is what experience tells us needs to be done. We need to help these people.

Instead of helping 100% of people with assistance, 30% of which goes into the pockets of oil companies, why not take the same amount of money and use it to help five times as many people who are genuinely struggling? In the meantime, why not implement the measures proposed by the Bloc to mitigate the impact of rising fuel prices on the entire supply chain over the longer term? That is the Bloc's proposal.

The Conservatives delivered 10-minute speeches. Maybe they should have taken 20 minutes instead. If they think the Bloc is in favour of taxing people and increasing the cost of living and against providing assistance, then I think some people are having issues hearing the interpretation.

I will say it again: The government needs facts and data to back up its decision to introduce a policy like this and renew it a second time.

I seriously think that the Department of Finance did the analysis, because there are some excellent people in that department. The reason we do not know what percentage of the savings was pocketed by producers is because they know the answer and did not want it published.

● (1930)

Louis Villeneuve (Brome—Missisquoi, Lib.): Mr. Speaker, I always enjoy listening to my colleague, and I dream of one day being able to speak so eloquently. I think that if he goes back to teach economics, I will sign up.

I want to go back to the fact that my colleague said that the Bloc Québécois initially voted for the measure because it was necessary. However, the situation around the world has not improved since then. I do not think we can say that things have stabilized very well. My constituents in the riding of Brome—Missisquoi have been telling me how much the measures the government is putting in place are helping them. We are not creating measures just for the sake of burning money. That is not the goal. The goal is to help our constituents.

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My question is this. The Parti Québécois, which came to power in Quebec City, called for a permanent suspension of the federal excise tax on gasoline. Does the Bloc Québécois share that position as well?

Jean-Denis Garon: Mr. Speaker, I never said that people enjoy burning money. When people tell us they like these measures, it is partly because the Minister of Finance told them that the 10¢ would go into their pockets, even though that may not be true. People trust a finance minister who has not shown us the studies.

The Parti Québécois will make its requests, and it is even possible that tax points could be transferred. I do not know what the Parti Québécois will propose. At one point, during a debate here, we were asked what we would do if the Parti Québécois had proposals regarding the excise tax. There is, however, one difference. During the election campaign in Quebec, every single party, without exception, had a plan to return to a balanced budget in the short or medium term, which leaves room for experimentation. However, when you have a deficit of \$65 billion, \$68 billion, \$69 billion, \$72 billion, or \$73 billion dollars, the \$3-billion margin for experimentation takes on a different meaning, especially since this is the second time the policy has been implemented and no assessment of its effectiveness has been conducted.

I urge them to do the work at the Department of Finance. I believe it has already been done. Above all, I urge them to publish their work and tell us what we are voting on, rather than trying to put parliamentarians on the other side of the House in an uncomfortable position. Personally, I am very comfortable with the idea of seeking all the facts before voting on a bill.

Jim Bélanger (Sudbury East—Manitoulin—Nickel Belt, CPC): Mr. Speaker, my impression is that we do not share a common understanding of the situation. If I understand correctly, the question is whether tax rebates go directly to consumers. My understanding of the oil market is that the base price is determined by New York Harbor and by global market forces. Then taxes are added. For each distribution centre, there is a base nominal price on oil that is set every day. Various applicable taxes are then added, followed by the GST. In my opinion, yes, the savings go directly to consumers.

Jean-Denis Garon: Mr. Speaker, my colleague is right. This market has a unique structure. The question is not whether the GST and QST are added. The question is what the price would be if there were no taxes. Does the member understand what I mean?

There are statistical methods for determining whether, when a tax is imposed, the producer has passed it on to consumers or whether the producer has absorbed part of it by lowering their own price before tax. On the CBC website, there is an interesting map where people can see the gas stations in a given neighbourhood. For example, I can see that, in my neighbourhood, in my riding, some gas stations are charging five cents more a litre, whereas others are charging six cents or three cents more a litre. There is some leeway because retailers know their customers, especially in agricultural areas, and supply and demand plays a role in the final retail stage. When we are talking about five cents or four cents on diesel and 10¢ on gas, retailers at the final retail stage definitely have some leeway to assess the situation and they may not lower the price by an amount equivalent to the excise tax discount.

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That is what the data show, that is what we are seeing in the United States and that is what we have seen historically. I would invite my colleague to take an economics course. He is shaking his head no, but I think he could use one.

● (1935)

[*English*]

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I respect the economic background the member brings to the House, but I think of economists, and I think we can get all sorts of differing opinions.

At the end of the day, and let us be very clear, the excise tax break that was implemented by the government has directly benefited the consumers of Canada. There is absolutely no doubt about that. Also, Wab Kinew did this very same thing following a provincial election.

It seems to me that the Bloc members are trying to find an excuse as to why they might vote against the legislation to justify their actions. I wonder if the member could provide comments on that.

[*Translation*]

Jean-Denis Garon: Mr. Speaker, I understand that there are all sorts of perspectives in a social science like economics, but, at the end of the day, one plus one equals two.

I did not tell the House that none of the discount ended up in consumers' pockets. I did not say that. The first thing we need to know is how much of the rebate ended up in consumers' pockets. We should know that before we vote. Second, I am concerned that the policy is not targeted. That same amount of money could provide four or five times more help to the 20% of people who have the greatest difficulty making ends meet. That is the question I am asking.

This is not about a school of thought, a perspective or a point of view. If my colleague thinks that one plus one does not equal two, then he should not be debating financial issues because there are ways to measure these things.

At the end of the day, he may believe that a measure is worthwhile if 30% of the discount ends up in retailers' pockets. He is entitled to believe that, but he cannot tell me that the facts are flexible depending on how we feel when we get up in the morning.

There are ways to calculate that. There are people at the Department of Finance who know how to do it. I assume that it has been done and that it has not been published.

[*English*]

Hon. Kevin Lamoureux: Mr. Speaker, let us further that discussion. Let us say that the principle of providing the tax deduction in the form of the excise tax on gas has been clearly demonstrated to members of the Bloc. In principle, would they support getting rid of the excise tax on a temporary basis?

[*Translation*]

Jean-Denis Garon: Mr. Speaker, the goal is to help families. The goal is to do so at the lowest possible cost. The goal of redistri-

bution is to do so with as little tax pressure as possible. The Conservatives will say what they want. The reality today is that, if we spend \$4 billion on this measure, someone is going to pay. I think they will agree with me that they are not going to improve government operations a year from now. It is not in their DNA to do that.

A budget will be tabled on November 5. What I want to know is, if we include the grocery tax credit, that is, the GST rebate with a new name, what will we find in the pockets of a family of two parents and two children in Mirabel or a single person in Mirabel?

We have to look at all policies. Today, we are discussing a policy taken in isolation by the government, when in a few days, there will be a budget that will give us the whole picture.

Are we voting yea or nay?

They will announce it, there will be a vote, and they will stand by it. However, I think there should simply have been a vote on all of this as part of the November 5 budget. There was a notice of ways and means motion. The measure is already in effect, and there is no reason to vote on it a few days before the budget.

[*English*]

Hon. Kevin Lamoureux: Mr. Speaker, let us further advance this issue to low-income individuals. When tax is reduced on gas for public transportation, whether it is buses or taxis, which are often used by all sectors of society, there is a direct benefit for that in municipal budgets, which decreases pressure. At a time when gas prices are volatile and the issue of affordability is there, it seems to make a whole lot of sense to give Canadians a break on affordability by providing this excise tax, because it covers everyone.

● (1940)

[*Translation*]

Jean-Denis Garon: Mr. Speaker, maybe he is just killing time, but the minister told us this was a targeted measure to help people. Then he told us it affects everyone. Clearly, the goal is to have a direct impact on people's wallets, not through lower transportation costs, which in turn lowers this and that. The purpose of this measure is not to lower food prices through the supply chain. That takes something else.

If they want to support public transit, then why did they cut the public transit budget? Why did they reduce funding to the provinces for public transit?

That would help our public transit systems and our infrastructure. That is a real issue, unlike claiming that "if we lower the excise tax through a 14th degree effect via Mars, it will have an impact on the STM in Montreal."

Come on, now.

[*English*]

Melissa Lantsman (Thornhill, CPC): Mr. Speaker, I will be splitting my time with the member for Sudbury East—Manitoulin—Nickel Belt.

I want to bring members back to a couple of hours ago when the House voted on a motion. We had a very simple vote on a very simple motion earlier today. I will read the text for everybody watching at home just so they see how simple it was. It reads:

That the House officially recognize that:

- (a) the Liberals have been in power for 11 years; and
- (b) Canada is in an affordability crisis.

The entire motion is one sentence, and nothing in it is untrue. The Liberals have been in power for 11 years, and we do not need a calendar to confirm that. On the second part, members can ask anybody across the country who is trying to save up to buy a place of their own, put food on the table consistently or even pay their bills, and they will tell them that the answer to that question is yes, Canada is in an affordability crisis.

However, earlier today, every single Liberal MP on that side of the House stood up to oppose that motion, and in doing so, they denied reality. They denied the reality of millions of Canadians. They denied their own record in the same way they have been running from it since the Prime Minister got here. They pretend that the same MPs, the same cabinet ministers and the same advisers who served under Justin Trudeau, many of whom are now promoted, are somehow not responsible for everything that happened over the last 11 years.

What is worse is that they deny the financial reality that millions of Canadians are living right now, just outside of this place. I invite them to visit a food bank in Toronto and defend that vote. Some have foolishly taken a picture in front of that food bank, but they should actually go in and see the rising numbers. Last year, Toronto food banks recorded 4.1 million visits, which is the highest number recorded, and a 340% increase since 2019. The line did not just double. It more than quadrupled.

Maybe the Liberals could explain their vote to the 46% of Canadians who say that they are less than \$200 away from not being able to pay their bills every single month. Maybe they could explain it to the nearly three in 10 who say they already do not earn enough to cover their bills and their debt together. That is who they voted against today when they voted to deny reality and deny the financial reality of so many of those people. That same denial runs through the legislation that we are debating again today.

The government frames Bill C-38 as a major affordability measure. In reality, as we have heard many times, it would extend a temporary pause on one federal tax at the pump, which is a 10¢-a-litre excise tax. By the finance minister's own math, that is about five dollars off of a 50-litre fill-up. It is something, that is for sure, but it is not enough. It is not enough for the affordability crisis that we are facing, and it comes with an expiry date, as if that affordability crisis, which was created over the last 11 years, would just automatically disappear. On February 1, half of that tax comes back and the relief drops to 5¢ a litre. On April 1, the rest comes off and the relief drops to zero.

Every other federal charge built into the price of fuel stays in place, which means the GST stays in place, the clean fuel standard stays in place and the cost of the industrial carbon tax stays in place. We could remove all of them and families, seniors and truck-

ers could save up to 25¢ a litre, but that is not what we are talking about here. It is what we could be talking about.

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Under the Conservative proposal, the relief would not vanish next February. It would last until at least Canada Day in 2027. It would be up to \$1,000 of savings for the average Canadian family, which is real money that would help, but if members vote against even recognizing an affordability crisis in the House just hours ago, then why would anybody trust them to fix it?

Throughout this debate, we have heard a lot of bluster from the other side and not so much on the facts point. I just want to lay out a timeline for those following, because some Liberal MPs have been trying to take credit for the ideas, and other Liberal MPs do not understand why they are doing it.

● (1945)

On April 2, Conservatives called for federal taxes on gas and diesel to be removed for the rest of 2026. Twelve days later, the Liberals announced a partial version of that plan, pausing only the excise tax and only until Labour Day. Fast-forward to August 16, when we demanded cancellation of the Labour Day tax hike and removal of all the federal fuel taxes until at least Canada Day in 2027, and on September 2, the Liberals backed down again and announced that extension, which is the bill in front of us today. Each time, they arrived late, and each time, they brought less than Canadians needed.

If not for our Conservative pressure, I do not think we would be debating this at all. If nobody on this side of the House had called for it, I do not think we would be standing here. I do not think it would have existed in the budget, which we should have seen a couple weeks ago, and I do not think they would have done it, because the current government has a habit of dealing with problems by pretending they do not exist, hence the vote earlier today, just as the Liberals are pretending that we are not in an affordability crisis by voting against Canadians, who are clearly living much of their lives in that crisis.

In March, the Prime Minister told Canadians that affordability was the best it had been in a decade, but I want him to really look in the faces of a family and tell that to the family filling its minivan this week. Meanwhile, the Parliamentary Budget Officer, whom we heard from today, reports that the deficit went from \$36 billion under Justin Trudeau in the last fiscal year, to \$72 billion this year. That is not a little more spending. That is double. It is putting groceries on the credit card and calling it a budget. We will see what happens in the next couple of weeks.

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The problem still for all those families is that it is getting worse. Yesterday, Statistics Canada reported that inflation rose to 3.1% in September, up from 3% in August. Gasoline prices are up nearly 28% from a year ago. Fuel oil is up almost 58%, hitting families in Atlantic Canada the hardest, because that is what many of them there use to heat their home. Grocery prices are up 33% since 2020. We know there are lots of reasons for these costs rising, but today we are debating actually giving relief to families and taking some of that money off their bills.

Families obviously feel this. Six in 10 Canadians say that at least half their paycheque is already spoken for before it even arrives. Yes, we need to do more, and Conservatives are never going to stand in the way of relief or a tax cut. That is what we came here to fight for, no matter how small it is and no matter how time-limited it is, because even a little money makes a difference for people who are facing strife in their communities right now all over the country.

However, we will keep daring the government to do more. We will keep advocating from this side of the House, because the only reason we are having this conversation is that the Liberals were put in a corner to have to do this. We will keep making it very uncomfortable not to act, and we will keep speaking for all the families who need the relief, who need longer-term relief and who need bigger relief on their paycheques.

The Liberals have already moved from denial to partial acceptance, and we see that with this bill. We just want them to go further. We want them to get rid of all the taxes that they continue to put on fuel, such as the fuel standard, which will eventually raise the price of gas by 17¢ a litre by 2030. First they refused to touch the gas tax, period, and now they are giving us a hidden carbon tax. We want them to not actually stop the tax cut on Labour Day, and we want them to stretch it for a few more months or even longer, as long as it takes for families to get out from under the affordability crisis the government has buried them in.

If the Liberals want to keep borrowing ideas, that is fine. If the Liberals want to react to a strong opposition that is going to push them to do the right thing, that is fine, but we actually want them to get this done. Canadians should not have to wait for the Liberals to always catch up. They certainly should not have to watch the government take credit for doing the bare minimum. That is exactly what we are going to advocate for with this bill and so many others that will come to the floor of the House of Commons. We want real relief for families and for every Canadian from coast to coast.

• (1950)

John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, first of all, Canada is not broken, and I am proud of our record as a government. What the opposition seems to forget is that we went through the management of the most severe public health crisis in the past century. The COVID pandemic disrupted established supply chains and drove up costs for everyone, not only in Canada but around the world. The opposition also conveniently ignores Donald Trump's illegal, unnecessary trade war against Canada. It ignores Donald Trump's war against Iran, which has choked off the supply of fuel around the world, and Russia's war against Ukraine and Ukraine's retaliatory strikes against Russian refinery infrastructure, which also drove up the cost of fuel.

Will the members opposite acknowledge the reality of the global political issues going on in the world that are causing costs to rise?

Melissa Lantsman: Mr. Speaker, I know that the member came here with a prepared speech to read to another member without listening to their speech, but I will just make something clear to the member opposite: One of the biggest reasons is that the government, in less than 10 years, went from a \$25-billion deficit to a \$60-billion deficit, only to go to an \$83-billion deficit by 2030. That is a 232% increase. It is not for nurses, not for groceries and not for gas, and it does not go into the pockets of ordinary Canadians. It goes straight to interest payments.

If the member wants to sit here and deny the record of all the members in the front benches for the last 11 years, he can do so, but he is going to have to look his constituents in the eye and explain that to them.

Jim Bélanger (Sudbury East—Manitoulin—Nickel Belt, CPC): Mr. Speaker, I agree with my colleague that there has been pressure from the Conservatives and from Canadians for this relief on taxes and the excise tax. Does she believe that by January, February, March and April of the coming year, Canadians will be in such better shape that we could put all the taxes back on gasoline?

Melissa Lantsman: Mr. Speaker, we voted on a very simple motion in the House today. Again I will remind other members that they stood up and voted against it, recognizing that Canada is in an affordability crisis. There is a problem with these temporary measures that do not go far enough. Coupled with the vote today, if someone does not recognize and does not admit to themselves that we are in an affordability crisis, if they do not listen to their constituents and do not look at Canadians out there, then they can never truly solve it and can never truly do the work to help Canadians.

If we look to January and February, the record of the Liberal government over the course of the 11 years will continue, and things will continue to get worse, not because this country is broken but because the Liberals broke it.

Carlos Leitão (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, my colleague pointed out that we voted against the Conservative motion earlier today. At the same time, she worries about the deficit but would have us increase it even more with the measures that were included in her party's motion.

I have a very simple question: Will the Conservative Party vote for Bill C-38 or not?

Melissa Lantsman: Mr. Speaker, I wish the member had listened to my speech before he asked the question.

Of course we will vote for affordability measures. Of course we will vote for tax cuts. It is a small piece of relief for families that need it. However, we want the Liberals to recognize that a whole lot more needs to be done. It was needed well before the member got here and will be needed well after he is gone.

• (1955)

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, some Conservative MPs are saying that they want to get rid of the excise tax permanently, whereas this particular member says it is a suspension until maybe July 1. What is the Conservative Party's actual position? Does it want to permanently get rid of the excise tax, or is it talking about a suspension?

Melissa Lantsman: Mr. Speaker, we certainly want to reduce taxes for every single Canadian family for as long as possible, and we want to do it by cutting the frivolous spending of the Liberal government, the spending that continues to go up and that charges Canadians interest on its borrowed dime.

Jim Bélanger (Sudbury East—Manitoulin—Nickel Belt, CPC): Mr. Speaker, I rise today to speak to Bill C-38, the Canadian fuel affordability act. I will be supporting this bill because whenever there is an opportunity to make life more affordable for Canadians, especially for the people of Sudbury East—Manitoulin—Nickel Belt, I will support it. However, let me be clear: While the bill is a step in the right direction, it would not go far enough to address the affordability challenges facing northern Ontarians.

Before I had the privilege of serving my constituents in Parliament, I owned and operated a small wholesale petroleum business. For more than 25 years, we supplied petroleum products to retail, commercial, industrial and residential customers throughout northern Ontario. Fuel costs were a significant expense, representing more than 30% of operating costs. Any increase in fuel pricing had an immediate impact.

What affected my business then affects families and businesses across northern Ontario even more today. People in my region drive because they have to. They drive to work. They drive to school. They drive to medical appointments. They drive in order to buy groceries and to visit family. Unlike residents of major urban centres such as Toronto or Ottawa, northern Ontarians do not have the option of taking public transit to get around. That is why any measure that lowers the cost of fuel is something I support.

However, make no mistake: This bill is before us today because Conservatives forced the government's hand. For years, Conservatives have argued that taxes on fuel and energy are too high. We warned that rising fuel costs were driving up the price of groceries, increasing home heating costs, raising transportation expenses and making life less affordable for working Canadians. We brought forward motions. We raised these concerns in the House. We stood up for Canadians struggling with the cost of living. Eventually the government was forced to respond, but it did so only with temporary measures.

First, the government suspended the excise tax on fuel. Then, after continued pressure from Conservatives, it extended that suspension until January 31, 2027, reduced the tax rate by half for February and March and scheduled the full tax to return on April 1, 2027.

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While this relief is welcome, it remains just that: temporary. For people in northern Ontario filling a typical 50-litre tank, the full suspension would save more than five dollars per fill-up. That is a start. Every dollar matters when families are stretching their budget. The problem is that this relief would come with an expiry date. Come April 1, 2027, the full tax would return.

Canadians will not suddenly become more affluent on February 1, 2027. Northern Ontarians will still need to get to work. Students will still need to get to school. Families will still need to attend medical appointments. Truckers will still need to move goods across the country. The government's plan would not solve the problem. It would simply postpone it. The federal excise tax currently adds 10¢ per litre to gasoline and four cents per litre to diesel. Conservatives have consistently said this is too much.

The government likes to point to temporary fuel tax relief as proof that it is helping Canadians at the pumps. Any relief is welcome, and I support measures that help families keep more of their hard-earned money, but there is a reality that the government rarely talks about.

• (2000)

It is that when fuel prices go up, governments collect more HST because that tax is charged as a percentage of the price at the pump. In Ontario, drivers pay HST not only for the fuel itself, but also on the federal and provincial fuel taxes already built into the price. In other words, Canadians are paying tax on top of taxes. The higher fuel prices climb, the more tax revenue governments collect, so while motorists may receive a few cents per litre in temporary relief, governments can be bringing in even more through increased HST revenues. For people across northern Ontario, that matters. Driving is not a luxury. It is how people get to work and keep their businesses running. Northerners do not have the option of simply driving less. That is why affordability cannot be based on temporary measures and short-term announcements. Northern Ontarians need lasting relief that recognizes a simple reality, which is that in our part of the country, transportation is not optional and every extra cent at the pump comes out of a family budget or small business trying to make ends meet.

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The Conservative position is straightforward. It is to remove federal taxes on gasoline and diesel until at least Canada Day 2027 and permanently eliminate the clean fuel regulations and the industrial carbon tax. Together, those measures could reduce fuel costs by approximately 25¢ per litre. That is meaningful relief. We know what happens when fuel costs rise. Transportation costs rise, the cost of moving goods rises, the price of building materials goes up, small businesses face higher operating expenses and, ultimately, those costs are passed on to consumers.

At every stage of the economy, higher fuel costs make life more expensive. Meanwhile, diesel prices in the United States remain significantly lower than they are in Canada, placing Canadian producers, businesses and supply chains at a competitive disadvantage. The government cannot control global energy markets or geopolitical events, but it can control the taxes and regulations imposed on Canadians here at home. Conservatives proposed a plan that would reduce federal taxes on fuel until Canada Day 2027, permanently eliminate the industrial carbon tax and repeal the clean fuel regulations affecting diesel production. We have also called for increased domestic refining capacity and expanded fuel storage reserves so that Canada is better prepared when global disruptions cause prices to hike.

Bill C-38 is better than nothing. I have always said that Conservatives will support measures that put money back into the pockets of northern Ontarians, but temporary tax relief with a sunset clause is not a long-term affordability strategy. Affordable energy should be a permanent priority, not a temporary political adjustment. Northern Ontarians are not asking for more government programs. They are asking to keep more of their own money. They are asking for lower taxes and a government that understands the realities of life in rural and northern Canada.

Conservatives will support Bill C-38 and the relief it provides, but we will also continue fighting for a broader solution: the permanent removal of the industrial carbon tax, the elimination of the clean fuel regulations and an energy policy that puts affordability first. I will continue fighting for lower taxes for the people of Sudbury East—Manitoulin—Nickel Belt and Conservatives will continue fighting for lower taxes for all Canadians.

• (2005)

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, it has been interesting as I watch Conservatives stand up. Some will say that they want to get rid of the excise tax on gas permanently. Others will say we should maybe not get rid of it permanently but instead maybe get rid of it until Canada Day. Many of them will say to just get rid of whatever tax we can.

I am wondering if the member could provide his thoughts, first, on what the Conservative Party's position is on the excise tax. Do they want to get rid of it permanently?

Second, are there some other taxes they want to abolish that the member should share with the House tonight?

Jim Bélanger: Madam Speaker, I think what I am trying to say is that the fuel costs are too high. Especially in rural and northern Ontario, where I come from, transportation costs and diesel costs affect everything. Everything is transported by truck and so on.

Whether we eliminate the excise tax for good or extend it for a longer period of time, when the prices are higher, the Government of Canada is collecting more GST from those revenues. It is not costing the government any money to extend that longer. It should be at least extended to what—

The Assistant Deputy Speaker (Alexandra Mendès): The hon. member for Hamilton West—Ancaster—Dundas.

John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.): Madam Speaker, the government has implemented several cost-saving measures, such as the groceries and essentials rebate and middle-class tax cuts. We have eliminated the consumer carbon tax on fuel. That is about 10¢ a litre right there. There is the federal child care program. We are also incentivizing more affordable transportation methods such as EV rebates, \$5,000 for a battery electric and \$2,500 for a plug-in hybrid. I am glad to hear that the member opposite will be voting in support of the temporary suspension of the excise tax.

Why not support all these tax-saving measures?

Jim Bélanger: Madam Speaker, first of all, where I come from, EVs are not really practical. They do not have enough power for the winter months, when it gets cold. As for the excise tax, the fuel surcharge that is going on should be extended for a longer period of time. We should be looking at different ways of reducing costs.

[Translation]

Carlos Leitão (Parliamentary Secretary to the Minister of Industry, Lib.): Madam Speaker, I simply want to tell my colleague that the price of fuel is indeed very high. We agree on that.

However, would my colleague agree that the cause of this significant rise in fuel prices extends far beyond Canada's borders and is the result of the war in Ukraine and the war in the Middle East?

Jim Bélanger: Madam Speaker, it is true that global pressures, wars and so on are having an impact on the price of oil. However, prices are set on a certain base amount, and taxes are then added on top.

The relief we can give to consumers by reducing taxes is always a good thing.

• (2010)

[English]

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I want to start off by answering a question that was thrown from across the way in the form of a heckle. The Conservatives were asking why we did it, trying to imply it was the Conservative Party that ultimately led the government of the day to bring forward Bill C-38. I would like to share with the House my interpretation of why we are here today debating Bill C-38. All we have to do is take a look at what took place in the last federal election. We had a Prime Minister who worked extensively with candidates and, through that, came up with a policy position that dealt with an issue that was close to his heart: the issue of affordability.

The Prime Minister made this very clear when he became the leader of the Liberal Party, and thereby the Prime Minister of Canada, when the first decision he made was to get rid of the carbon tax. He believed it was important to give that tax break to Canadians. That was 17¢ a litre, and even more for diesel. I believe that from day one to today, we have seen a Prime Minister who is committed to the issue of affordability and making life more affordable for Canadians as much as possible. It is as simple as that.

Today, the Conservatives talk about the tax break on gasoline, saying it is their idea. If that makes them sleep better at night, they should go ahead, but I can tell the House that after the last provincial election, Wab Kinew did the same thing. He got rid of the tax on gas, the excise tax, to give Manitobans a break on the price of gas, dealing with the issue of affordability. I guess the Conservatives might have borrowed or stolen the idea from Wab Kinew, a New Democrat premier.

I say that because I truly believe and can promise every member opposite that the Prime Minister and all Liberal members of Parliament understand the issue of affordability. This is one of the reasons we are not only suggesting that we need to pass Bill C-38, but why we have seen many initiatives, with the leadership of this Prime Minister, being brought forward to support Canadians at a time when we believe it is necessary.

Affordability is an issue that goes even beyond Canadian borders. Not all governments are actually taking the types of actions this government has taken. I would suggest that individuals who are following the debate tonight, in particular my Conservative friends across the way, take a look at the broader picture and take a look at the types of actions this government has actually taken since the last federal election.

If we stick strictly to the issue of affordability, it takes place in many different ways and I would like to refer to a few of those ways. We can talk about the fuel excise tax suspension that was put into place during our spring economic update, which provided tax relief. Then, as we approached Labour Day weekend, it was decided that we would once again extend that suspension.

• (2015)

We were looking at a number of factors when the decision was ultimately made that it would be in the best interests of all of us to extend that suspension. That is, in fact, what Bill C-38 would do. It

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would put money in the pockets of Canadians because of the price of gas, something that no one inside this chamber actually controls. None of us controls the world price on gas. It is not like we can click our heels and the war in the Middle East or in Europe will come to an end.

These are things that are having a profound impact on the world price of oil. We do not know when they are going to come to an end. We do not know how the price is going to be impacted over the coming months, yet I have seen some Conservative MPs, in a very irresponsible way, stand up to say they are going to abolish it completely, forever. That is what they imply in their comments. Then there are some Conservative MPs who say they would suspend it until Canada Day. They are developing policy on the fly. There is no consistent plan coming out of the Conservative Party. There is no change coming from the leadership and actions that we witness by members of the Conservative Party.

It is unfortunate, because I believe that Canadians were very clear in the last federal election. They saw a detailed Liberal election commitment or platform, and Bill C-38, the bill we are debating this evening, is one piece of legislation that reflects what we told Canadians we would do.

We could take a look at other measures that have taken place. I could talk about an initiative that took place after getting rid of the carbon tax. It was a tax break for 22 million Canadians. More than 22 million Canadians benefited from a reduction of, I believe, 13% to 14%. It was a significant amount of money. A significant number of Canadians directly benefited from that particular program.

One of the issues recognized by the Liberal caucus was grocery prices. That is why we came up with the Canada groceries benefit program. We converted the GST rebate program by enhancing it greatly and providing one-time support to form a new program that helps millions of Canadians, especially those in the lower- to middle-class group. It puts more money in the pockets of millions.

One of the programs the Prime Minister made a commitment to make permanent is a program that I thought everyone inside this chamber would have gotten behind. It is the national school program, which puts food into our schools, to the benefit of 400,000 children in every region of our nation. We listened to what the Conservatives said about that and affordability. I think it went beyond affordability, quite frankly. Despite the benefits of that program, think about what the Conservatives said. We had eight Conservative members say it is a garbage program. We had others say it was not delivering food, that no food was being delivered in our school programs, even though every member has schools that are benefiting directly from that program. Even to this day, Conservatives give the impression and state that they are going to get rid of that particular program.

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• (2020)

Before I leave that, I want to remind members, as I have done in the past, about Sharon Carstairs, who was the leader of the Liberal Party back in 1988, elected to the Manitoba legislature. That is when I was first elected to the Manitoba legislature. She talked about children not being able to learn on an empty stomach, and that was back in 1988. It is a generational problem. It does not just deal with the issue of affordability. The Prime Minister understood that and has made it a permanent program. Not only does it help with the issue of affordability in a very real and tangible way, but it helps tens of thousands of children while they go to school. In total, it helps 400,000 children.

Another program that we continue to support is the dental care program. Imagine the thousands of seniors benefiting. It is amazing that a Conservative member will stand in their place and say that we are not giving enough to seniors, yet they vote against and would take away the dental program. Who do they think is one of the major beneficiaries of the dental program? It is the seniors on fixed incomes across Canada, in every region of our nation. By having a program of this nature, we are seeing more seniors getting dental work done, which is so very important. If they did not get it done, they would end up in our hospitals to get the dental work done. It would happen far too often. For those using the program, it helps on the issue of affordability.

I think of the break the government, led by the Prime Minister, gave in regard to the purchase of a first home, exempting the GST. Let us think about that. There are two real benefits, I would argue, to that particular program. First, the individual purchasing a home is saving literally thousands of dollars. It makes it more affordable. As an aside, the cost of homes in general has been going down in many regions of our country. The first-time homebuyer program that exempts the GST on, I believe, homes under \$1 million is saving a massive amount of money for a lot of Canadians. That is one benefit through the program. Another benefit is that it increases Canada's housing stock. Increasing Canada's housing stock is a good thing that leads to more Canadian lumber being used, more Canadian steel being used and more Canadians working to build.

That has been a common theme for this Prime Minister, this government and every Liberal member of Parliament. We are looking at not only indirect benefits, like giving money through tax breaks and providing programs like the dental program and the school food program, but also indirect benefits. Let us think about jobs. Jobs matter. We hear from the Conservatives that in X month jobs went down, in Y month jobs went down and in Z month jobs went down. However, it is important to look at the net number of jobs since we have had our new Prime Minister. It is tens of thousands of jobs. It is over 150,000 net new jobs.

• (2025)

This is at a time when we are being challenged by trade and tariff issues from Trump, the President of the United States, not to mention the pressures coming outside of that. At the same time as that has been going on, we have been able to increase the number of net jobs in Canada. Arguably, on a per capita basis, we are doing better than the United States.

The Conservatives often talk about the issue of youth unemployment, saying that youth unemployment is high. I agree that it is high. It is not as high as it was back in 2012 when Stephen Harper was the prime minister and the leader of the Conservative Party sat around the cabinet table. It was over 14% back in 2012, compared to last year, when we had just under 14%.

It is not just about recognizing the stats. It is about looking at what the government is doing to support our young people by ensuring they can get jobs. I said that there have been 150,000-plus new jobs created in Canada since the new Prime Minister was elected with a new Liberal government. On indirectly creating jobs for young people, we can take a look at the Red Seal program. The Red Seal program, with the certification of it, is an incredible program, and the biggest beneficiaries are the young people of Canada. We are investing in that program to the extent that between 80,000 and 100,000 people will enter the program over the next number of years. They are being supported in a very real and tangible way in the form of a \$5,000 grant upon completion, thereby making things like it more affordable.

Unlike what Stephen Harper would have done back in the day when he had higher youth unemployment and the Conservatives cut the summer youth program, this government continues to reinforce and support the Canada summer youth program, which often provides Canadians a first job. It often gives them experience. It often gives them the referrals and opportunity to grow and get jobs. What it shows is that the government is very much aware of the issue of affordability and the issue of unemployment, and we continue to push the envelope in growing our economy.

On the issue of groceries, I get just as frustrated as most. I want to see more accountability on grocery prices, and we will continue to push for that. I thank the farmers of Canada for the quality product they take out of the fields and barns, and so much more. We not only feed Canadians through our farmers, but also feed the world. As a government, we continue to look at ways in which we can enhance food production here in Canada to become even more sovereign, like promoting, encouraging and supporting things like greenhouses. Imagine more vegetables growing year-round in Canada because of a government initiative.

These are the types of actions we have taken in a very short period of time, along with numerous more, but I do not have unlimited time to talk about them. I would love to talk about issues of trade. I would love to be able to talk about issues like building and capital investment funds or a national sovereignty fund. There is so much there because we as a government understand that to build a stronger and healthier Canada, we have to be prepared to invest. We have had budgets invest in Canadians to encourage Canada to continue to be the best country in the world to call home.

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• (2030)

Jeremy Patzer (Swift Current—Grasslands—Kindersley, CPC): Madam Speaker, the member spends a lot of time filling this chamber with hot air, talking about basically nothing. What he was talking about had nothing to do with the actual text of the bill dealing with fuel affordability, but I will bite.

He was talking about growing more fresh produce in Canada. One way that could happen would be by creating the ability to have more greenhouses. I will talk about one particular area in Saskatchewan, right around Lake Diefenbaker. The government promised to fund the Lake Diefenbaker irrigation project, which is probably a \$6-billion to \$8-billion project. The provincial government of Saskatchewan has said it is one of the big focuses of our province, yet the government has done absolutely nothing. Adding the member for northern Saskatchewan to the Liberal caucus has done nothing to advance that project in Saskatchewan.

Will this member sit here today and say that the government is going to do what it promised in multiple campaigns and failed to do? In fact, it is a legacy project for Ralph Goodale. Will the member stand up in the House and say that the government will follow up on its commitment to fund the Lake Diefenbaker project in Saskatchewan, yes or no?

Hon. Kevin Lamoureux: Madam Speaker, the government established the water agency in the city of Winnipeg dealing with waste water management through the prairies and beyond. I would remind my friend from Saskatchewan that, if he looks at the Conservative policy book from the last federal election, he will find that there was zero attention from the Conservative Party given to the Prairies or our farmers on the Prairies, in particular in his home province of Saskatchewan.

I have talked to some of those canola farmers in the provinces of Saskatchewan or Manitoba to hear what they had to say about having a Prime Minister who was able to move forward and take some steps with respect to reducing the tariffs on canola and making it more feasible to have trade opportunities going into China. The Conservatives mocked the government for doing so, which is somewhat shameful for it to have done, but that has not stopped the government, because we see the benefits of the agri-food markets.

That is one of the reasons we are aggressively pursuing trade agreements beyond the Canada-U.S. border, for example, using the agri-food office in Manila for India and Asia as a whole to export agri-food products to Asia. There have been many initiatives brought forward by the government in support of our farmers, and we will continue to work with farmers to do even more.

John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.): Madam Speaker, the hon. member spoke about a number of affordability measures that our government is taking, such as removing the excise tax on fuel as a direct measure, but there are also a number of very indirect measures that are directly improving affordability across Canada, such as the national food strategy, which is making food more available across the country. We are also investing in food distribution terminals; investing in port infrastructure, such as in Hamilton, taking trucks off of the highway so they are not relying on diesel fuel to transport food and other commodities; investing in municipal infrastructure to build better, complete

communities; and investing in transit and reducing costs for people living in municipalities across the country, which then removes their reliance on some of those transportation costs and fuel.

Hon. Kevin Lamoureux: Madam Speaker, the member reminds me of the importance of having an actual food strategy. That is why I found it interesting when the deputy leader of the Conservative Party, who was speaking a number of minutes ago, was talking about the Conservatives' so-called great opposition day motion. I had a few thoughts on that when it was up for debate. It sure would have been nice to see an opposition day motion that deals with a food strategy. I would love to hear a plan coming from the Conservative Party with respect to what we are doing.

My colleague from Hamilton and I have provided an explanation regarding some of the initiatives that, for the most part, the Government of Canada is doing and the Conservatives continue to vote against. There is more to a food strategy than to just keep asking for tax cuts.

• (2035)

Tako Van Popta (Langley Township—Fraser Heights, CPC): Madam Speaker, it was not long ago that we were hearing Liberals say that high gas prices were not going to affect inflation. As a matter of fact, they were saying, in the last Parliament, that Canadians were better off with the carbon tax than without it while we were arguing against it, saying that the carbon tax had to be removed. Now we are seeing a complete about-face with the same Liberals saying the opposite, which is that gas prices are inflationary and that they have to be brought down, and the carbon tax is gone.

I want to know this: Are the Liberals acknowledging, finally, that the Conservatives had it right all along?

Hon. Kevin Lamoureux: Madam Speaker, no, but this is interesting. There are a dozen-plus career politicians on the Conservative benches. We will find that, I believe, Stephen Harper was in favour of a carbon tax in a different form. Then they had a change in leadership, and the Conservatives were against it. Then Erin O'Toole, a new Conservative leader, came by and said, "I think it's a good thing", but the current leader said, "No, we want to get rid of it."

Under the leadership of our Prime Minister on the issue of affordability, we made the decision that it was time to permanently get rid of the carbon tax. Yes, there was a change. We have not changed as much as the Conservative Party has, but I can assure the member that it is permanent.

Carlos Leitão (Parliamentary Secretary to the Minister of Industry, Lib.): Madam Speaker, our colleague mentioned in his speech that there are measures to address the affordability issues, namely Bill C-38, which would suspend the fuel excise tax. He also pointed out that there are other social programs that have been put in place over the past few years to mostly assist Canadians on the lower side of the income scale to be able to meet the demands of everyday life, such as the dental program and so on.

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I would like my colleague to comment on the fact that, in the so-called affordability program of the opposition, there would be massive tax cuts, which would inevitably have these programs funded some other way. In his opinion, does he think that the social programs we now have in place would be at risk, and if so, which ones would the Conservatives eliminate?

Hon. Kevin Lamoureux: Madam Speaker, that is a good question. I think there would be some programs that would instantly be on the chopping block, such as, unfortunately, the national school food program, which helps 400,000 children. The dental care program would be another one on the chopping block. The Conservatives have made that very clear. They have also shown no support for the Canada pharmacare program in dealing with issues like diabetes, which is a very serious thing. There are numerous programs that the government provides to provide support to Canadians. Unfortunately, we do not hear that coming from the Conservative Party, because they are preoccupied with one subject matter, and that is tax cut after tax cut, and they are not even consistent with that.

We, too, support tax cuts. Under the Prime Minister, we gave an income tax cut, and 22 million Canadians benefited. The excise tax is a suspension. The carbon tax was permanent.

Jeremy Patzer: Madam Speaker, it is very clear that the Canadian economy runs on diesel.

Highway 1 runs through my riding. I suspect it is not terribly far away from the member's riding. When I drive down Highway 1, it takes two hours each and every time I go to the airport to fly out to Ottawa. The majority of the traffic is semi-trucks, which run on diesel. The previous motion we had before the House would have cut the price down, because we are about 24¢ to 31¢ higher than the world price on diesel.

There is more the government could do to provide relief to Canadians and lower that price even further. Why will the Liberals not do it?

• (2040)

Hon. Kevin Lamoureux: Madam Speaker, the very first action the Prime Minister took was to reduce diesel costs by more than 20¢ a litre, and that was a permanent cut. We are talking about the carbon tax. Then we had the suspension that is currently in place. We understand the importance of diesel in the economy.

Jeremy Patzer (Swift Current—Grasslands—Kindersley, CPC): Madam Speaker, it is always an honour and a privilege to rise on behalf of the great people of southwest and west central Saskatchewan.

Before I begin, I will mention that I will be splitting my time with the member for Calgary Skyview.

Back home in southwest and west central Saskatchewan, the harvest is, according to the Government of Saskatchewan data, about 97% to 98% complete, which basically means that people are looking to clean up the sloughs they had to leave because they are still a little too green or a few areas of their fields need to be cleaned up a bit later. By and large, the harvest is complete.

I want to say thanks and send a big congratulations to all the farmers back home who have completed another harvest season. It

is definitely not without its challenges. We have the diesel prices, which we are dealing with today. We had a lovely three inches of rain in the middle of harvest that put people, in some cases as much as 10 days out of the field, having to wait for the fields to dry up so they can get back to harvesting again. We will never complain about getting rain, but that was certainly something we were not anticipating. Nevertheless, we will take rain whenever we can get it. I would give them another quick congratulations.

When we look at the prairie economy, in Saskatchewan, in particular, but this would be true of Manitoba and of Alberta, the manufacturing capacity we have in Saskatchewan is largely based on agricultural manufacturing. I am from a farming community called Frontier. My parents farmed south of Frontier.

We have two success stories in Frontier. The first one is Friggstad Manufacturing. Friggstad Manufacturing started off making air seeders, cultivators and various farm implements in Frontier. Olaf Friggstad was the visionary behind it. The Friggstad family, including Olaf and his brothers, some family members, his sons and his nephews, got into the family business and created a terrific company. It was eventually bought out by Flexi-Coil and relocated to Saskatoon. Then replacing that, there was a brief period of Talon Tools operating out of the plant, but then Honey Bee Manufacturing replaced it.

Honey Bee Manufacturing, to this day, is still operating in Frontier. It has doubled the shop capacity it took over when it bought the plant location. It exports combine headers around the world and has done very well. There are many other successful farming operations that have become manufacturing products. Honey Bee started in a shop. The Honey brothers made a big tractor and created swathers and headers. They had the idea and started in their own shop before they moved to the plant in Frontier.

When we look around the province, there are many great companies in existence. I think of companies like Schulte, Seed Hawk and Väderstad. In Swift Current, there is S3 as well, which is across multiple provinces. It even has some operations in the United States. It does very well.

We have a very unique irrigation project in Saskatchewan. I mentioned Lake Diefenbaker in a question earlier. I want to talk about a smaller project. There is a water reservoir called Duncairn Dam. Out of that, they irrigate toward a little community called Rush Lake, a small town in Saskatchewan. They irrigate from Duncairn Dam. They built this a long time ago, long before we had sophisticated equipment.

They are able to channel irrigation to get all the way down to Rush Lake from Duncairn. It is probably about 50 kilometres of channels to get all the way to Rush Lake from Duncairn. It is flood irrigation that happens there, and they produce at least 30,000 hay bales in a given year. There are people growing hay crops. There is a bit of grain and cereal crops in there as well. It is mostly used by ranchers to grow the hay that they need to get their crops off.

The Rush Lake hay bales are definitely a local legend. Everybody knows about the Rush Lake hay flats, and that is what it is largely used for. My family has benefited from this in the past. My uncle Darcy and my grandpa Albert owned some plots in the Rush Lake hay flats. Everybody in the area knows about the Rush Lake hay bales and what that represents for the area. It is a success story of what modern prairie farming ingenuity actually entails.

When we look at all of this, what is the common thread to Bill C-38, which we are debating here today? This is about the Canadian fuel affordability act, which would remove some of the federal tax on fuel.

• (2045)

Diesel fuel, as I said earlier, drives the national economy, such as the machinery used to pull a Friggstad air seeder or cultivator, which I did on my farm growing up. I proudly drove our 9280 Case and pulled a Friggstad cultivator, and we had a Friggstad air drill. Our header for our combine was a Honey Bee header, so we supported the local economy that way, but the diesel fuel that powered this equipment was very important, and that is what this motion is about here today.

I was talking to some of the producers in my area. Back in April, the price of diesel went from \$1.38 to \$1.95 for the farm bulk price in seven days. At the end of April, when farmers were planning to get their crops in the field, they were looking to purchase the fuel that they needed to get through seeding season, and the price went from \$1.38 to \$1.95. That is a direct hit to the bottom lines of our farmers, and that is a cost that farmers cannot pass on. Grain farmers cannot pass that cost on; they have to pay whatever the current price is. There is no relief for them.

The only relief that does exist is that they can get an exemption on GST. They have to pay the GST up front, but they can get that back. That does not change the fact that they were paying \$1.95 in April, right at the peak of seeding season in Saskatchewan.

Let us fast-forward to September. From the middle of September to the end of September, the price for diesel was about \$2.25 a litre. It kind of fluctuated from there down to about \$1.90, right at the peak of harvest season. I was talking to some producers. One farmer I spoke to had used 100,000 litres of fuel to get through harvest. His combines, the tractors that he uses to pull the grain carts in the field, the semi-trucks that he uses to haul the grain from the field back to the bins or maybe to the elevator or to the local terminal all use diesel fuel. I look at \$2.25 a litre in the middle of harvest; that is what our producers are having to deal with.

I am talking to farmers who have had to basically budget a doubling in the price of fuel in order for them to operate their farms. When they are trying to forecast for next year, they are already looking at the price of fuel and understanding they are going to have to write an even higher number in there to get the crop in the ground in April and May this coming year. That is what our farmers are facing here today.

That is why we had a motion. The government voted against it shamefully and defeated our opposition day motion that we had a few weeks ago, speaking to the diesel price. We are approximately 24¢ per litre higher than the United States on average and 31¢ per

litre higher than the world average. That is what our farmers and our producers have to deal with and what they are faced with. It is not because of something extraordinary that is happening here. It is because of other federal taxes.

I will applaud the government here today for this bill extending a bit of fuel tax relief to our farmers, producers and truckers, to make sure that they can have a little more cost certainty in getting things done.

However, the government can go so much further. There is so much more that it can do, to provide that meaningful relief. We had that opposition day motion before the House. The government voted against it shamefully. It is ridiculous that its members would do that. Again, this is how it directly impacts the price of food: If I am going to the grocery store to buy groceries, the groceries do not just magically appear at the shelf. Everything gets to the grocery stores and everything gets to the clothing stores. Winter is coming up in Saskatchewan, so all the kids' ski pants, jackets, toques, mitts and sports equipment get to the store. They were brought in on a truck that went down Highway 1, through my riding, to get to wherever they are going. Whether they came up from the States or came in from a port, they came in on a truck and were transported across this country. The fuel prices in Canada are skyrocketing, and there is still more that the government could do to provide that relief.

The House could do those things that would actually help to bring down the cost of essentials for Canadians, whether it is food, fuel, fertilizer or kids' winter clothes that they need to be able to get through the winter or the sports equipment that they need to be able to have a little bit of fun. Also, lots of parents drive diesel-powered vehicles, SUVs or trucks. That extra 24¢ to 31¢ a litre is impacting the ability of Canadians to just enjoy a few nice little things like playing hockey or playing volleyball.

• (2050)

John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.): Madam Speaker, I appreciate the member opposite's speech, learning some more about farming in rural Saskatchewan. I found that really interesting, very much acknowledging that agriculture is a very difficult industry with very thin margins and a lot of uncertainty. There is uncertainty in commodity pricing for what is sold, but also uncertainty in inputs and uncertainty in weather. I have a lot of respect for farmers who, day in and day out, find a way to make ends meet and do the job that they care so passionately about. Of course, our government removed the consumer carbon tax, which is a permanent reduction in the cost of fuel.

However, I do take issue with the presumption that it is the Government of Canada that is causing the global increase in diesel fuel prices. The United States' war against Iran and the ongoing war by Russia against Ukraine are primarily the global cause of the increase in diesel pricing in Canada as they are in the United States and around the world. Will the member opposite acknowledge that?

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Jeremy Patzer: Madam Speaker, if the member had truly paid attention to my speech, he would know that I said, and this was written in our previous motion, that it is 24¢ per litre higher than the United States, across the border, and 31¢ higher than the world average. The war, absolutely, has something to do with the cost of what Canadians are paying at the pump, but 31¢ a litre higher than the global average is ridiculous. That shows that there is something happening here in Canada. It is things like the industrial carbon tax.

This member talked about repealing the consumer carbon tax, which people paid at the pumps and was added on to all kinds of products that people could not see. It was baked into what they paid for food and things like that. There is more that the Liberals could do. They have hidden it. They have also added the Liberal fuel standards, which are driving up the cost of diesel and driving up the cost of production in this country. Those are things that the government controls. These are things that the government could repeal. It is not going to do it.

The government even has a new Liberal member from Saskatchewan and all that he has managed to deliver in his time in office is scurvy to the people in northern Saskatchewan, which is absolutely ridiculous. The current government could do more to provide relief for Canadians. I expect it to do more, and so do Canadians.

Tako Van Popta (Langley Township—Fraser Heights, CPC): Madam Speaker, I was listening to my colleague from Saskatchewan give a speech about temporary reduction of the fuel excise tax. Some of the issues that he raised show us that there are fundamental problems to Canada's economy. What we are hearing from these Liberals time and time again are temporary, short-term, band-aid solutions to what are really fundamental problems.

This bill would reduce the fuel tax by 10¢. My colleague just talked about diesel prices going up 15% or more in a very short period of time. I know we are in the same party and he is probably going to think the same way I do. Is he not getting a little tired of the Liberals talking about temporary, band-aid solutions when there are fundamental problems that need to be addressed?

Jeremy Patzer: Madam Speaker, my colleague is absolutely right. Every single time that we get up in this House, it seems that we are addressing another Liberal failure.

We passed Bill C-5 quickly because the government wanted us to help it pass quickly. That was a bill to help the government get around previous bad Liberal laws. However, that was not enough. The Liberals need Bill C-39 now. Bill C-5 did not do enough, so they created Bill C-39. Now, this House is actually dealing with Bill C-39 as well to deal with other systemic Liberal failures.

Bill C-38 would provide temporary relief for Canadians. It would be a short-term, welcome measure, but there is more structural, substantive relief that the government could provide to Canadians. The Liberals have increased government revenue, from 2020 to now, from about \$380 billion to over \$500 billion. Ask any Canadian what they have gotten for that massive increase in government revenue from these guys: nothing. They have gotten higher prices. Everything is more expensive in Canada since 2020, thanks to these guys. The Liberals are hauling in way more money, and yet they are delivering nothing for Canadians. It is shameful.

• (2055)

Amanpreet Gill (Calgary Skyview, CPC): Madam Speaker, let me begin by acknowledging the obvious: Suspending the federal fuel excise tax for a few more months will provide some relief, but this bill fails to provide any real long-term solutions for Canadians and the challenges they face today. Conservatives have been pushing this for a long time, but once again, we see the Liberal government take our idea, then fail to properly execute it.

Bill C-38 would extend the temporary suspension only until January 31, 2027, meaning Canadians would eventually face the return of the full tax. The government is presenting a temporary pause followed by a scheduled tax increase and calling it an affordability plan. That is not a plan. It is just delaying what comes next, just like all the inflation they caused. Canadians are still skipping meals because of it.

Fuel is not a luxury in Canada. Our country is massive and our cities continue to expand, meaning many residents must travel a considerable distance between their homes and workplaces. Transit is not an option for every shift worker, tradesperson, health care worker or parent. Many families need two vehicles simply to manage work, school, appointments and their children's activities.

When the government taxes fuel, it is increasing the cost of everything transported in this country. Groceries, building materials and medical supplies arrive by truck. The equipment used by contractors and energy workers runs on fuel. Higher transportation costs move through the supply chain until they appear on the receipt paid by the consumer.

Canada's truck drivers are essential to our economy. They transport our food, fuel, building materials, agricultural products and countless other goods that Canadians depend on every single day. Without truckers, grocery store shelves would empty, construction projects would stall and businesses across this country would struggle to operate. How can a trucking company plan its expenses, negotiate contracts, hire employees or invest in new equipment when the government provides no lasting certainty about fuel taxation?

I have had the pleasure to meet with representatives of multiple trucking companies operating in my home of Calgary, such as Kuldip Sandhu from Syndicate Transport, Inderjit Sangha from Rig Logistics Inc. and Randhir Brar from New Way Trucking. Each of these companies employs over 400 truckers who do the vital service of delivering the food all Canadians need. We all rely on their hard work and it is time for the government to show them the appreciation they deserve with a real long-term tax break on diesel. We need it now.

The trucking industry does not operate on a short-term schedule. Businesses make investments that last years. Owners take out loans, maintain expensive equipment, pay insurance premiums and compete for contracts in an increasingly challenging market. These are not expenses that disappear when a government tax holiday expires.

I know for a fact that even large trucking companies are struggling to stay in business under these conditions and they are facing increasing operating costs. Let us think of the small owner-operators who are hard-working and are working long hours just to cover the cost of diesel, maintenance, insurance and financing. What does that leave them to take home to their families? Nothing.

● (2100)

Owner-operators are vital to this industry, such as Harjinder Grewal, a hard-working Calgary father being punished by high diesel prices and who deserves real action to address this crisis. When diesel prices rise, the impact is immediate. When freight rates fail to keep pace with those expenses, the trucker is left absorbing the differences. When a trucker can no longer afford to operate, it is not just one business that suffers but also a family, a local employer and potentially an entire supply chain.

Bill C-38 is nowhere near enough. The government wants Canadians to believe that extending the temporary suspension of the federal fuel excise tax is a meaningful solution to the affordability crisis. While any reductions in fuel costs are welcome and we support them, we must ask a simple question: What happens when the temporary relief ends? This is why Bill C-38 falls short. It treats fuel affordability as a temporary political inconvenience instead of as one part of the growing, broader cost of living crisis.

People in Canada have endured rising mortgage payments, higher rents, expensive groceries and growing utility bills. If suspending the tax would help families in October, it would also help them in February. The timing of this would also cut out relief for some of the hardest-working Canadians: our farmers. The tax would go up right when they need diesel the most, for spring seeding and the hard work they will put in all summer to grow the food we desperately need. The government cannot argue that the tax is harmful enough to suspend now but harmless enough to restore a few months later.

Conservatives would take a different approach. We would amend the legislation so relief would last longer and give Canadians meaningful certainty. Conservatives call for the government to remove all federal taxes on gas and diesel until Canada Day 2027 at the earliest. Doing this would save all Canadians up to 25¢ per litre. This may not sound like much, but it adds up. In the end, this would bring as much as \$1,000 of savings for the average Canadian family. That amount of money can help feed many struggling families.

The tax cut must also include the seven-cent-per-litre clean fuel regulations, the GST and a permanent cancellation of the industrial carbon tax, so Canadians are not forced to pay more for food and fuel.

Bill C-38 would not fix any of these issues for the long term. Conservatives are criticizing the bill not because it would lower the tax but because the relief would be too limited and too short-lived. I

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call on the government to work with the opposition to improve this legislation, extend the relief, remove all scheduled tax increases, stop taxing tax through the GST on fuel, and give families and businesses a certainty that lasts beyond the next political deadline. If the government refuses, then it should at least be honest about what Bill C-38 is. It is not about fixing the affordability crisis facing Canadians. It is about giving the illusion of addressing the crisis.

● (2105)

John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.): Madam Speaker, I am kind of struck that Conservatives often address the issue of the day with this kind of gotcha politics but often miss the big picture. In this case, the member talked a lot about the costs of diesel and trucking, but our government is investing in port infrastructure and in rail infrastructure, because the cost of shipping commodities by rail is half the cost of trucking, and by ship, it is four or five times less.

I have some local examples of that. In Hamilton, we are investing in what is called highway H2O, the St. Lawrence Seaway, getting more cargo onto ship traffic and getting trucks off highways. Across the country, we are also investing in rail. Again, I have an example from Hamilton. There is a 50% rebate on steel that is shipped by rail or ship, promoting alternative modes of transportation for cargo other than trucking, which is a real cost savings for Canadians beyond the initial excise tax issue we are talking about right now.

Amanpreet Gill: Madam Speaker, do people know who delivers food? It is truckers. As I said in my speech, truckers are the lifeblood of our vast country, yet the government is making it harder for them to deliver the food we all need. Conservatives are fighting to give them a tax break on diesel until Canada Day, and we hope the government will work with us to give this break to Canadians, truckers, the whole trucking industry and farmers.

Tako Van Popta (Langley Township—Fraser Heights, CPC): Madam Speaker, my colleague's speech on the fuel excise tax temporary relief was very informative. That is the basis of my question: The relief would be just temporary. He should explain to Canadians once again that it would be temporary relief of roughly 10¢ a litre for a few more months, and then it would go down to five cents a litre.

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Do Canadians take any comfort from this that there is going to be long-term relief to the affordability crisis that is facing us today?

Amanpreet Gill: Madam Speaker, it is common sense. Canadians are going through tough times. Even with this temporary relief, the government would not be giving them what Conservatives have asked for.

For the long term, if the government gets rid of the carbon tax, then the diesel price could be pretty low. We are paying 25¢ per litre more than U.S. consumers are paying across the border for diesel. Everything depends on the price of diesel, because everything from groceries to construction goods has to be trucked or otherwise transported. If we can lower the cost of diesel, we can bring costs down.

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, one of the questions I have been asking many of the member's colleagues concerns trying to get a clear indication of exactly what the Conservative Party of Canada's policy is. Some members will say they want to get rid of the excise tax permanently, while others have said they would rather have it suspended until Canada Day.

Does the member know, number one, what his personal position is, and, number two, what the Conservative Party of Canada's position is?

Amanpreet Gill: Madam Speaker, Conservatives are pretty clear that we want temporary relief until July 1, 2027, Canada Day.

As I said in my speech, Conservatives are happy to see the Liberals steal more of our ideas on affordability, but we are disappointed to see that they are poorly implementing them. Our humble request is to please give Canadians a break so they can live their life.

Dalwinder Gill (Calgary McKnight, CPC): Madam Speaker, I will be sharing my time with my colleague from Calgary Heritage.

It is an honour to rise in the House on behalf of the people of Calgary McKnight. Canada is facing serious challenges, both around the world and here at home. Our economy is under pressure, and our relationships with other countries are changing. Energy plays a big role in all of this. That is why today's debate in the House is so important. Gasoline gets Canadians to work and their children to school. It gets seniors to medical appointments and tradespeople to their next job. Diesel powers the farm equipment that grows our food, and the trucks that bring it to our grocery stores. It moves lumber and concrete to construction sites so workers can build the homes we need. It fuels the buses that carry commuters across our cities.

The price of fuel is more than just a number on a gas station sign. It affects the cost of the products we use every day. When fuel costs rise, Canadians feel it far beyond the pump. They feel it at the grocery checkout, when they buy their children's school clothes and when they pick up everyday basics such as bread and milk.

For too many families, the pressure of rising food prices has become a crisis. Nearly one in four Canadians, about 10 million people, now lives in a food-insecure household. Families are being forced to make difficult choices. One in five people has skipped meals or reduced portion sizes because of financial pressure, and

nearly half have cut back on meat, dairy and fresh produce. Alarmingly, women, single-parent households and people with disabilities are among those most affected by rising food costs.

Like me, many people in northeast Calgary came to Canada for the opportunity to build a better life. They came here to work hard, raise their family and start a small business, but after 11 years of Liberal policies, life has become harder and more expensive. Seniors on a fixed income are struggling to pay for food and fuel. Small businesses depend on fuel to receive supplies and serve their customers. Northeast Calgary is a major transportation hub, and truck drivers are spending more at the pump and taking less money home to their family. The Liberals should be making it easier for these people to earn a living, not planning to bring fuel taxes back.

Higher fuel costs also affect the decisions small businesses make about their future. A trucking company that spends more on diesel has less money to replace an aging truck, maintain its equipment or hire another driver. A small business owner may delay expanding because there is simply not enough money left. Businesses cannot plan for growth when the Liberals keep adding to their costs.

For years, Conservatives have warned that high taxes and unnecessary red tape drive investments out of our country. When a company takes its investment elsewhere, Canadian workers lose jobs and opportunities that investment could have created. We cannot afford to lose more. The government should be lowering costs so businesses can grow here, hire here and build their future here.

Conservatives have long called on the Liberals to lower taxes and let Canadians keep more of what they earn. For years we demanded an end to the consumer carbon tax. After defending it at every turn, the Liberals finally removed it, but that still left other federal taxes and costs on fuel in place. These included the excise tax of 10¢ per litre on gasoline and four cents per litre on diesel, the GST, costs imposed by the clean fuel regulations, and the industrial carbon tax.

Earlier this year, Conservatives renewed our call for fuel tax relief. We called on the Liberals to suspend the excise tax and the GST on gas and diesel for the rest of 2026, and to permanently scrap the clean fuel regulations and the industrial carbon tax.

● (2110)

The Liberals adopted only part of our plan. They suspended the fuel excise tax, but only until Labour Day. Conservatives pressured the Liberals to extend that relief because families and businesses could not afford to see those costs return. Bill C-38 would extend the full suspension until January 31, 2027. Half the tax would return on February 1, followed by the full tax on April 1.

I welcome a few more months of relief for Canadians, but what happens after January 31? Families will still need to drive to work. Truckers will still need to deliver goods. Small businesses will still need to serve their customers.

Conservatives will support Bill C-38 because every dollar Canadians save matters, but we are calling on the Liberals to go further: extend the fuel excise tax suspension and remove the GST on gas and diesel until at least Canada Day 2027. We are also calling on the Liberals to permanently scrap the clean fuel regulations and the industrial carbon tax, to give families and businesses relief that lasts beyond the next few months. Our plan would keep the 10¢ excise tax off every litre of gasoline, remove eight cents in GST and eliminate seven cents in costs from the clean fuel regulations. That adds up to approximately 25¢ per litre, or \$20 on an 80-litre fill-up.

The Liberals have a responsibility to pay for this relief by putting their own spending in order. They cannot keep adding to the deficit and leaving further generations to pay the bill. Conservatives have called for reductions in wasteful spending on consultants, bureaucracy and programs that do not deliver value for taxpayers. Families across Canada are reviewing every expense to make ends meet. They deserve a government that is willing to examine its own expenses with the same care.

Canadians need more than a few months of relief, and Conservatives will keep fighting until the Liberals adopt our full plan to lower fuel costs and leave more money in the pockets of Canadians.

● (2115)

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, Bill C-38 is all about the issue of affordability. I am glad the Conservatives are supporting it.

As to the question I have for the member, there are other affordability measures the government has taken over the last year or so. I want to make reference to two of them. One is the school food program, which feeds 400,000 children. The Conservatives are voting against it, and they say that they would get rid of it. I will also make reference to the dental care program, which is serving thousands of seniors in particular who are on fixed income.

Many of the people who would be affected by the Conservatives saying no to those two programs are represented by the member in his own riding. Does he believe the Conservative Party should revisit how its members voted on those two public programs, given the importance of affordability?

Dalwinder Gill: Madam Speaker, years of deficit spending and high taxes have added to inflation, driven investment away and made life harder for Canadians. Now the Liberals are offering a band-aid for an affordability crisis that their own policy helped create. They need to stop the bleeding by cutting wasteful spending

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and lowering the taxes they imposed on families and businesses. Canadians deserve a long-term plan for relief so that they can afford the basics and get ahead.

Tako Van Popta (Langley Township—Fraser Heights, CPC):

Madam Speaker, I thank my colleague for his speech on gas affordability, which is fundamental to our economy, as he indicated in his speech. However, this is temporary relief, lasting only until, I think, January of next year, just a few months from now. After that, it is going to go back up again.

This is relief that Canadians need. What better way is there to give it than to reduce taxes? What comfort can we give to our constituents that this relief is not just going to disappear? I guess my question is, what would Conservatives do in place of what the Liberals are doing right now with their band-aid solutions?

● (2120)

Dalwinder Gill: Madam Speaker, businesses need to plan their deliveries and equipment purchases and hire well in advance. Repeated short-term extensions make those decisions harder when owners are already facing uncertain costs. Conservatives are calling for the excise tax and GST relief to be in place until at least Canada Day 2027, along with the permanent removal of the clean fuel regulations and the industrial carbon tax. That would provide a longer period of relief while removing other costs permanently.

Hon. Kevin Lamoureux: Madam Speaker, I made reference to two programs. One is the dental program, which supports many seniors the member opposite represents. I mentioned the school food program, which has a direct impact on many of the children the member represents. His response was that it was wasteful spending.

Does the member not recognize that there are children and seniors in his constituency who use those two programs? Is he sure that it is wasteful spending? Would he not reverse his position and support those two programs?

Dalwinder Gill: Madam Speaker, seniors, who have worked hard their entire lives, should be able to afford basic necessities. Their benefits should be indexed to inflation so they keep pace with the real cost of living. However, years of Liberal taxes and rising costs have eroded seniors' purchasing power and stressed their savings. The government needs to cut the deficit and lower taxes to help bring down everyday costs so that seniors can live with dignity.

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Shuvaloy Majumdar (Calgary Heritage, CPC): Madam Speaker, I would like to take a quick minute to note that Canada mourns four of its soldiers. On Saturday, fire overtook a training exercise at CFB Wainwright, as we all know. Thirty-nine soldiers were injured, some critically, and four soldiers were killed: Sergeant Morgan Wong, Private Shaun Farrell, Private Aidan Goulding and Private Hayden Lykkemark.

At CFB Wainwright, Canadian soldiers train to defend our country. They serve alongside allies and uphold the values that bind Canadians together: courage, duty, sacrifice and service. Their loss belongs to the whole nation. To their families, their comrades, the injured and those who rushed to help, Canada owes them our gratitude, our prayers and our lasting support. On behalf of the people of Calgary Heritage, we will remember these soldiers for how they lived: in service to their country, in loyalty to each other and with the quiet courage of those who accept responsibility for others.

In Calgary Heritage, the work trucks leave the yards in the southwest before dawn. They haul materials to job sites across the city, and then turn south past the city limits where the farms begin. Those same diesel engines pull the tractors that put the seeds in the ground and the combines that bring the crops home. When the price at the pump moves, the arithmetic hits the operator first, then the grocer and then the family filling a cart on a Saturday afternoon.

Last month, diesel reached a record \$2.75 a litre. Even after the spike eased, it was still averaging roughly \$2.64. That is about 70% higher than a year earlier and nearly 60% higher than the weeks before the war in Iran began interrupting shipments out of the Persian Gulf.

Global events explain why prices rose everywhere. They do not explain why Canadians are paying roughly 24¢ a litre more than Americans and about 31¢ more than the world average. The difference is not geology; it is policy. Statistics Canada reports that gasoline prices have risen 27.8% over the past year, energy costs 19% and transportation 8.4%. Diesel is a cost of living issue, because it is a cost of making and moving nearly everything. Every increase reaches the family filling a grocery cart.

Bill C-38 would extend the temporary suspension of the federal excise tax on diesel until the end of January. Conservatives will support it. Every dollar that stays in a working family's pocket matters. We fought for the first cut. We fought for the extension. The Liberals followed. The bill would still place an expiry date on relief: Half the tax returns in February and the full rate returns on April 1. Also, the GST continues to apply, and the clean fuel regulations continue to add costs that the government's own officials estimate at six to seven cents a litre today. The Parliamentary Budget Officer projects it could reach 16¢ by 2030. The industrial carbon tax also continues to raise the cost of production.

Taken together, these measures leave Canadians paying a premium that global markets alone cannot justify. A round-trip semi-haul between Montreal and Toronto that cost about \$850 on New Year's Day now costs roughly \$1,400. Rail fuel surcharges for October stand as high as 73% above early August levels. Some large farms are spending as much as \$5,000 a day on diesel. Independent grocers operate on margins of about 2%. Those costs do not stay on the loading dock. They appear on the shelf.

The leader of the opposition put the same facts before the House on September 23 and again the following day. He described a full-scale diesel crisis. He noted that with the fourth-largest oil supply on earth, we do not enjoy the lowest prices. He identified three persistent causes: a weaker dollar, insufficient refining and transport capacity because governments have refused to get out of the way, and taxes that continue to apply. He called for an emergency fuel relief plan that would remove all federal taxes on diesel until at least Canada Day, permanently eliminate production taxes and set a national goal of producing one million barrels of diesel a day. Those are the measures on this side of the House that were advanced in successive opposition motions. Each time, the government and its partners have voted them down.

Just last week, the International Energy Agency warned that global diesel shortages could persist well into 2027. Why is the Liberal government scheduling higher fuel taxes while the crisis remains unresolved?

• (2125)

Conservatives support Bill C-38 because partial relief is better than none. We will continue to press for the full plan: removing the remaining federal taxes on diesel until at least Canada Day; scrapping the clean fuel regulations and the industrial carbon tax; and clearing the path for the pipelines, refineries and storage that would let Canadian diesel reach Canadian markets.

The objective is simple: eliminate the premium Canadians now pay; raise domestic production; and ensure that the fuel that moves our food, our freight and our families is made here and priced here.

A decade of Liberal carbon taxes and expanding bureaucracy have eroded the gains of Conservative GST cuts and smaller government from over a decade ago.

Canada has the fourth-largest oil reserves, and we should be among the best-prepared nations to withstand an energy shock. Instead, our 16 refineries operated at roughly 90% of capacity last year. Ontario and Quebec refineries import more than 99% of their crude from the United States, while 93% of the crude we export moves south.

There is still no pipeline connecting western Canada to eastern Canada. Energy east, proposed in 2013 and withdrawn in 2017, would have closed that gap. It was stopped not by markets but by a deliberate policy of obstruction that treated major energy infrastructure as something to be delayed or defeated.

The last new refinery, Sturgeon in Alberta, took years and more than \$10 billion. New capacity requires permits, pipelines, storage and a regulatory environment that treats builders as partners instead of as adversaries.

How did a country so abundantly endowed allow itself to become so vulnerable? Russia's invasion has cut diesel exports and weaponized energy. Iran has turned Hormuz into an instrument of coercion while funding proxies across the Middle East. Conflict threatens the Red Sea, Bab el-Mandeb and the Suez Canal. Venezuela's collapse has removed another major supplier.

In a world of energy chaos, Canada could be instrumental in achieving energy security, security for our people and security for the world. Imagine if over the last decade, and especially from a year and a half ago, Liberals had made energy security a national undertaking: prepermitted projects, partnerships with first nations, approved pipelines to new markets with shovels in the ground today, more refining, and transport and storage ready for this age of disruption. Imagine Canadian energy reaching our provinces and allies at scale because we had built the means to move it.

Instead, the Prime Minister declares that Canada will become an energy superpower while preserving the net-zero orthodoxy and antidevelopment machinery that has held Canadian production back.

The United States holds a strategic petroleum reserve. After major withdrawals, it has fallen to approximately less than 20% of its accessible capacity. Today the United States is searching for diesel in all the wrong places. Canada could have stabilized supply had we built capacity before the emergency.

That is why Conservatives have proposed a strategic reserve of refined fuels and emergency prepermitting for refineries, for our growth as a country.

I appreciate the opportunity to address the House today and conclude my remarks here.

• (2130)

John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.): Madam Speaker, I listened to the member opposite's comments, and he did hit on a few key points that are relevant. At the same time, they were mixed in with a bunch of misinformation and rhetoric. First of all is the fact that fuel, oil and gas, is set at a global commodity pricing, so Canadian production is priced at a global scale.

Second, he talked about the disruptions in the fuel market, such as global diesel shortages; Iran, Ukraine and Venezuela; and that

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the U.S. is “searching for diesel in all the wrong places.” I completely agree with the member opposite that Canada should be increasing those exports to the U.S. to increase North American diesel opportunities. However, I will note that oil and gas exports and production have been at record levels and have been supported by this government.

Would the member opposite acknowledge that we are going in the right direction and there are more opportunities in the North American energy sector?

Shuvaloy Majumdar: Madam Speaker, I thank the member for the analysis, but I will say this. We have seen, over the last year and a half, nothing but illusions around the potential of getting Canadian energy to market. We have seen decisions to make a decision, and potentially having another decision for, potentially, a shovel in the ground at some point in the next 10 years.

The big, catalytic, transformational decisions around growth that the country needs to make today on energy, strategic reserve for critical minerals, agriculture and aquaculture simply have not been made. Even our own interprovincial barriers have not successfully been lowered. We are talking about hundreds of billions of dollars' worth of potential in our own country that should unleash the potential of what Canada could do for energy and resource security around the world, yet here is a government that goes around making big deals but does not produce a single actual decision to pursue the radically pro-growth policies our country and our people demand. Until that happens, everything else is just conjecture. It is not real, and it is not serving the people in this country the way it should.

Tako Van Popta (Langley Township—Fraser Heights, CPC): Madam Speaker, I am very happy that my colleague from Calgary Heritage raised the issue of refining capacity within Canada. It is certainly an issue in the Lower Mainland of British Columbia, where my riding is and where I live.

We sell crude produced in Alberta, which gets piped across the Rocky Mountains. We sell it to refineries in Washington state at reduced costs. They refine it, and then we buy it back at market value. We are paying two dollars a litre, which is 55¢ a litre more than in Calgary. I wonder if my colleague could comment on the importance of infrastructure investment.

Shuvaloy Majumdar: Madam Speaker, I appreciate my colleague's commentary a great deal, as well as the great work he does on behalf of his constituents every single day.

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Energy infrastructure is critical to our national security. This is a world in which commerce has been weaponized by Beijing and in which our supply chains, our investment, our technology and our energy are all interwoven together. How those supply chains stabilize international markets and unleash productivity in this country is critical. We actually need the infrastructure to get our resources to market.

We have watched our rivals around the world, and even our partners, proceed at incredible speed. We have watched massive energy production facilities emerging in Beijing and around China. We have watched the world respond to that, with refineries and plant capacity out of the United States and with terminals in Germany to be able to take LNG. We have seen massive undertakings in the last number of years, but in Canada, we have not been moving at the same pace.

• (2135)

Elizabeth May (Saanich—Gulf Islands, GP): Madam Speaker, I was an intervener in the National Energy Board hearings around Kinder Morgan, and it was a little-known reality that the largest union in northern Alberta, in the oil sands, opposed the Kinder Morgan pipeline because the union saw it exporting not just bitumen but jobs. Unifor intervened in the NEB hearings to say we should refine bitumen within Canada, not ship it out.

To my hon. colleague also from British Columbia, that is why we see Canada buying back bitumen that was sold into the U.S. It comes back to us, because the refining capacity did not get the investments and the National Energy Board refused to accept Unifor's evidence. That was a missed opportunity.

I wonder if the hon. member for Calgary Heritage would agree with me that shipping out raw bitumen, like shipping out raw logs, is shipping out Canadian jobs.

Shuvaloy Majumdar: Madam Speaker, our party stands for building more refining capacity to generate more value in Canada for Canadian jobs, for Canadian workers and for Canadians. Our country should be more self-reliant when it comes to our energy proposition for the world, and our capability to do so is evident in our people, our industry and our ingenuity.

Tako Van Popta (Langley Township—Fraser Heights, CPC): Madam Speaker, before I start speaking to the act to amend the Excise Tax Act, I just want to reflect for a moment on the four Canadian Armed Forces members who were killed in a training exercise at CFB Wainwright over the weekend: Sergeant Morgan Wong from Alberta, Private Shaun Farrell of Saskatchewan, Private Aidan Goulding of North Vancouver, British Columbia, and Private Hayden Lykkemark from my hometown, Langley, British Columbia. I offer my condolences to their families, their friends and their fellow soldiers. Of course, our prayers continue for the 39 people who were injured. We wish them all the best.

I will be sharing my time with the member for Oshawa.

Today we are talking about the Canadian fuel affordability act. Canadians should understand why Bill C-38 exists in the first place and why it is here and being debated. The legislation was introduced by the Liberals, but it was not the Liberals' idea. This bill exists because Canadians pushed back and Conservatives fought for

them. We fought for them because we understand that the affordability crisis hits home. Certainly, people in my riding are telling me about that.

For months, Conservatives warned that rising fuel prices during an affordability crisis would make life more expensive for families, tradespeople and commuters. The Liberals insisted that higher fuel taxes would not significantly impact affordability, but today, after months of pressure, they are effectively admitting what Canadians already knew: taxes on fuel matter. It matters a lot, because it is inflationary. When fuel costs go up, everything goes up: trucking, farming, delivering, manufacturing and processing. All these costs get passed on to consumers, and that is why Conservatives support extending the fuel tax suspension. Any relief for working Canadians is good news.

Let us be honest. Bill C-38 would not solve the underlying problems of our current affordability crisis. It would simply extend temporary relief before these taxes would eventually return in a matter of a couple of months. Canadians do not need temporary Liberal band-aid solutions. They need a government that understands affordability and recognizes that families are already stretched to the limit. Bill C-38 would be a step in the right direction, but it would be a small step. Conservatives will keep fighting for lower costs, lower taxes and a more affordable Canada.

Let us talk about what fuel prices mean in the real world. Today, drivers in British Columbia pay the highest gasoline prices in Canada. According to my research on GasBuddy yesterday, regular gasoline in Langley is roughly two dollars a litre. I know that is what I paid. In Calgary, it is about \$1.45 a litre. In Hamilton, it is about \$1.70. Imagine a family that drives a pickup truck or an SUV with a 100-litre tank. To fill up in Langley costs \$200. In Calgary, it is also expensive but \$55 less. In Hamilton, it is also expensive at \$170 but \$30 less than what we pay in Langley.

For many working Canadians, this is not just a one-time investment. It is not even a monthly investment. It is a weekly expense, week after week. We can imagine all the thousands of dollars extra that British Columbians are paying compared with other Canadians, and that amounts to thousands of dollars every year that could better go toward groceries, mortgage payments, kids' sports or retirement investment savings. That is why Conservatives continue to argue that the government should stop treating gasoline and diesel as a source of tax collection. Canadians deserve relief. They deserve a government that understands just how fuel prices affect everyday life.

There is an important lesson that often gets missed in the affordability crisis. Affordable living is not just about prices. It is also about income. I am going to take just one example. In Bellingham, Washington, about an hour's drive from Vancouver, gasoline prices are often similar to what drivers in metro Vancouver pay, yet fuel generally is more affordable for Americans. That is because affordability is ultimately determined by purchasing power. Two people can pay the same price at the gas pump, but if one earns significantly more, fuel consumes a smaller portion of their paycheck. That is the challenge that Canadians are facing today, and I would say that this is right across the board, right across the country.

● (2140)

Canadians are not just dealing with high prices. After 10 years of Liberal Party mismanagement of our economy, we are dealing with stubbornly weak productivity growth, slower wage growth and declining purchasing power. That is what we have after a decade of the Liberals. The former Liberal finance minister recognized this as a problem. I heard her say in the House once, during one of her budget speeches, that Canada's lagging productivity measures is Canada's Achilles heel. I guess she tried to convince her fellow colleagues that it was a problem, but they continued focusing on the distribution of wealth rather than growing the Canadian economy. That is still the problem we have today. Yes, lower fuel taxes help and affordability relief matters, but Canadians need something bigger. They need a stronger productivity growth. They need more investment. They need better-paying jobs. The goal should not be just to make us less poor with a temporary band-aid solution. The goal should be to make prosperity possible again. That is what Conservatives focus on.

Canadians are asking a very reasonable question: Why are Canadians selling raw resource material at a discount to Americans only to buy refined product back at market value? There are two reasons. One is that the Lower Mainland does not have enough refining capacity to fill the demand for gasoline, fuel and diesel. The second is because, with the lack of market diversification for Canada, we have one buyer for a product and that is the Americans. Therefore, we are price takers, not price setters. We sell crude oil produced in Alberta to the Americans at reduced prices and we buy back a refined product at fair market value. It is the opposite of what financial advisers tell us, which is to buy low and sell high. We do the opposite with our energy economics.

Just across the border sits the Cherry Point Refinery near Blaine, one of the largest refineries in the northwest. Much of the crude oil process in Washington state originates here in Canada and is refined there. It comes back to us as finished product. That means higher prices at the pump, fewer Canadian jobs, less investment, lower government revenues and weaker economic growth. Canadians should not wonder why one of the world's richest countries in energy production struggles to fully benefit from its own resources. Affordability is not just about taxes, but about infrastructure, energy policy, market access and ensuring Canadians benefit from their own resources.

Bill C-38 provides some welcome relief, but Conservatives are fighting for something much bigger. The real issue is not simply the cost of gasoline, but the cost of living. Canadians are working hard, playing by the rules, doing everything they were told to do that

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would lead to success, yet too many are falling behind. The price of fuel is behind most of the inflationary pressure. Canadians deserve a government that understands how these costs compound. That is why Conservatives support fuel tax relief. We will vote for this bill, even though we think it is not enough. It is a small step in the right direction.

Our objective is lower taxes, higher wages, more investments, stronger economic growth and greater energy security for Canadians. Conservatives will bring back the Canadian promise that a good job would buy an affordable home, on a nice street, in a safe neighbourhood, with a fridge full of affordable food, and a car in the carport with affordable fuel.

● (2145)

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I am glad the Conservatives are, in fact, voting for Bill C-38. We could talk at length about some of the differences in policies with respect to the excise tax on gas. The bottom line is, much like the province of Manitoba a number of years ago, the federal government has also decided to do it, and the bill gives it the extension.

My question for the member is this: Even though we are working together to pass this legislation, why does the Conservative Party not support our seniors on fixed incomes regarding our dental program or our children who are receiving food in our national school program, both of which are absolutely essential? It is generational change that was required and we have provided that generational change. Why do the Conservatives not support it?

Tako Van Popta: Madam Speaker, we support the fundamentals that are going to improve our economy. One thing that we never hear from the Liberals is how much money the federal government spends on interest payments. This is money going to bankers and investors, money that could be going to health care, health transfers or helping seniors, but, no, we spend billions and billions of dollars on interest payments because of 10 years of mismanagement by the government.

Sukhman Gill (Abbotsford—South Langley, CPC): Madam Speaker, my hon. colleague from Langley Township—Fraser Heights delivered an incredible speech and touched on the main points that Canadians are facing today. I know that the hon. member has also dealt with the truck driver members in our community, who did a convoy from Abbotsford all the way down to Vancouver. They went through the member's riding. They were struggling to deal with high diesel prices, as the motion dealt with.

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I would like to ask my hon. colleague how we would give immediate relief to Canadians and what we would have done differently as a Conservative government if we were given the opportunity.

Tako Van Popta: Madam Speaker, that is a great question. We have neighbouring ridings and we are way out at the other end of the country. Transportation is a very big part of what keeps British Columbia and the Vancouver area connected with the rest of Canada. Fuel prices, I think, probably touch us more than anything.

I share the frustration that truckers have about high fuel prices that just seem out of control. Their businesses become very difficult to operate. It is not just truckers. It is almost every industry, but it for sure impacts them.

What would we do differently? We advocated for cutting the carbon tax because we said it was not helpful for the Canadian economy. I am very happy that the Liberals have finally acknowledged that we had it right all along and that they are now supporting the concept of lowering prices for everybody through reducing or getting rid of the carbon tax.

John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.): Madam Speaker, I appreciate the member opposite's knowledge of the Canadian oil industry. I think he made a couple of fairly poignant good points. Right now, we are seeing record high production of oil and gas in Alberta. I think his main point about diversifying the market and not selling to the United States at a discount and working to sell to the global markets is right on. There is the Trans Mountain pipeline and the expansion that is planned to increase capacity there. Hopefully he will acknowledge that it is in the right direction. There is also the major expansion of liquefied natural gas exports that are going to the west coast to then further diversify that Canadian energy market.

I would like his comment on that, please.

• (2150)

Tako Van Popta: Madam Speaker, my colleague probably anticipates the answer. Of course we would invest in energy infrastructure. Absolutely we would invest in diversifying the market. Liquefied natural gas is an excellent idea. I cannot help but reflect on what former prime minister Trudeau said when the German chancellor came to him and said they wanted to buy liquefied natural gas, and he said there was no business case to be made for liquefied natural gas. Today we are building it. I thank the Liberals for finally getting on board and understanding that energy infrastructure is important for our economy.

Rhonda Kirkland (Oshawa, CPC): Madam Speaker, it is an honour to rise this evening on behalf of Oshawa to speak to Bill C-38, which is legislation that would extend temporary relief from federal fuel taxes at a time when Canadians are struggling to afford the basic necessities of life.

Earlier today, the Liberal government voted against our Conservative motion to recognize two simple things: The Liberals have been in government for 11 years, and Canada is in an affordability crisis. Every opposition party voted in favour of acknowledging what Canadians are actually experiencing every day, yet the Liberals said, "No, that's not the case."

Everyone knows that the first step to fixing a problem is admitting that there is one, and the government cannot even bring itself to acknowledge the affordability crisis facing Canadian families. What makes today's earlier vote particularly remarkable is that tonight we are now debating legislation introduced by the very same government to extend temporary relief from federal fuel taxes, because Canadians cannot afford higher costs. The reality is that the government knows Canadians are struggling, and after months of persistent Conservative pressure, the Liberals have finally been forced to back down from their planned increase of fuel taxes.

I represent Oshawa, which I like to mention as often as I can, because we are a hard-working city built by generations of auto workers, manufacturers, small business owners and families who have contributed so much to Canada's greater economy. These are Canadians who work hard and pay their taxes, and they expect that their paycheques will be enough to provide for themselves and their families. Yet, increasingly, they are finding that no matter how hard they work, they simply cannot afford life. When the price of gasoline rises, those families in Oshawa do not suddenly have the option of driving less. They need to get to work, pick up their children and purchase groceries, except now they are paying more to do those very same things.

The impact of higher fuel costs does not stop, of course, at the gas pump. It is common sense that when it costs more to transport food, deliver goods, construct homes and operate businesses, those additional expenses are ultimately passed on to consumers. Families end up paying more at the grocery store, more for household essentials and more for services they rely on every day. Even the Liberals' own legislation acknowledges that trucking, agriculture, housing, construction and delivery sectors benefit from fuel tax relief, which raises an important question. If the government now recognizes that lower fuel taxes help make life more affordable, why has it taken months and months of Conservative pressure to get it to act, and that is if we can even call it action?

Conservatives care, yet Liberals cause inflation and an affordability crisis, then throw out breadcrumbs of half measures and gaslight Canadians by saying things like "Affordability is the best it has been in...a decade." We remember when the Prime Minister said that.

In Oshawa, we understand how important affordable fuel and transportation are to our local economy. Our community is home to General Motors Canada, automotive suppliers, skilled tradespeople and thousands of workers whose livelihoods depend on a strong manufacturing sector. Whether it is an auto worker going to the plant for his shift or a tradesperson travelling between job sites across the Durham region, a small business owner making deliveries or a truck driver transporting goods across Highway 401, these Canadians rely on affordable fuel to earn a living and support their families.

For small business owners already struggling with rising operating expenses, higher fuel costs mean less money to invest in their businesses, hire employees or keep prices affordable for customers. For working families, it means even more of their hard-earned money disappearing before they have paid their rent, purchased groceries or covered their monthly bills.

● (2155)

The figures are clear. They show that gasoline prices have increased by 25.7%, while overall energy costs have risen by 16.6%, contributing to higher transportation costs and adding further pressure to household budgets. However, Canadians do not need to see those very detailed statistics to understand the consequences of rising costs because they see them every single day in their own communities. We all can.

I recently spoke about the extraordinary work being done by Simcoe Hall Settlement House in Oshawa, where Tiffany Kift shared with me the heartbreaking reality facing vulnerable families in our community. Simcoe Hall is now serving more than 3,600 people every month and has been forced to limit food bank visits to 70 households per day. Because the organization simply does not have the resources to help everyone, it is forced to turn people away every single day.

Among those seeking assistance are seniors, young adults, parents and even families with two incomes who cannot afford to put food on the table. One senior, Sue, is 83 and is still working part-time to help supplement her fixed income. She told me last week that she walks down the aisle like she did in war times. It reminds her of that. She looks at the meat, checking every price, and says, "Oh, I can't do that. No, I can't buy that. I can't even afford pork chops. I guess we won't have any meat this week."

While demand for food assistance continues to grow, donations are declining at Simcoe Hall. It is down approximately 33% in financial donations, and community food drives are also bringing in only a third of what it would normally expect. When more Canadians need help while fewer Canadians can afford to give, we have a serious affordability problem, regardless of whether the Liberals are willing to acknowledge it. Honestly, I do not know how they live with themselves.

This brings me back to Bill C-38. The legislation would extend the temporary suspension of federal fuel excise taxes until January 31, 2027, before restoring those taxes at half the regular rates for February and March. Conservatives obviously welcome any measure that helps Canadians keep more of their hard-earned money. That is the clear distinction. We support a measure that helps Canadians keep more of their hard-earned money, and we are proud that

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the persistent pressure from the Conservatives helped force the Liberal government to delay its planned fuel tax increase.

However, a temporary extension is not enough. The government is effectively telling Canadians that they can have some relief today, but they should prepare to pay more again in the coming months. What exactly does the government expect to change between now and February? Will groceries suddenly become affordable? Will families in Oshawa suddenly have hundreds of extra dollars left over at the end of every month? Will small businesses no longer be struggling with the cost of keeping their doors open? Of course not, and that is precisely why Conservatives have called for more meaningful and lasting relief.

Our Conservative economic action plan calls on the government to remove all federal taxes on gasoline and diesel at least until Canada Day 2027. That is not only the federal excise tax, but also the GST on fuel and the costs associated with the clean fuel regulations, all while permanently cancelling the industrial carbon tax. Together, these measures would save Canadians 25¢ per litre at the pump and provide as much as \$1,000 in savings for the average family. They get to keep more money in their pockets. Obviously, we support a measure where Canadians can keep their money, not where we take it first and then give them a pittance back.

Canadians should not have to depend on food banks, government rebates or temporary tax relief simply to afford the basic necessities of life. They should be able to work hard, earn a decent living and support their families. The Liberals today said that we are not in an affordability crisis. They would not admit it; there is nothing to see here. That sounds like every narcissist I have ever known gaslighting.

Conservatives will continue to fight for lower taxes, more affordable fuel and food, good-paying Canadian jobs and an economy where hard-working families can get ahead. We welcome the relief contained in Bill C-38, but Canadians deserve more than another temporary Liberal half measure. They deserve meaningful, lasting relief that makes a real difference in their everyday lives. A government that refuses to admit there is an affordability crisis, as the government did today, cannot be trusted to solve it.

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● (2200)

John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, I am continuously surprised that members opposite focus on daily partisan sniping and continuously miss the big picture. In this case, we are talking about excise tax relief, which is immediate affordability relief, but in the big picture, this government is taking very large steps to reduce the cost of transportation, which is what we are talking about mainly when we talk about fuel prices. For example, there are investments in transit and EV rebates. The member is from Oshawa. I represent Hamilton, and the Hamilton-Oshawa Port Authority is making major investments in getting trucks off Highway 401 and onto rail and ships. Shipping traffic is five times more cost-effective than truck.

Does the member opposite agree that we should continue to invest in infrastructure beyond today's issue?

Rhonda Kirkland: Mr. Speaker, obviously I support solid investments, but the fact of the matter is this, and I will say it again. We are constantly gaslighted that Canadians are doing just fine and that there is not an affordability crisis. We are told that we do not support measures that help Canadians because we vote against the Liberals' so-called supports and programs, when the truth of the matter is that what helps Canadians is allowing them to keep their own money in their pockets in the first place. That is why we will support this half measure. It is not enough, but it is something that would keep money in Canadians' pockets to begin with, rather than taking their money, giving them a pittance back and saying, "Are we not wonderful?"

Sukhman Gill (Abbotsford—South Langley, CPC): Mr. Speaker, I want to start by thanking the hon. member for Oshawa for her great protest against the Liberal government. I know she is doing a fantastic job on the public safety committee as well, making sure she fights for the safety of Canadians.

As she sees the votes being cast on both sides of the House, what more could the Liberal government have done to make sure to bring more relief to Canadians at this point, especially when we see convoys happening across the country with truck drivers requesting relief at the pumps, especially for diesel prices?

Rhonda Kirkland: Mr. Speaker, Conservatives have been very clear. We have an economic action plan that would bring relief immediately. One of the major parts of that plan is permanently removing the industrial carbon tax. It is funny to watch the Liberals jump up and down and say how excited and wonderful they are because they cancelled the consumer carbon tax. Meanwhile, the same group of people jumped up and down asking how we dared to suggest that they cancel the consumer carbon tax. They did it because our pressure was effective, and now they are asking, "Are we not wonderful?" It is a crazy world we live in right now in Canada where the Liberals take credit for things that Conservatives have said we must do.

Hopefully they will do the same thing with the industrial carbon tax one day, but we should never forget that they did not actually cancel the consumer carbon tax. I will just wait. They have only reduced it to zero, as far as I know. They have not cancelled it completely. I suspect we will see a version of it, and we already have in some ways at the gas pump.

Hon. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I find it somewhat humorous that the Conservatives try to say that this is their idea. They are jumping up and down, trying to claim that it is their idea. I made reference earlier to Wab Kinew, the Premier of Manitoba, who did it a couple of years ago. I guess he might be happy to say that it was his idea and that the Conservatives stole his idea.

The bottom line is that I am grateful the Conservatives have decided to vote in favour of this legislation. It is an affordability measure that would help Canadians. I think we can agree on that much, or at least I would hope so.

● (2205)

Rhonda Kirkland: Mr. Speaker, I agree. It is an affordability measure. It is a half measure and a small measure, but it is an affordability measure.

I will repeat this, because it is very important. We can vote for this small measure because it would keep money in Canadians' pockets. It is not like the programs and fake supports that keep getting touted as the solutions, which really are just admissions of failure for the government. The Liberals have made life unaffordable. We cannot trust them to fix that. Conservatives know how to get it done. Canadians can trust us.

Sukhman Gill (Abbotsford—South Langley, CPC): Mr. Speaker, it is always a true honour to stand up in the House and speak on behalf of the members of Abbotsford—South Langley, who I represent dearly. I want to start by saying that I am splitting my time with the member for Long Range Mountains, who will be speaking after me.

Today, I want to talk about something that is concerning for people not only in my riding of Abbotsford—South Langley but across the country: prices at the fuel pumps. As a Conservative team, we have gotten countless emails from across the nation asking for relief at the pumps. From the countless emails that I have gotten, I have seen that many residents in Abbotsford—South Langley are frustrated when filling their tanks.

Earlier this year, after constant pressure from my colleagues and I, the Liberals announced half measures up to April 20, removing the excise tax on fuel. If it had been up to them, this September we would have resumed taxes to their full extent, but once again, my Conservative colleagues and I stood up in the House and pushed for relief for all Canadians. We delivered.

Earlier this month, the Conservatives announced an emergency fuel relief plan aimed at removing all federal taxes on diesel until at least Canada Day 2027. Unlike the members across the aisle, my colleagues and I believe that Canadians deserve the full relief rather than a third of the relief for a third of the year.

Now Bill C-38 has been introduced, and it would extend the fuel excise tax relief until January 31, 2027. The rates would then resume to 50% of the normal amount until March 31, 2027, and the full tax would resume from April 1, 2027, onwards. This bill would provide relief of up to 10¢ per litre on gasoline and four cents on diesel. Then the relief would shrink to half from February onwards, and Canadians would get no relief starting in April 2027.

Let us compare that to what we were offering early this month: full tax relief on diesel, which would have provided up to 25¢ per litre in relief until July of next year. It is clear that our plan would have brought more relief to Canadians across the nation, yet the Liberals voted against our motion.

The impact of high gas prices goes well beyond families filling up at local gas stations. I think about our farmers, truckers, contractors and small business owners. Fuel is not an option for these Canadians. It is the cost of doing business. A trucker cannot deliver goods without diesel. Our farmers cannot operate equipment without diesel. Contractors cannot carry lumber and tools to a job site on public transit.

For millions of Canadians, driving is not a luxury. It is a necessity for how they earn a living and go about their day to day. Just recently, B.C. truck drivers protested against rising diesel prices in the Lower Mainland. The cost of high fuel prices is affecting their day-to-day lives. Many of them are essentially working for free to pay for the fuel that they put in their tanks. Simply extending the excise tax relief is not enough for those whose livelihoods depend on the cost of gas and diesel. The foundation of our society as a whole is built on those who go about their day-to-day jobs depending on gas and diesel. We have to make sure they are able to trust that the government has their backs when things become difficult for them, especially in times like right now, when they are feeling the most pressure at the tanks from province to province across the nation.

The reality is that the majority of Canadians believe that the Liberals are providing half measures of relief when they could provide full measures of relief if they were to adopt our Conservative plan. That is the truth. A recent poll found that 63% of Canadians oppose the Prime Minister bringing back the fuel excise tax, including 43% who strongly oppose it. Those numbers also include 72% of seniors, 68% of women and 61% of those who are between the ages of 35 and 54. They are all opposed to a reintroduction of diesel and fuel taxes. Opposition crosses every region across the country: 71% in Manitoba and Saskatchewan; 64% in British Columbia, Alberta and Atlantic Canada; 62% in Ontario; and 60% in Quebec.

• (2210)

Instead of listening to Canadians and their concerns, members across the aisle want them to celebrate the half-relief they would be given for only a couple of months. It is ridiculous. I want to emphasize that any relief given for any citizen is 100% good news, and we will 100% agree with any relief the opposing government gives. However, the thing is that it had an opportunity to make sure it could support measures for 100% relief, but the government opposed this.

Especially when more relief could be provided, the cost of fuel directly impacts affordability across our country. High diesel costs

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lead to farmers' having to pay more for growing the food, and to truckers' having to pay more to haul that very food across the country. Then it inflates costs, which make it down to the everyday Canadian buying products at the grocery stores. I ask members across the floor a simple question: Are they able to look a single parent in the eye during this struggle and say they brought relief to them to help put meals on the dinner table? I bet that is a hard question for many members to answer, but I ask it on behalf of all Canadians.

My colleagues and I acknowledge that there is an energy crisis happening and that it is out of our control. We fully agree with that. However, while these naturally increasing prices on fuel happen, we can take many measures to help Canadians at the pumps. The first step was to adopt the plan that my Conservative colleagues and I put forward two weeks ago. That is why we continue to call on the government to remove all federal taxes on gas and diesel until at least Canada Day 2027 to save Canadians 25¢ per litre at the pump, which would bring \$1,000 of relief, savings, for the average Canadian and the average family. That includes seven cents per litre of clean fuel regulations, the GST and the permanent cancellation of the industrial carbon tax so Canadians are not forced to pay more for food and fuel.

While the conversation is around government relief measures, I want to also highlight the developing projects around B.C. The B.C. NDP government signed an MOU with the federal government this summer, which was a clear path for the new southern route pipeline, another route alongside the existing energy corridor through the Sumas Prairie region that brought much relief to our community and our country.

However, at the same time, we need to make sure that certain vulnerabilities are protected, such as with respect to the flooding that has happened year after year. Farmers have advocated about this countless times. In 2021, when we had the immense floods in the Sumas Prairie and Abbotsford communities, we wanted to make sure we could protect certain lands and bring adequate infrastructure development forward before we had certain pipelines instituted in that area.

I bring this up so all Canadians know that while we provide relief and measures for the country, we have to make sure we understand what is important. First of all, that is infrastructure relief and making sure infrastructure is coordinated with the federal government to bring in new projects that benefit all Canadians across the nation but at the same time do not damage the integrity of the Lower Mainland communities.

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With the measures the government is bringing forward, we need to make sure we have tax relief not just for Canadians at the pumps but across the nation. These are farmers, people with jobs, members and Canadians asking for relief again and again. They want relief at the pumps. They want results from the government. Again and again, we see the failure of representation of what Canadians actually want. I hope the government takes into account what I have said today, and I hope to get some answers.

• (2215)

[Translation]

Guillaume Deschênes-Thériault (Madawaska—Restigouche, Lib.): Mr. Speaker, I am pleased to hear that my colleague will be voting in favour of the bill, which is an affordability measure designed to help Canadians cope with the cost of living. However, when looking at the voting record of his colleagues in the official opposition over the last 10 years, we see that they have very rarely supported measures aimed at improving affordability. More often than not, they have voted against them.

In his speech, he asked whether we are able to look parents in the eye. I would like to put the question back to him, given that we know full well that, as recently as last year, he voted against making the national school food program permanent. This program enables children to get through their school day with a full stomach.

How can he look the parents in his constituency in the eye and tell them that he voted against the school food program, which ensures that no child goes hungry during the school day?

[English]

Sukhman Gill: Mr. Speaker, the answer, the debate, is simple. It is about bringing relief to Canadians at the gas pumps. That is what we are here debating. That is what my hon. colleague had an option of voting for two weeks ago when he decided to vote against the full relief up to Canada Day 2027 and to make sure we could eliminate full diesel taxes for all Canadians and further bring relief for Canadians. This is what we were talking about today.

These are the measures our side voted for and strongly believes in. We do not see the same representation on the other side of the House. We do not want to make this about party politics, but that is unfortunately what we have here today.

Carol Anstey (Long Range Mountains, CPC): Mr. Speaker, I can certainly relate to many of the things my colleague talked about with respect to things he hears from Canadians, including people in his riding. We are talking about relief at the pumps. I also talked to a lot of small and medium-sized business owners in the beautiful riding I represent, and they are also talking about the impact that increased diesel prices have on their operations.

I am wondering if this is something my colleague also experiences, and whether he would like to expand specifically on that aspect of the increased cost of diesel.

Sukhman Gill: Mr. Speaker, I want to thank my hon. colleague for her fantastic work and her advocacy across her area and across the nation as well.

Before I answer the question, I want to let the member know that, yes, we in B.C. have the same problems they have in Ontario

and across the nation. Many of our truckers are dealing with the same crisis. They are going about their day-to-day life not able to afford the simple things they should be able to afford. Their second and third fill-ups are so exhausting that they go home and are not able to have their dollar carry through the month to afford the payments they need to make, to carry some relief and to make sure they have some savings for their family and kids.

This is the same issue I know the member is dealing with, and across the nation, many of the members on this side of the House are dealing with this as well. I am eager to see what the members on the opposing side have to say about this, because I know their constituents are feeling the same pain.

I thank the member for her advocacy and her work. I wish the members opposing could join us as well.

[Translation]

Guillaume Deschênes-Thériault: Mr. Speaker, my colleague talked about the importance of concrete measures to help with the cost of living.

I completely agree, and I am very pleased that the official opposition is working with us, but this is just one among many measures. To help Canadians, we need a series of affordability measures. The Canada child benefit, affordable child care spaces, the school breakfast program and the tax cut for the middle tax come to mind.

It is a combination of measures that sometimes put money directly back in the pockets of Canadians, or that save the public money indirectly. Tonight's example is just one of many concrete measures.

I would therefore like to know why my colleague supports this measure this evening, but does not support all the other affordability measures that we are putting in place. I sense a contradiction there. He asks us to implement concrete measures, but always opposes them.

• (2220)

[English]

Sukhman Gill: Mr. Speaker, it is not that I am recognizing diesel prices just today. I am a farmer myself. I come from a farming background. I understand how much it is costing me and other farmers across our nation currently to fuel our farms and make sure we can deliver food across this nation. It is not just for the measures that my hon. colleague is mentioning today but for all Canadians. I wish and desire that he would see what I am talking about and that the motion we are speaking to today would be spoken about as well.

Carol Anstey (Long Range Mountains, CPC): Mr. Speaker, it is always an honour and a pleasure to rise on behalf of the wonderful people of Long Range Mountains. I rise today to speak today to Bill C-38.

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Conservatives will always support measures that leave more money in the pockets of Canadians, but we should also be clear about how we got here. In April Conservatives brought forward a motion calling for federal taxes on gas and diesel to be removed to provide immediate relief to Canadians, but the Liberals voted against it. In May we came back to the House again and called for all federal taxes on gas and diesel to be removed for the remainder of the year, including the GST, and for the clean fuel standard to be permanently removed. That motion was also defeated by the Liberals.

After months of Conservative pressure, the government has backed away from ending the excise tax suspension as originally planned, but it is important to note that this would still be only temporary. The tax is scheduled to start coming back early next year. Canadians need lasting relief from fuel costs, and the government's own announcement on Bill C-38 acknowledges that lower fuel taxes benefit truckers and businesses involved in food, agriculture, housing, construction and delivery, because fuel costs do not stop at the pump.

Statistics Canada reported just yesterday that gas prices are up 27.8% compared with a year ago, and increasing transportation costs are up 8.4%. For families who rely on their vehicles and for businesses that depend on fuel every day, those increases had immediate impacts. In September, inflation in Newfoundland and Labrador reached 4.7%, well above the national rate of 3.1%, and higher gas prices contributed to that increase in inflation.

I want to talk about the real-life impacts of these extra costs. While in my riding, I spoke with Dwight. Dwight is a small business owner from Deer Lake. His operation employs 30 people. He runs his own company that provides waste management, construction, snow removal and trucking services. His entire operation relies on diesel. I spoke with him about the impacts of rising fuel costs on his business. In 2024, Dwight's average diesel price was \$1.81 a litre. In August 2026, the price was \$2.41 a litre.

Dwight outlined that the contracts he receives are five to seven years long, and the increase in fuel costs cannot be sustained in those conditions, as his input costs dramatically increase with no ability to recover those costs. In that type of business, with long-term contracts, he has to mitigate those extra costs. As a result, he delays purchases and postpones investments. He runs short-staffed as he tries to absorb these increased costs, which means fewer opportunities for growth and employment in our community.

It is also important to understand that our small and medium-sized businesses keep our community initiatives and charitable organizations running. They are the heartbeat of our small communities, and when they are squeezed with rising costs, it ultimately impacts the entire community. More broadly, when it costs more to operate the fishing boat that brings in the catch, more to move groceries to the store, more to run construction equipment and more to deliver goods to communities across this vast country, those costs do not disappear. They make their way all the way through the supply chain, and eventually they show up in the prices families pay.

In Newfoundland and Labrador, we understand this better than most, because we are a province of rural, remote and coastal communities. Goods have to travel long distances to reach us, and many

people also travel significant distances for work, groceries, medical appointments and everyday necessities. For someone living on the Great Northern Peninsula or in another rural part of my beautiful province, fuel is an essential part of the cost of everyday life. For the people who grow our food, harvest our resources and keep our communities supplied, it is a cost they cannot avoid.

Ian, a farmer from Cormack, wrote to my office about the financial pressures facing his business. He is averaging \$60,000 to \$70,000 per month in direct diesel fuel costs. He cannot sustain those increased input costs, and he cannot pass those costs on. That does not include the indirect costs of feed, fertilizer, other supplies and the transportation of his milk. These increased costs are not sustainable, and temporary relief is not sufficient. If lower fuel taxes provide relief, it does not make any sense to start taking that relief away while families, farmers and businesses are still struggling with the cost of everyday necessities.

Families are still paying far more for groceries than they were a few years ago. Statistics Canada says that grocery prices are now 33% higher than they were in September 2020. I hear from seniors in my riding who are watching grocery prices and fuel costs and are wondering how much further their fixed income can stretch. I hear from young families who work, save and do everything they are supposed to but are still finding that the cost of transportation, food, housing, and everyday necessities keeps putting home ownership further out of reach.

● (2225)

Small businesses are under the same pressure because they cannot absorb higher operating costs forever. Eventually, those costs mean smaller margins, less money to hire and invest, and higher prices for customers.

That pressure is showing up in other ways, too. Food Banks Canada recorded more than 2.1 million visits in a single month last year, nearly double the level seen in 2019. Almost one in five food bank clients reported employment as their main source of income, meaning many people using food banks are working, but they still cannot afford the basics.

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There is also a job and investment side. Businesses need a clear view of what their costs will be before they decide whether they are going to hire, expand or make a major investment, or as in Dwight's case, commit to long-term contracts and then face increased input costs that undermine the profitability of his business and jeopardize the livelihoods of his employees. When fuel costs remain high and federal tax policy keeps changing, those decisions become harder to make. Lower fuel costs over a longer period would give businesses more certainty, leave more money available to invest in their operations and help to protect Canadian jobs.

Our Conservative proposal would remove all federal taxes on gas and diesel until at least Canada Day 2027 to save Canadians up to 25¢ per litre and bring as much as \$1,000 in savings for the average Canadian family. This includes the 7¢ per litre clean fuel regulations, the GST and removing the federal industrial carbon tax so that Canadians are not forced to pay more for food and fuel.

Bill C-38 does not address the full cost that federal policies add to fuel. The GST remains, the clean fuel regulations remain and the federal industrial carbon tax continues to add costs throughout the supply chain. A temporary suspension of one tax does not address all these costs. Canadians need relief that lasts longer than a few months and lowers the overall cost of fuel.

There is also a broader question here about Canadian energy security. Canada is one of the largest energy-producing countries in the world, yet parts of our country remain dependent on imported refined petroleum products. This is important, because when global supply chains are disrupted, when shipping routes are threatened or when decisions made in another country can affect the price and availability of fuel here at home, Canada should not have to wait for the next international crisis before thinking seriously about its own fuel security. We should be producing, refining, storing and transporting more of the energy we need here at home. That means attracting private investment, getting infrastructure built and making sure Canada can compete for projects and investment with other countries.

For Newfoundland and Labrador, this is an enormous opportunity. Our province has major energy resources, skilled workers, strong marine infrastructure and communities with generations of experience in resource development. Yet, for generations, too many Newfoundlanders and Labradorians have had to leave home to find work elsewhere. For me, that is one of the most important parts of this debate. For a tradesperson in Newfoundland and Labrador, more investment can mean finding work close to home instead of spending weeks or months away from their family. For a young person, it can mean learning a trade or earning a degree and still being able to build a career in the community where they grew up. For local businesses, more investment and more jobs mean more customers and stronger communities.

For Newfoundland and Labrador, investment certainty is very important. When companies decide where to invest, they look at their operating costs, the regulatory environment and whether a project has a reasonable chance of moving forward. If Canada is more expensive and less predictable than competing jurisdictions, investment goes elsewhere and workers are the ones who lose out on those opportunities.

Temporary tax relief does not solve the bigger problem if Liberal policies continue to make it difficult to build the infrastructure needed to strengthen our own fuel supply. That means creating a more competitive environment for investment, getting projects approved faster and making it easier to build and transport in Canada. For Newfoundland and Labrador, that is where the real opportunity lies.

Conservatives are calling for broader relief, and we will continue pushing for it by pushing to remove the remaining federal taxes and costs that make gas and diesel more expensive while also pushing to make Canada a better place to invest. Families in Newfoundland and Labrador do not need another announcement telling them relief is coming. They need to see the difference when they fill their vehicles, buy their groceries, heat their homes and pay their bills. That is what Conservatives will continue to fight for.

● (2230)

John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, my wife is from Corner Brook, so I had an opportunity to spend some time with family in the member opposite's riding this summer. I also had a chance to go across the strait to Labrador. I can certainly understand that, in the vast rural landscapes of Newfoundland and Labrador, fuel prices are a real concern for her constituents.

I am a little frustrated. I have an ongoing frustration that the members opposite, not just this member, continuously focus on what I would say are silly partisan gimmicks and continuously miss the big picture. In particular, we are talking about the cost of oil and gas as a global commodity, and I did not hear the member opposite reference the causes of the current increase in costs to fuel, gasoline and diesel, which are, of course, the U.S. war against Iran and the conflict of Russia's invasion of Ukraine. Her colleagues also mentioned Venezuela and other conflicts.

Will the member opposite recognize those as the root causes of the cost of fuel in Canada?

Carol Anstey: Mr. Speaker, the member opposite is certainly welcome to visit my riding at any time. It is a beautiful riding.

What is equally frustrating is when we speak up for Canadians and tell their stories, and then the Liberals tell us we are playing silly partisan games. I find that equally frustrating. There are many components of fuel prices that we can control and that the federal government can offer relief on, and that is exactly what we are talking about. We need to do the things we can do. There are things we can control that would have a direct impact on immediate relief on fuel prices for Canadians. In this current environment, that is extremely important.

Ted Falk (Provencher, CPC): Mr. Speaker, my friend and colleague's fishers just off the coast of Newfoundland and Labrador have been experiencing a lot of challenges lately, not the least of which is the snow crab quota aspirations of the French. Now, they are faced with higher diesel prices, which impact every fisher because those big fishing boats are powered by diesel. They are experiencing a significant increase in their costs as well.

I would like the member to maybe extrapolate what that means for her fishers.

Carol Anstey: Mr. Speaker, yes, the fishing industry is extremely important to Newfoundland and Labrador. The food fishery is another component of Newfoundland and Labrador that is extremely important. These are costs that are directly impacting these operations. Ultimately, that means that fishers cannot hire more people for their operations to expand the fishing industry. They cannot invest in new equipment. It has direct impacts, as it diminishes their profit margins. It also inhibits them from investing and growing their operations and providing more opportunities in a vital and extremely important part of our economy in Newfoundland and Labrador.

[Translation]

Guillaume Deschênes-Thériault (Madawaska—Restigouche, Lib.): Mr. Speaker, my colleague's speech felt somewhat contradictory to me.

She spoke about the importance of supporting our small and medium-sized enterprises, and farms in particular. However, when the 2025 budget was tabled, she voted against it, despite the fact that it included an investment superdeduction that would allow businesses to recover the cost of their investments more quickly. She also voted against various measures to help offset the impact of tariffs and initiatives to support innovation within our small and medium-sized enterprises.

How can she stand up in the House this evening and talk about the importance of supporting our small and medium-sized enterprises and helping them cope with various costs, when, time and again, she has voted against the very measures designed to help them? I find it difficult to reconcile her voting record with the position she shared with us this evening in her speech.

• (2235)

[English]

Carol Anstey: Mr. Speaker, the Canadian Federation of Independent Business recently produced a report that talked about the entrepreneurial drought in this country, with more businesses closing than opening. The results are that the Liberal policies are not supporting small and medium-sized businesses. That is not my opinion; that is just the reality. These are the measures that we as Con-

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servatives believe support small and medium-sized businesses, and that is why we are advocating for them.

Ted Falk (Provencher, CPC): Mr. Speaker, I will be sharing my time with the hon. member for Kamloops—Shuswap—Central Rockies.

Before I begin my speech, I would like to recognize our parliamentary staff who are sitting here late into the evening, the clerks, the recorders, the Sergeant-at-Arms and the technicians, as well as the Parliamentary Protective Service. I want to thank them for putting in the extra time to make sure that Canadians can exercise their democracy in the House.

I am honoured to speak to Bill C-38, the Canadian fuel affordability act. I would like to start where a lot of Canadians start their day, which is at the gas pump and the gas checkout. At the end of September, a litre of diesel across this country cost \$2.60, according to Natural Resources Canada. In the weeks before that, diesel had peaked at about \$2.75 a litre nationally, which is about 80% above the roughly \$1.40 to \$1.50 that Canadians were paying a year ago. That is an 80% increase in 12 months.

Let me say this plainly. Conservatives will vote for this bill. Any measure that lets Canadians keep more of their own money at the pump, we will support. We supported it when it was proposed, and we support it today, but if the government expects a round of applause, I would remind the House how we got here.

When the fuel excise tax was suspended in April, the pause was set to expire on Labour Day. That was the plan, to put taxes back on gas and diesel just as Canadians were heading into the fall with prices still soaring. It took months of pressure from this side of the House, the Leader of the Opposition, truckers, farmers and families before the government changed course. I am pleased it did, but Canadians should not have to drag relief out of Ottawa one reluctant extension at a time.

Let me tell the House and the Canadians who are watching what this bill does. It extends the suspension of the federal fuel excise tax until January 31, 2027. It then cuts the regular rates in half until the end of March, with full rates returning on April 1. For the average driver, that means about five dollars saved on a typical 50-litre tank of gasoline. That is it. It is still something, but it is only five dollars per fill.

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Let us look at what we are up against here. Stats Canada reported yesterday that inflation rose to 3.1% in September, driven by gasoline prices that were up 27.8% from a year ago. Without gasoline inflation, it was about 2.2%. In other words, the cost of living crisis is not some mystery. One input is dragging the whole bucket up. Energy prices are up 19%, and fuel oil and other fuels are up 57.8%, which is how much more a family in Atlantic Canada will pay to stay warm this winter.

Grocery prices are still up 33% from September of 2020. Families have not recovered from that. Now they are being asked to again absorb a fuel shock on top of it. Here is where the bill falls short. Gasoline is up about 28% from a year ago, and diesel is up 80%. The excise tax relief is 10¢ a litre on gasoline, but only four cents a litre on diesel. That is four cents against a price of \$2.60, which is about a penny and a half on every dollar of fuel. For the farmers who produce our food, the people who move this country's food, fuel and building materials, and the contractors who build our infrastructure and homes, four pennies a litre is a rounding error. The Liberals need to get serious.

Consider the long-haul trucker. That is a real person driving an 18-wheeler. A long-haul truck holds about 1,000 litres of diesel fuel. Back in March, with prices well below where they are now, filling one in Toronto would cost roughly \$2,300, and that was about a \$700 increase from the prior year. At today's prices, it is about \$2,600, which equates to more than \$1,000 per tank above last year. What does this bill save on that fill-up? It is about \$40 on \$2,600. It is only 40 bucks on 1,000 litres. It is still 40 bucks, but that is all it is. I want the House to hear the voices behind those numbers.

• (2240)

One Ontario owner-operator told reporters his fuel costs have risen by about \$1,000 per truck every month and that his credit cards are filling up. His trucks haul food to northern communities. A small business owner is putting the groceries for remote northern communities on his credit card while the government calls four cents a litre relief.

Consider the Maritimes and the Atlantic provinces. Trucking associations say that 90% of the food, forestry products and manufactured goods used in Nova Scotia and New Brunswick move there by truck. There's no other way to get them there.

The pain is uneven. Last week, the average fuel price ran from \$2.94 a litre to \$2.47 a litre in Grande Prairie. Consider the farmer who is in the field right now. The Grain Growers of Canada calculated that a single combine running through a 30-day harvest costs an extra \$15,120 in fuel. That is one machine. Farmers cannot pass that cost along because the market sets the price of their crop and the commodities that they produce. By my math, the excise relief on that same combine is worth about \$670, roughly 4% of that added cost.

It does not stop at the farm gate. Researchers at Dalhousie have modelled a half-point to seven-tenths of a point bump in grocery inflation if elevated diesel prices persist, not increase but persist. A tax on fuel is a tax on everything that moves by truck, which is everything on a grocery store shelf and everything in new homes.

What would real relief look like? Conservatives have been clear. We would extend the full excise holiday until Canada Day 2027. We would remove the GST from fuel purchases. At current prices, the GST accounts for roughly 13¢ of every litre of diesel, a tax collected on top of a tax. The higher the price goes, the more Ottawa takes in.

We would permanently scrap the industrial carbon tax and the clean fuel standard, which the Leader of the Opposition has called "carbon tax 2.0". Conservatives calculate that, together, these measures would save Canadians up to 25¢ a litre, as much as \$1,200 a year per families. That is what real relief looks like. That is a long way from the four cents a litre that the Liberal government is offering in the bill.

Canadians deserve to know why this country, one of the greatest energy producers in the world, is paying so much to fill a diesel tank. The Leader of the Opposition has pointed out that Canadian diesel prices are about 32¢ a litre higher than in the United States, our neighbours to the south. Conservatives say that Canada produces enough diesel to meet national demand but transportation bottlenecks leave some regions dependent on U.S. imports. We should be using our own energy to power our own people. Canada should be refining and delivering its own fuel, not leaving truckers and farmers at the mercy of global pressures.

Last week, we gave the House a chance to act. On October 7, Conservatives tabled a motion calling for an end to all federal taxes on diesel fuel until Canada Day. It was defeated. Only Conservatives voted in favour. The Liberals, the Bloc and the NDP all voted against. Canadians should remember that vote. When the people who produce and move our food ask for help, those parties in the House said no.

As for what comes next, the Minister of Finance has said that whether relief continues past March will depend on global conflict, oil prices and the state of federal finances, without naming any price threshold or formula. Farmers cannot plan a planting season around waiting and seeing. Truckers and contractors cannot price a contract that way. Families cannot budget on hope.

After a decade of Liberal government, Canadians are tired. They are tired of being told that tax relief is a gift from Ottawa rather than their own money being returned. They are tired of half measures and of relief that arrives late, shrinks on schedule and comes with no plan.

Here is the Conservative plan. We will vote for the bill because of the current affordability crisis, as Canadians need every cent they can get, but we will keep fighting for the rest, for no GST on fuel, no industrial carbon tax, no clean fuel regulations and a Canada that produces and refines its own diesel. A tax on fuel is a tax on everything, and Canadians have already paid enough.

To the truckers sleeping in cabs on the long road home, to the farmers in the combine long after sunset and to the parents doing math at the grocery store or gas station, we see them. They should be assured that Conservatives are fighting for their jobs. We are fighting for their families, and we are fighting for them.

● (2245)

John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, I think we all recognize that the cost of fuel is impacting affordability for families across Canada. The member mentioned biofuel standards, but what he did not talk about is how those standards are supporting the farming industry and also the processing industry. In Hamilton, we have a fairly substantial bio-fuel plant. Those biofuel standards are an important part of providing business opportunity.

He also talked about the industrial carbon pricing. Of course, our government removed the consumer carbon tax, but I just wanted to give him the opportunity to explain exactly how much per litre the industrial carbon pricing contributes to the cost of fuel in Canada.

Ted Falk: Mr. Speaker, the issue that we are looking at today is Bill C-38, which proposes four cents a litre on diesel fuel alone and 10¢ a litre on gasoline. Like I said before, four cents a litre on diesel fuel to farmers, truckers or contractors is a rounding error. The crisis that folks in manufacturing and transportation are facing is affordability. The Liberals today had an opportunity to recognize, through our motion, that for the past 11 years we have been governed here in Canada by a Liberal government, and that today, we are in an affordability crisis. The Liberals said no. All the other parties agreed that we are in an affordability crisis. They had the opportunity to say no, and I find it really hypocritical that today we are studying what is known as the Canadian fuel affordability act.

Mel Arnold (Kamloops—Shuswap—Central Rockies, CPC): Mr. Speaker, I would like to ask the member for Provencher, if he could, to further explain how some of those costs on the farms and at the farm gates are becoming almost insurmountable for some of those farmers who are working their hardest to put food on Canadian dinner plates, whether it be grains, beef or other products. How is this increased cost in fuel, which we are seeing impact things all the way down the line, impacting the actual cost on Canadian dinner plates from coast to coast to coast?

Ted Falk: Mr. Speaker, it is true that farmers have to absorb the cost of increased diesel fuel prices, and they have increased almost 100%. In other words, for Canadians watching today, the price of diesel fuel has almost doubled in this last year, and farmers have no choice. They have to put diesel fuel into their combines, trucks and tractors, and they also have to then have that product shipped to the elevator and shipped to a rail yard before it can be sent to a processing facility, where it gets processed and manufactured into food products, which again get shipped with a transport truck across the highway, burning diesel fuel at \$2.60 a litre. The food products finally get delivered to a warehouse, and from a warehouse, they will

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get picked up one more time by a semi-truck and delivered to a retailer for distribution or for sale to the public.

All of those activities require the use of diesel fuel, and when diesel fuel has increased by almost 100% in the last year for the farmer, there is nothing he can do about it, because his prices for his products are commodity prices. They are market-based. However, for the transport companies and for the processors, the price of increased fuel and energy costs are actually being put onto the backs of consumers who are buying those products, because they are just moved along, and the farmers absorb it. Processors and truckers do their best to pass those costs along to the consumer, the end user.

● (2250)

Mel Arnold (Kamloops—Shuswap—Central Rockies, CPC): Mr. Speaker, it is always an honour to rise as the representative of Kamloops—Shuswap—Central Rockies. As I have noted previously, it is a riding that stretches from the continental divide in Yoho National Park, through the lakes and highlands of the Shuswap, to the ranching grasslands of Kamloops. It is a total of roughly 450 kilometres of Trans-Canada Highway, from east to west, and an area where people rely on vehicles that can be on the road all day, and sometimes well into the night. I know this first-hand after having traversed this great riding from end to end for months, from before the time I was elected as a federal representative in April 2025 up to and including just a couple of days ago.

Today, I rise to speak to Bill C-38, the Canadian fuel affordability act. We are here late tonight debating this bill. The bill proposes to reduce the federal excise tax on gas and diesel until January 31, 2027. I propose that we are here debating more than a reduction in the fuel excise tax, and that we are here debating the Liberal government's record on affordability over its 11-year tenure in government. This is an affordability crisis created by 11 years of Liberal government. While Bill C-38 proposes to reduce and remove the fuel excise tax until January 31, it would be a small relief for some and would only go until January 31. Canadians need so much more relief. That is why Conservatives are calling for the removal of all federal taxes on fuel until at least Canada Day 2027, and Canadians need so much more.

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Canadians expect their government to govern in a manner that keeps the cost of living under control and provides the services needed to help keep their country safe and sustainable. We, as elected representatives, have a duty to those residents of this great country to deliver on their expectations. However, what Canadians are paying to live under the Liberals has grown beyond the means of many. Of course, the Liberals will try to blame this on all sorts of things, like Donald Trump, the trade tariffs, the war in Ukraine and other worldly events. When it comes down to it, however, it is Liberal policies over the last 11 years that have brought on this affordability crisis. If the Liberals had not blocked progress of resource development through bills like Bill C-48 and Bill C-69, and promoted an antidevelopment agenda, Canada could have been in a position where these worldly events mattered less and we would be more self-reliant on our own energy and resources.

After 11 years, we are here with a government desperately trying to develop trade with other countries, lagging behind in the development, processing and sales of liquefied natural gas and other resources the rest of the world is looking for. We have had 11 years of the Liberal government kneecapping the potential wealth growth of this country. Tonight, we have a Liberal government trying to look like the saviour from its own policies and legislation. People should not be fooled into thinking this is a new government. Many of the same architects behind those debilitating policies are still at those same seats at the cabinet table, pushing the same ideologies and not wanting to admit they are the ones responsible for the growing deficits and debt service costs that Canadians of future generations will be forced to pay.

Here we are debating this tax relief bill tonight, October 20, 2026, like it is the Liberal government's idea. However, we have a government trying to fool people into believing it is sparing them from the high costs that it has caused.

• (2255)

In April of this year, Conservatives brought forward a motion in this House calling for the federal fuel excise tax to be removed for the rest of 2026, along with broader relief from federal costs on gasoline and diesel. It is real relief that could have been in place already had the Liberals not voted against it.

As I met with people at home in the beautiful riding of Kamloops—Shuswap—Central Rockies over the summer months, and even more in recent weeks, one of the first topics of every discussion was almost always the cost of living and affordability for ordinary Canadians. When I visited food banks, I learned that some of them are seeing increases in reliant families and increases in demand ranging from 200% to 500%. The shelves that were once being stocked by volunteers are now seeing some of those same volunteers coming in for help with their grocery needs.

When I talk to seniors having to decide between putting food on the table and getting a gift for a grandchild, or parents trying to stretch two family incomes to buy food and shelter for their family, or potential parents who are choosing not to have children because they do not think they can afford it, my heart aches for them. Life was not like that in Canada, not even during the global recession in the mid-2000s, and it does not need to be like that anymore.

We have so much potential here in Canada, and I believe Canadians will see that potential and see that a Conservative government is what is needed to truly deal with the affordability crisis, a government that would unleash the potential of our greatest resources in this country. I do not just mean the natural resources in and on our lands and waters. I mean the people of this great country, who are willing and ready to build on the opportunity and resources we share. They can see the potential, and they know that the government has been holding back that potential.

I see fuel costs at three dollars per litre for diesel at home as I drive down the highway from one end of my riding to the other. Truckers have to pay that fuel price just to get goods to grocery stores. Parents have to pay that price when they take their kids to a soccer game and even when they go to the grocery store. This has to change, and it has to be through measures that are more substantial than what the Liberals are putting forward as their idea of a saviour-type move.

As I close off tonight, it is getting late here in Ottawa, near 11 p.m., and I know there are people back home who need to know that my Conservative colleagues and I will fight late into the night and beyond to bring affordability relief from the Liberal government's ever-increasing cost of living. Those late-night watchers go beyond my wife and my family. They are the people across the Kamloops—Shuswap—Central Rockies riding and across the country who are depending on us, the official opposition, to keep reckless government spending under control and to bring them real opportunity and affordability.

I thank everyone watching for caring about our country and for contacting my colleagues and I about their affordability concerns. It is their words that matter most to us on this side of the House. We are here for them late into the night. I thank everyone for watching and listening and for their support. We are, after all, here for them.

John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.): Mr. Speaker, honestly, sometimes it is difficult to understand whether members opposite really appreciate the difference between their rhetoric and reality.

Let us look at the past 11 years of Liberal government policy. Right now, there is record high oil and gas production in Canada. Our government made the Trans Mountain pipeline happen, and we are looking at an expansion to double that capacity, diversifying Canada's oil exports to the Pacific. There is LNG phase one and phase two, record exports, record expansions, and investment in the Canadian oil and gas sector.

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It is fairly detached from reality to suggest that Liberal policies in Canada, of our government, have caused the global increase in energy costs. That is deliberately misrepresenting and perhaps misunderstanding the global pressures on the global commodity market for energy. Would the member opposite like to comment on what is happening in the real world?

• (2300)

Mel Arnold: Mr. Speaker, I would absolutely love to respond to what is happening in the real world. The real world is here in Canada, where Canadians have been kneecapped by the Liberal government for 11 years.

The member talked about the investment that is happening right now, the record investment. That record investment could have happened more than 10 years ago had the Liberal government believed in the people of Canada. He talked about other records. Well, we are seeing record high youth unemployment rates, record high numbers of young people in this country who cannot find work.

We have seen this. What the member has missed, because he has not been here for the full 11 years, is that his government is responsible for the reality, this real world, in Canada.

Kurt Holman (London—Fanshawe, CPC): Mr. Speaker, this discussion regarding Bill C-38 and the tax relief on diesel is one example showing that the affordability crisis is happening all over Canada. I am wondering if my colleague could mention any examples from his riding of constituents who are affected by the affordability crisis.

Mel Arnold: Mr. Speaker, as I mentioned in my speech, I have visited food banks that are seeing their previous volunteers now coming in for assistance. I am seeing seniors who cannot afford to live in a rental unit for the full month. They are living in the rental unit for three weeks and living in their car for a week because they cannot afford the fourth week of rent. Under the devastating impacts of the Liberal cost of living crisis, it goes on and on. As I mentioned, there are young families choosing not to have children because they do not think they can afford it. We are seeing record high prices at the grocery stores as a result of fuel costs from farming and getting farm products into the processors and onto grocery store shelves. These are just some of the examples, and I am sure members from across this country are hearing about them, but the Liberals will continue to deny it.

Vince Gasparro (Parliamentary Secretary to the Secretary of State (Combating Crime), Lib.): Mr. Speaker, I want to thank the hon. member for delivering his speech with such enthusiasm.

We all agree that Canadians need relief. I am curious to know why the hon. member thinks it is a good idea to be extending this debate for such a long period of time when we could be delivering relief more quickly. Maybe he could explain that to Canadians.

Mel Arnold: Mr. Speaker, that is an admirable question. I will turn that right back at him and ask why Liberal members voted against the measures that we as Conservatives put forward through motions in this House. They voted against them months ago, months before the Liberals even brought this bill to the table. Why?

• (2305)

Kurt Holman (London—Fanshawe, CPC): Mr. Speaker, I will be sharing my time with the member for The Eastern Peninsulas.

I rise today to speak to Bill C-38, the Canadian fuel affordability act.

For months, Conservatives have urged the Liberal government not to raise taxes on gas and diesel while Canadians are struggling with the cost of living. This spring, we called for the federal taxes on fuel to be lifted to give Canadians some breathing room at the pump. The Liberals responded by pausing only the fuel excise tax and only until Labour Day, just as families were heading back to school and farmers were heading into harvest. We kept pressuring, and only after months of Conservative pressure have the Prime Minister and the Liberals now agreed to delay the tax once again.

I am glad the Liberals have come around. Families in London—Fanshawe and across the country will have a little more room in their budgets this winter, and Conservatives are proud of the role we played in making this happen.

Let me be clear about what the bill would do. It would delay the tax increase, but only briefly. Beginning February 1, in the middle of an Ontario winter, the tax would start coming back at half the rate. By April 1, Canadians would be paying the full amount again. Relief that runs out in the middle of winter is not enough. However, I will support getting the relief to Canadians, because any relief for working people is welcome.

According to the government's own figures, the extension means that Canadians would continue to save more than five dollars on a typical 50-litre fill-up. For a family that fills up once or twice a week, that is real money. It is grocery money. It is money for a child's hockey registration. It is money toward a heating bill. However, Canadians deserve to know that under the bill, that money would be scheduled to disappear again in a few short months.

There is something else in the bill worth noting. In announcing it, the Liberal government acknowledged that fuel costs are felt across the economy. It named truckers. It named agriculture, housing, construction and delivery. It recognized that when fuel costs go up, the cost of moving food, of building materials and of everyday goods goes up with them. For years, members on this side of the House made exactly that argument, and for years, we were told that fuel taxes had little real impact on affordability. However, the bill is an acknowledgement that we were right. Fuel taxes do matter. Lowering them does help reduce cost pressures throughout the economy.

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The Liberals originally presented this measure as temporary. They are now extending it because the economic reality has made the case for us. If suspending the tax helps Canadians today, then keeping fuel costs low should remain a priority going forward, not something with an expiry date, because the pressure Canadians are facing has not gone away.

Gas prices have risen more than a quarter. Energy costs overall are up by more than 16%. Transportation costs are up nearly 8%, and grocery prices continue to climb. Diesel, which powers the tractors that grow our food and the trucks that deliver it, has risen even more sharply. The Grain Growers of Canada has estimated that fuel for a large combine could cost over \$15,000 more this harvest than last. Those costs do not stay on the farm or at the gas station. They show up at the checkout counter.

In my own riding of London—Fanshawe, I hear about this constantly. When I hosted a town hall for seniors this spring, the conversation kept coming back to the cost of living. Seniors on fixed incomes told me about stretching every dollar as groceries, housing and everyday expenses kept going up. Many of them were not only worried about themselves. They were worried about their children and grandchildren, with young families working hard and still finding it difficult to get ahead.

Last month at my town hall on housing and affordability, we heard those same concerns from Londoners of all ages. When rent or a mortgage takes up so much of the monthly budget, everything else becomes harder to manage: groceries, utilities and the cost of filling up the car to get to work. Again, many worry about the next generation and whether the milestones their parents could plan for, like owning a home, are slipping out of reach.

I have said in the House that London is the canary in the coal mine. When the economy goes wrong, Londoners are the first to feel it, and it hits our community the hardest.

• (2310)

Fuel costs are no exception. London is closely tied to manufacturing, transportation and the North American supply chain. Our workers commute. Our businesses ship goods. Our families drive. For many people in my riding, fuel is not a choice but a necessity, and when it costs more, London feels it first.

This is not a narrow concern. Canadians across this country share it. Polling this summer found that 63% of Canadians opposed bringing the fuel excise tax back in September. That included 62% of Ontarians and 72% of seniors, with clear majorities opposed in every region of the country. Canadians across generations and across provinces agree. When life is this expensive, the federal government should not be adding to the cost of getting to work, heating a home or putting food on the table. Conservatives have been making that case for months, and Canadians have been making it with us.

Rather than talking about another temporary pause, I want to use the rest of my time to put forward some ideas for real, lasting relief.

First is predictability. Under this bill, this tax would begin coming back in February and return in full in April. Families, farmers and small businesses plan ahead. Spring planting is right around the

corner, and many businesses are setting their budgets now. At a minimum, the Prime Minister should extend this relief at least to Canada Day so that Canadians are not facing another cliff during some of the most expensive months of the year.

Second, this bill deals with only one of the federal costs layered on top of fuel. The GST is charged on gas and diesel, which means that when prices rise, the federal tax rises with them. Removing the GST on fuel would put more money back in people's pockets at precisely the moment they need it most. Likewise, the clean fuel regulations add roughly seven cents a litre today, according to the Parliamentary Budget Officer, and that cost is projected to grow. As well, the industrial carbon tax continues to feed into the price of food and goods. If the Prime Minister and the Liberals now accept that fuel costs matter to affordability, then those measures deserve the same scrutiny.

Third, we should take a hard look at the long-term picture. Canadians are paying noticeably more for diesel than our American neighbours. Part of the answer is building more capacity here at home, more refining, more storage and a strategic reserve that can protect Canadians from supply disruptions beyond our borders. Global events will always affect prices, but we can make sure Canada is better prepared and less exposed when they do.

Canadians are doing their part. They are working hard, raising families, running businesses and adapting to challenges that are often beyond their control. Government cannot remove every one of those challenges, but it can avoid making them harder.

This bill shows what is possible when the Liberal government responds to the concerns that Canadians and Conservatives have been raising. I am glad it has come this far, but a delay is not a solution, and Canadians need real relief that brings lower prices, not a pause with an expiry date.

Conservatives are proud of our role in securing this relief, and we will continue to push for a more affordable Canada for the families, seniors, workers and businesses of London—Fanshawe and across this country.

*Government Orders**[Translation]*

Guillaume Deschênes-Thériault (Madawaska—Restigouche, Lib.): Mr. Speaker, earlier this evening, we received some excellent news from a Conservative colleague. I am going to quote him. I took notes so I would not forget. He mentioned that they would support all measures that help Canadians save money. His colleague announced a complete reversal of the Conservative approach of the past 10 years.

I would like to hear from my colleague. Does he share the view of his Conservative colleague that the Conservatives will now support affordability measures?

Have they finally realized that Canadians expect help to cope with the cost of living?

Will they now support us, not only on this particular measure, but on all the other measures we are implementing to address affordability?

[English]

Kurt Holman: Mr. Speaker, we are looking for relief for Canadians. There is an affordability crisis, but with regard to this bill, Canadians need relief at the pump, especially with diesel prices and the tax on diesel. Therefore, if there is relief by removing taxes on diesel, it will have a ripple effect that will affect the groceries at the grocery store and the goods that are shipped throughout Canada. Hopefully, removing these taxes on diesel would affect the bottom-line prices for Canadians and deal with the affordability crisis.

• (2315)

Jonathan Rowe (The Eastern Peninsulas, CPC): Mr. Speaker, we put forward a motion today. The Liberals voted against our motion to admit that we are in this affordability crisis that my colleague just spoke of.

I wonder if my colleague may want to share. Perhaps admitting there is an affordability crisis could lead to a permanent reduction in taxes and gas tax, to give permanent relief to Canadians. Would he like to discuss that further?

Kurt Holman: Mr. Speaker, in London—Fanshawe, I hear from constituents about the rising cost of living and the affordability crisis that Canadians, including the constituents of London—Fanshawe, have been facing.

As I mentioned in my speech, I have had various town hall meetings. I had a town hall meeting in the spring on seniors' concerns. I had a recent town hall meeting on housing and affordability concerns, and yes, especially at the latest town hall meeting, I heard from multiple generations who had concerns about the cost of living and also the affordability crisis that is happening to the people of London—Fanshawe and all Canadians.

[Translation]

Guillaume Deschênes-Thériault: Mr. Speaker, in response to my question earlier, my colleague mentioned that he was in favour of measures to help Canadians deal with the cost of living.

I would like to ask him a simple question. If he is in favour of this type of measure, why did he vote against making the school food program permanent?

[English]

Kurt Holman: Mr. Speaker, the affordability crisis is there. I hear about it constantly from my constituents in London—Fanshawe. This crisis is also affecting Canadians as a whole. Therefore, with regard to Bill C-38 and removing taxes on diesel, it would be the first step in dealing with this affordability crisis that is taking place right now.

Jonathan Rowe: Mr. Speaker, oftentimes I hear people across the country, especially Liberals across the aisle, say that these high oil prices are because of Donald Trump and wars around the world. Would the hon. Conservative member like to talk about these issues and what our policies are on them?

Kurt Holman: Mr. Speaker, obviously, we cannot control the events happening overseas with regard to fluctuations in the price of diesel, gas or oil in the world economy, but with the measures that I mentioned in my speech, if we proactively planned for the fluctuation of prices or, again, prices going up, and also removed the taxes on diesel, it would help Canadians, especially my constituents in London—Fanshawe, with this affordability crisis.

Jonathan Rowe (The Eastern Peninsulas, CPC): Mr. Speaker, it is an honour to rise here tonight on behalf of the hard-working people of The Eastern Peninsulas and Newfoundland and Labrador to speak to this bill, Bill C-38, the Canadian fuel affordability act. When I heard the Liberal government was bringing forward legislation to extend the suspension of federal fuel taxes, I was surprised. I was pleasantly surprised, but surprised.

Conservatives have been telling the government that Canadians cannot afford to keep paying more just to get to work, just to put food on the table and just to support their families, but the Liberals refuse to admit there is a problem. Even today, the Liberals voted against our motion to recognize that Canada is in an affordability crisis. Just a few months ago, the Prime Minister got up in the House, looked in the camera and told Canadians that affordability is the best it has been in over a decade. Who believes that?

The Liberals always refuse to admit there is a problem until we Conservatives use common sense to pressure them into doing something that is right. First, it was the carbon tax. The Prime Minister was advising Justin Trudeau when they kept adding more and more carbon tax, trying to get it to raise the pump price by 45¢ a litre. This was making Canadians less and less competitive in the business world and driving up the costs for everyday Canadians on everyday items. It was not until they needed a Hail Mary to save their skin in the 2025 election that they finally caved and did the right thing and reduced the carbon tax to zero, admitting that the Conservatives were right all along.

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We also saw this with housing. The Liberals refused to do the right thing and take taxes off new homes until they needed that little boost in the polls. Months after saying it would not help, they copied our idea, once again admitting we were right. What if people did not vote for such a strong Conservative Party and strong Conservative leader? We are one of the most successful opposition parties in Canadian history, driving taxation reduction from the backbenches. Once again, the Liberals finally recognized that reducing the taxes, specifically fuel taxes, can provide much-needed relief. I am glad they are listening to us again.

Unfortunately, as they always do, they take our idea, but they never do it right. This bill just does not go far enough. This bill would extend the suspension of the federal excise tax on gasoline and diesel until January 31, 2027. That is great. That is 10¢ off a litre on gasoline and four cents off diesel. They can bring it on. On February 1, though, the government plans to bring half those taxes back, and on April 1, the full tax returns. What do the members opposite think will happen between January and April? Do they think groceries will suddenly become more affordable? Do they think seniors will have enough money to stop worrying about their next heating bill? Do the Liberals have some kind of magic eight ball that tells them fuel prices are going to be reduced by April?

Why does this bill not simply have an escalator clause that says a certain amount of tax goes on when the fuel drops by this amount, and a little bit more tax goes on when the fuel drops even more? I think the answer is pretty clear. The Liberals want to waste time and public dollars to come here and talk about, once again, a problem they created. It is like they are a broken record or an excited parrot that wants to say the same things over and over without any real change.

I come from a province where driving is not a luxury. It is a necessity. In my riding, we have communities spanning hundreds of kilometres. In just one week of travelling in my riding, I put 3,000 kilometres on my truck. We have construction workers, truck drivers and families who depend on their vehicles every day. We do not have a subway system, trains or buses connecting our communities, so people see their fuel costs directly.

When someone needs to see a medical specialist, they might have to drive several hours. Members can imagine being a senior on a fixed income, trying to decide whether they can afford gas to go to a medical appointment, put food on the table or heat their home. We can imagine a young family with two children, both parents working, having to drive 40 kilometres in two different directions, now struggling to pay their grocery bill and to pay for heat. These are the realities facing people in Newfoundland and Labrador.

I have spent much of my working life in industries that kept the province moving. I have worked in construction, mining and the oil and gas industry. I know first-hand how important affordable energy is. When fuel prices increase, it does not just affect someone filling up their pickup truck. It affects the contractor operating the equipment, the trucking company delivering the materials and every small business depending on deliveries. These costs do not simply disappear. They get passed along through the economy, and Canadians end up paying more for the goods and services they depend on.

• (2320)

Just the other day a taxi owner called me, frustrated and discouraged. He explained to me how the price of fuel is killing his business, and he said he cannot pass the price on to the consumer, because the people, often seniors and struggling families, who use his service just do not have any more money to spend.

Construction is another major employer in my riding, but every excavator, loader and other piece of heavy equipment needs fuel. When operating costs increase, projects become more expensive. Sometimes the consumer pays more, sometimes the business makes less and sometimes the project just does not go ahead at all. This means fewer jobs and opportunities for the people who depend on these industries. Fuel affordability is not just about saving a few dollars at the pump. It is also about keeping our industries competitive and protecting Canadian livelihoods.

I have spoken in the House before about the enormous industrial potential sitting idle in Newfoundland and Labrador. We have shipyards, construction facilities and mining operations, but businesses need affordable energy, reasonable regulations and an environment that encourages investment. That is why Conservatives continue to call for the elimination of the industrial carbon tax and of policies that we believe are making Canada less competitive.

Conservatives have been calling for fuel tax relief for some time. We brought forward proposals in April and May, calling on the government to provide relief at the pumps, but the Liberals voted against them. Now we are debating a government bill that expands the very kind of ideas the Conservatives proposed. I guess it is better late than never, but Canadians could have had this help earlier.

The Liberal government tells us that global events are responsible for many of the pressures on fuel prices. There is no question that there is some truth to that. We cannot control what happens in every country in this world, but we can control what decisions are made in Ottawa. Fuel is more than 30¢ a litre more expensive in Canada than in the U.S. This is because of additional taxes that we as Canadians control.

I will finish with this one for the Liberal government: If reducing fuel taxes is the right thing to do for Canadians today, why is increasing those same taxes the right thing to do in February and April? Our construction contractors will still need fuel for their equipment. Our families will still need to bring their kids to hockey tournaments. Canadians deserve more than a temporary break. They deserve an affordable economy, affordable energy, good-paying jobs and a government that puts their livelihoods first. That is what Conservatives will fight for. That is what I will fight for.

• (2325)

Jennifer McKelvie (Parliamentary Secretary to the Minister of Housing and Infrastructure, Lib.): Mr. Speaker, I would like to start by thanking my colleague and congratulating him for being in the greatest opposition party in Canadian history. I will say that I wish him a very long career in that regard: lots of longevity and many years in that position.

My question for the member is this: How does he explain to his residents and to all Canadians why the Conservatives voted against introducing the Canadian groceries and essentials benefit, cutting taxes for the middle class, eliminating the goods and services tax, cancelling the federal consumer tax, making the national food school program permanent, introducing automatic federal benefits, expanding the Canada child benefit, the dental plan, the tax-free home savings account and the Canada disability benefit? There are many different affordability measures that our government is implementing, but the member continues to vote against. I wonder if he can explain that to his residents and to all Canadians.

Jonathan Rowe: Mr. Speaker, they are great ideas and great proposals. A lot of them seem like our ideas, but the devil is in the details. Let us talk about the school lunch program. It is a great program that feeds kids, but out of 64 schools in my riding, four get lunches. Where is the fairness in that?

Kurt Holman (London—Fanshawe, CPC): Mr. Speaker, my question for my colleague is this. Earlier today the Conservatives put forward a motion with regard to the affordability crisis. Unfortunately the Liberals voted it down and did not confirm the affordability crisis here in Canada. I wonder if my colleague could expand on what his constituents are telling him with regard to the affordability crisis and how it is affecting his riding.

Jonathan Rowe: Mr. Speaker, I think everyone knows that admission is the first step to recovery. I think that in order for the economy to recover and for things to be affordable, we need to realize it, to come to Parliament, put on our big-boy pants and recognize that we are in an affordability crisis and that we need to bring in measures that provide real relief to all Canadians, not just to the select few schools we choose in the right ridings that have red jerseys.

Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, this morning, we tried to move a motion and have a debate in the House on the ongoing youth unemployment crisis. Youth unemployment is at 13%. We actually have the lowest workforce participation in this country in 29 years. As a share of the population, we have the lowest number of people in the workforce. These are concerning numbers that affect people in my region and that I know affect people in Newfoundland and Labrador as well. While we were trying to have that debate, during the first

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speaking slot the Liberals had, they moved to shut down and end that discussion about what had been an all-party report of the human resources committee, with some really positive constructive proposals on how we could move forward.

I wonder if the member could share what he is hearing in terms of the challenge of unemployment and youth unemployment within his riding and in his region and what he thinks motivated the Liberals to shut down a positive debate on some common-sense solutions that came out of the human resources committee.

• (2330)

Jonathan Rowe: Mr. Speaker, youth unemployment is skyrocketing right now. When I was in high school, not very long ago, if someone wanted a job, they went down to McDonald's with their resume and were given a job on the spot. As long as someone showed up for work and did a good job, they could work. Kids are coming up to me, almost in tears, saying that they applied to 130 places and put out hundreds of resumes, but they cannot get a job anywhere.

This is a problem. This is a huge problem. I worked in a gold mine. People would go to college to be a heavy equipment operator, and the first job they would get was in a small gold mine. They would get experience, and they would then go out to launch their career. The issue was that this gold mine closed down at the time because fuel prices went too high.

This fuel crisis is killing our economy and taking jobs away from our young people, and we need to do something about it, permanently.

Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, it is a pleasure to address the House tonight, as always. I was noting some of the commentary online today as I posted some of my fierce criticisms of the government over its failures on jobs and other things. People were saying, "How come yesterday you were campaigning to keep Alberta in Canada, and today you are criticizing the government?" I said that that is exactly the job, to fight for the country and also to fight for a better country by challenging the government. That is what it means to be the loyal opposition. Out of the mouths of Liberals here, the member was saying, "the greatest opposition of all time."

The bill before the House, Bill C-38, deals with affordability. As I get into talking about this bill, I want to share with members that we recently marked an important milestone for my extended family. We were celebrating 60 years since my father-in-law immigrated to Canada from Pakistan. It has been a pleasure getting to know him since I joined the family 15 years or so ago. He has been a great success here in Canada, starting a business that employs many Canadians of all backgrounds, raising three beautiful daughters and, of course, having three exceptional sons-in-law.

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I remember him sharing with us those early years as he was getting started out in business. He started a business while he was still working at another job. He had a car phone, which for those who do not know is a corded phone that was attached to the car. It is not a cell phone. I was telling my daughter recently that we did not have Skype when I was growing up. She said, “Did everyone just FaceTime then?” Technological reference points change.

He would share with us how he would use every opportunity to make calls to prospective clients from his car phone as he was trying to juggle the responsibilities of starting a business and also continuing with his job. This is sort of part of the “getting ahead” lore. For many families it is the “immigration lore” people heard from parents or grandparents, maybe about how they came to Canada with almost no money, and how they strove and struggled, and were able to get ahead and provide a better life for themselves and their families.

These are great stories that are the foundation of what our country has become. It is people coming and being welcomed from every part of the world, often with very little, and being able to build, create and ultimately contribute to the communities they are a part of. I remember hearing some of these stories from my grandparents. My paternal grandfather, for example, would tell us about how he arrived at the train station in Toronto. He got a job working for the rail lines before he left the train station, and he worked that same job until he retired. He told us the story about how he bought his first car. He had come from the little island of Malta in the Mediterranean Sea right after the Second World War. Malta had been heavily bombed by the Germans during the Second World War. When he came to Canada, he was buying a used car from a fellow who happened to be a former member of the German Air Force. He used his experience as a tool to try to negotiate down the price of the car. That was his way of trying to get ahead financially every moment that he could.

These are the stories of newcomers, of people from different backgrounds and different places who struggle to get ahead and to build this country. These are great stories that are part of my family and I am sure are part of the family experiences of many members in this House.

It occurs to me, thinking about this sort of connection between economic vitality and opportunity, and also about the struggles that people from different backgrounds have had to get ahead, that there is this connection between economic opportunity and also social cohesion and integration. When we are a society in which people can get ahead, in which people even those starting from very limited backgrounds can nonetheless create and build and become very successful, then we are a kind of society of greater hope and optimism where people say, “Yes, regardless of where I come from, I can get ahead. I can prevail and succeed in the face of various challenges.”

• (2335)

This is what our country has been and this is what our country could be again. It is a place where economic opportunity being widely available is a source of not only shared prosperity, but also shared goodwill and social cohesion, where we do not feel that we have to, in a negative way, compete with each other and pull each

other down to get ahead, but rather where every person, through their own ingenuity, creativity and struggle from whatever point they start, can build, create and deliver opportunity, especially for the next generation. That is very much what this country has been and the hope of what this country can be.

However, we are living through a time where, because of government policy, red tape, regulation and burdensome costs that make it so much harder to start and grow a business and get ahead, people feel much more stuck in the context of their present circumstances. Those who already own their home and have certain assets or positions obviously hope to maintain those positions, but those who do not own a home or do not currently have a position involving opportunity are less optimistic about their ability to ever attain that greater position. Whereas at one time the combination of economic vitality and a baseline of social programs made Canada a very dynamic opportunity society in which anyone from anywhere had the hope of being able to do anything, we are now a society in which people feel much more stuck.

This is especially evident when talking to young people. Since taking on the role of Conservative shadow minister for employment, I have been meeting with young people across the country. I have been on various university campuses, in six different provinces now, asking young people the simple question of whether they think they are better or worse off than their parents' generation and to tell me why. Many young people feel they are worse off, feel stuck in their circumstances or situation and in particular struggle with the prospect of ever attaining the career they want that would provide them with the income necessary to afford a home where they live. These basic things of having a good job and a home people can afford, which were the presumed baseline at one point in time, are now things that young people increasingly perceive as being out of reach. This leaves them with a sense of being stuck. For these young people, getting to the critical starting points of having a home and a job is part of the road toward being able to start and establish a family, have children and meet the family goals they have.

The statistics show objectively that there is a major gap between the number of children people tell pollsters they want to have and the number of children people are actually having. This is not me making objective claims about what is desirable or not in terms of family size or structure. It is simply looking at what people say they want in terms of their own sought-out family goals and what people are realizing in their own lives. There is a big gap between desire and outcome, and I think part of it is because it is so much more difficult now for people to start out in life. It is so much more difficult to start a family, own a home and get to a secure position in a career where a person perhaps feels ready to take these steps that many people are delaying and delaying these starting points in life and are thus not able to achieve the kinds of family goals they had hoped for.

● (2340)

That is a real tragedy, individually, when people have these hoped-for goals for their families that they are not able to realize. It does have broader social implications for the young people that we have, the opportunities they have and what we are seeing in the next generation and their ability to provide for and be part of a shared community with older relatives.

These issues of young people and of people of all ages feeling stuck and not being able to achieve their goals, being limited by a lack of economic opportunity and vitality, the issues we are seeing right now, have real implications economically. They also have implications socially.

We need to do the work to again establish the kind of society where people do not feel stuck, where they have hope about the opportunities that they can achieve, where they are able to, early on, get a job, afford a home and access a career, where somebody, whether they have been in the country for 50 years or for five minutes, can use their ingenuity, their creativity and whatever limited start-up capital they have to start a business, to make a go of a new idea and to build something new.

We need to appreciate again the basic and critical insight of Adam Smith, which is that wealth is expandable, infinite and something that is not simply found and distributed but created. It is created under conditions where individuals can create and see the rewards of that creation. We have limitless potential as a society, not only because of our bountiful resources but also because of the ingenuity of our people, if we were only to have the policies in place that allow for that unleashing of opportunity.

Today, Conservatives moved to have debate on the 10th report of the human resources committee. Part of that report is recognizing the link between restrictions on business growth through red tape and high taxation and the implications that this has for youth unemployment. We put forward a number of recommendations in that report that had the unanimous support of the committee and that were oriented toward addressing these taxation and regulatory barriers so that we can unleash opportunity, recognizing the implications that this would have for youth employment. We had many constructive and very specific proposals in that report.

It is a shame that we did not have an opportunity to conclude debate on that today, but we will continue to be relentless in highlighting these issues of opportunity for Canadians, of again trying to build up an opportunity society, where people who are younger or older, people who are new Canadians and people who have been here for a very long time, can see that, regardless of where they come from, regardless of what their starting points are, they can have opportunities because of what the country is and what the country offers.

The bill before the House deals with what, on the face of it, might seem like a purely mechanical and mercantile issue, the issue of fuel prices. Fuel prices have much wider economic implications in what they can unlock or block for the creation and development of new businesses. So much economic activity in a country this vast obviously requires things to be able to move around. If we are going to make a go of a new idea, if we are going to try to bring something to market, if we are going to try to seize and create new

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opportunities, there is a very good chance that it is going to involve bringing something from somewhere to somewhere else.

The constraints that are imposed by unreasonably high fuel prices make it difficult for new entrepreneurs to start and grow a business. They make it difficult for people who are starting out, especially, to be able to see it as realistic, to put the capital needed into getting something new going. It makes it especially hard for that independent operator who is reliant on reasonable fuel prices in order to be able to move their product as required or to be able to work on their farm. Whatever the case may be, we are all deeply affected by fuel prices.

● (2345)

Fuel prices also impact our ability to interact with each other. They impact choices people are able to make in terms of visiting friends and family and maintaining and strengthening communities. Again, there are so many things about social cohesion, as well as economic vitality, that are impacted by our ability to get from place to place and to move things from place to place. This is why we have chosen to really focus, as part of this affordability issue, on the fuel price issue and the ripple effects that go out from it.

It was Conservatives who put forward the proposal to pause the fuel taxes that are imposed on all Canadians. The government kind of went partway in response to our proposal, but it has not gone far enough in terms of offering the relief that we have suggested and that Canadians really need right now. We can see the role of this historically effective opposition in winning these debates and getting the government to incrementally take some steps, but we can also recognize the need to do much more.

While we hear some piecemeal parroting of the rhetoric from the opposition, we have yet to see the full implementation of the agenda we have put forward, which is really about restoring prosperity and opportunity for this country and recognizing how, in the absence of opportunity, when people feel more constrained, more stuck and less able to get ahead, there is also more social conflict.

When people perceive that it is more difficult, or even impossible, to create their own wealth, there is intensifying conflict and competition over scarce resources. We are inserted into a Malthusian world of competition for limited resources, rather than being what we could be: a country of limitless potential and opportunity where there is a greater sense of cohesion and optimism flowing from the reality that a person's own ideas and own ingenuity can be put to work to build and create beautiful things.

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This is what we want: a society of hope and opportunity where people can get a job, afford a home, start a family, start a business, move goods around and visit family members, without the kinds of constraints that have grown up over the last 11 years as a result of policy choices made by the current government to intentionally make fuel more expensive and to intentionally block resource development and export. The effect of these policies has been to create more social division because of greater constraints on wealth creation. We can do better. We must do better.

Even if there has been some shift in the rhetoric from the government, here is where we are in substance. We are today at a point, according to the latest job numbers, where youth unemployment is at 13% and overall unemployment is up to 6.5%. The job finding rate is around 30%, substantially down from the prepandemic averages. We are at an almost 30-year low in terms of workforce participation. Fewer Canadians are in the labour force as a proportion of the overall population than at almost any time in the last 30 years. This underlines how the results just are not there from the government.

There have been some improvements in rhetoric compared to where things were under the Trudeau government. The Liberals are saying some of the same things we are saying, but the results and the action have not been there. That is why it is so important to have more of the changes that are being advocated from this side of the House, so we can become a more cohesive, opportunity-oriented society once again. This is my hope for this country and for Parliament. We will keep putting forward positive, constructive solutions towards that end, towards that goal of a cohesive, opportunity-oriented and free society.

• (2350)

[Translation]

Bienvenu-Olivier Ntumba (Mont-Saint-Bruno—L'Acadie, Lib.): Mr. Speaker, I listened to the fine speech my colleague delivered. As for us, we are putting forward specific measures. I would like to know what measures he is proposing to help our businesses remain competitive and to help keep prices affordable for families and consumers across the country.

[English]

Garnett Genuis: Mr. Speaker, what measures would we propose? There are a lot that I could list, but I think the simplest thing to do would be to reference the report that I highlighted in my speech and that we tried to get the House to adopt this morning.

The 10th report of the human resources committee has close to 20 recommendations that provide specific, concrete proposals, many of which came from Conservatives but were endorsed by all parties, for unleashing the economy, for fixing some of the issues in the immigration system, for unleashing training Canadian young people for Canadian jobs so they have the opportunity to get ahead, and for how exactly to promote home construction near where jobs are. These are solutions that we put forward in our Conservative youth jobs plan and our economic action plan.

Just to give one example, we proposed in the last election to have no capital gains tax for dollars that were immediately reinvested in Canada. Proposals like that to promote significant reinvestment in

Canada are part of the large number of solutions we have put forward at different times.

I would encourage the member to read the 10th report of the human resources committee. I hope we will be able to come back to it, because it contains the critical solutions we need for addressing youth unemployment.

Sukhman Gill (Abbotsford—South Langley, CPC): Mr. Speaker, I thank my hon. colleague, as he is doing fantastic work within his riding of Sherwood Park—Fort Saskatchewan, across the region and across the country. He is advocating for youth and youth employment.

Many of my peers and I can relate to many of the same consequences that Liberal governments have put forward. Recently, many of my peers reached out to me during the Abbotsford-to-Vancouver convoy in the Lower Mainland of Vancouver, which was a rally against high diesel prices and against the fuel excise tax in general.

Youth are struggling in general. Youth are struggling across the nation, and they want results, especially because they are even struggling to work in blue-collar jobs.

I would like to know what the hon. member will be bringing to the table from our Conservative Party. I would also like to know what he has to say in opposition to the members across the aisle, who have brought minimal relief instead of full relief for Canadians.

• (2355)

Garnett Genuis: Mr. Speaker, it is a pleasure working with my colleague and friend.

Early on, in taking on the role as Conservative shadow minister for jobs, I spent some time in the member's region, and he was a great host. He brought my kids to their first ever kabaddi game. We also met with various employers and understood the challenges.

In particular, in his region, home prices are a significant barrier for young people. It is challenging everywhere, but especially in that region, where young people are trying to establish themselves and get ahead. Also, there are transportation challenges in terms of finding a job and being able to live near or get to where the work is. These are huge challenges that exist in his region, and I want to thank him for helping me and other colleagues understand those challenges.

We released positive, constructive proposals around unleashing home construction and getting the cost of government out of home construction so that young people can afford homes, around opportunities for jobs and around improving training to align training with the jobs that exist. There is a lot we can do. There is a lot we have already proposed.

I want to thank the member for his advocacy specifically for his riding and his region.

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Vince Gasparro (Parliamentary Secretary to the Secretary of State (Combatting Crime), Lib.): Mr. Speaker, will the hon. member be supporting this legislation, which would lower prices at the pump, or will he continue to obstruct and delay it?

Garnett Genuis: Mr. Speaker, there is no obstruction and, respectfully, I think the member should have a conversation with his own House leader about the process that is happening here. The agreement has already been established in terms of the processes around this legislation. It is designed to give members an opportunity to debate and share their perspectives and also to allow the legislation to move forward in a timely way. I assume the House of Commons offers resources in terms of some of the procedural mechanisms that exist if members want to avail themselves of some of that information, but again, I am sure his House leader would be available to explain that.

We are supportive of the changes in this legislation. We wish they would go further, of course, as we have said repeatedly.

Sukhman Gill (Abbotsford—South Langley, CPC): Mr. Speaker, I have a very reasonable question for the member. Many members from Abbotsford had to convoy all the way to Vancouver during this last couple of weeks. They had to make sure they raised awareness of the government in power about high diesel prices. Diesel prices have become very extraordinary for our community in the Lower Mainland as people go day to day filling up their tanks and making sure they can try to provide for their families. They sometimes fail on making the mark. I know this goes for people across the Lower Mainland and across our nation.

I know this affects people in my Conservative colleague's area as well, so I would like to understand what the effects are in my colleague's area.

Garnett Genuis: Mr. Speaker, we are seeing the effects of these high prices in every part of the country, including in my riding, my region, in Abbotsford and the Lower Mainland more broadly. Diesel prices are very consequential for all kinds of different businesses for the goods that all Canadians use, because we are a vast country. We need to be able to move things around.

It is so much more difficult to do almost anything in this country when we have government policy decisions as well as failures to act that are making it more expensive to do that essential work of moving things around in this big country.

[Translation]

Guillaume Deschênes-Thériault (Madawaska—Restigouche, Lib.): Mr. Speaker, in his speech, my colleague mentioned the importance of helping our young people access the labour market.

However, just last year, at budget time, he voted against increasing funding for Canada summer jobs. He voted against investing over \$600 million in the student work placement program, which provides over 55,000 learning opportunities for young people across the country, and he voted against the \$300 million we invested in the youth employment and skills strategy.

If this is so important to him, why did he vote against these investments, which address several of the concerns he mentioned in his speech?

• (2400)

[English]

Garnett Genuis: Mr. Speaker, respectfully, this is the same general silliness as when a member tries to suggest that by voting against the budget, because someone does not agree with the government's budgetary policy, they are somehow necessarily opposed to every single part of the budget. Obviously, that is not the case. In any Parliament, opposition members typically will oppose the budget if they do not agree with the general direction of it, but they still are glad that parts of the budget exist.

I would not presume, for instance, that if a member voted against the budget, they are opposed to the existence of a military or a health care system simply because those things are funded through the budget. That is unreasonable and cheap and silly. We have called for improvements to the Canada summer jobs program to address some of the failures in terms of government action. We have called for various improvements to these youth unemployment programs, some of which could be better targeted and more effective. I am proud of that work. That work is clearly on the record.

Again, if the member and his colleagues had allowed debate on the 10th report of the human resources committee this morning, I think we would have been able to elucidate some of these important solutions.

The Deputy Speaker: There being no further members wishing to speak, pursuant to order made on Monday, September 21, Bill C-38, an act to amend the Excise Tax Act regarding the extension of the federal fuel excise tax relief, is deemed read a third time and passed on division.

(Bill read the third time and passed)

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[English]

FINANCE

Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, it is a pleasure for me to address the House on the subject of the unemployment crisis, and in particular to speak about the implications of EI premiums for employment.

It is my view and the view of our party in general that payroll taxes are among the worst kinds of taxes. This is because payroll taxes create a greater cost and a disincentive around employment. While all kinds of taxes can have negative effects in terms of economic activity, payroll taxes are among the worst because they are not based on the profits that a company is earning or based on the overall income of an individual. They are targeted at employment specifically.

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When we have payroll taxes, the cost falls most heavily on those who are employing others. Let us imagine that we have two businesses of equal size and equal profit, but one is employing twice as many people as the other. The company that is employing more people will be on the hook for more payroll taxes. One of the key action items we are hearing from small businesses that will help them be part of the solution to youth unemployment is simply to reduce the cost of hiring.

There was a great report done recently by the Canadian Federation of Independent Business. It looked at how we can address youth unemployment and looked at some of the disconnect that has existed between employers and young people. The report highlighted that many small businesses say that a lot of the programs that are designed to promote, through programmatic or subsidy means, the hiring of youth can be complicated and difficult to use. They would like to see simple measures aimed at reducing the costs of hiring young people. One way the government can act to reduce the costs of hiring young people and reduce the costs of hiring in general is to address the relatively high payroll taxes that businesses and individuals have to pay on top of employment.

In that context, therefore, Conservatives have been calling on the government to commit to not increasing EI premiums. Unfortunately, what we saw in the last budget, which goes to the question that I am following up on, were proposals for changes to EI that were associated with increases to premiums going forward. We pointed out and will continue to point out that increasing EI premiums creates the conditions in which it becomes even harder to employ young people and people of all ages. We will continue to highlight the negative impacts of payroll tax increases and encourage the government not to pursue policies that increase payroll taxes.

I am here tonight to ask the parliamentary secretary again if the government is prepared to commit to not increasing payroll taxes and to addressing the implications of payroll taxes for unemployment.

• (2405)

Maggie Chi (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, before I begin, I want to extend my deepest condolences to the families and loved ones of the four Canadian Armed Forces members who lost their lives at CFB Wainwright, and I wish a speedy recovery to the injured soldiers. We mourn with them, and Canadians across the country stand with them.

In an increasingly fragmented and uncertain world, our government is focused on what we can control, which is maintaining fiscal sustainability while making targeted high-impact investments in Canadians and the economy. Responsible leadership means investing in a brighter future while protecting Canada's fiscal strength, the lowest net debt-to-GDP ratio in the G7, a sound fiscal position and a clear path to long-term sustainability. By investing strategically and responsibly today, we are positioning Canadians to benefit from a stronger tomorrow. At the same time, our fiscally disciplined approach is helping to lower everyday costs for Canadians.

Budget 2025 marked a tactical shift in the government's management of public finances. Our plan is focused on expanding federal capital spending to mobilize investment while maintaining fiscal

discipline. Our plan is built upon a bedrock of fiscal responsibility to create the capacity to invest in long-term economic strength and gain self-reliance. Consistent with this approach, decisions in the spring economic update 2026 were also guided by the government's two fiscal anchors: balancing operating spending with revenues by 2028-29 and maintaining a declining deficit-to-GDP ratio.

Our plan is working.

As recently announced by the Prime Minister, the government is on track to balance the operating budget one year ahead of schedule in 2027-28. We are committed to the disciplined implementation of the efficiency measures in budget 2025. This includes the comprehensive expenditure review, which together with other measures identified in budget 2025, will achieve \$60 billion in savings and revenues over five years. The comprehensive expenditure review is also returning the size of the public service to a more sustainable level through early retirement incentives, workforce adjustment and attrition.

With implementation well under way, the focus is now turning toward targeted ongoing horizontal reviews, beginning with efforts to rein in spending on external management and other consulting services. These challenging but necessary actions will continue to support our objective of spending less to invest more in Canadians.

In budget 2025, we also outlined our new approach to budgets through the capital budgeting framework. This framework has distinguished day-to-day operational spending from long-term investment that strengthens our economy. Importantly, the framework is designed to enhance existing financial reporting. Our government has also changed the budgetary cycle to fall budgets, supporting better planning for provinces and territories, municipalities, builders and investors, and aligning with the construction season.

Canada's economic growth is accelerating, and we are projected to have the second fastest rate in the G7 this year and next. We have reinforced the strongest fiscal position in the G7 by cutting direct program spending growth from over 8% to less than 2% while boosting our vital social programs. We reduced Canada's projected deficit for 2025-26 by more than \$11 billion relative to budget 2025. We are deploying this fiscal uplift to improve affordability and help Canadians get ahead through targeted and responsible policy measures, particularly in the areas of fuel, food and housing affordability.

• (2410)

Garnett Genuis: Mr. Speaker, we are seeing tonight the government's lack of respect for Parliament. What we are supposed to be having is Adjournment Proceedings, where the government follows up on a question that was asked in question period. My question was very specifically about payroll taxes. I asked, "Why are the Liberals paying for their costly credit card budget with further tax increases on jobs?" Instead, the government sent the parliamentary secretary for health, which is not related to finance or employment, which was the topic of the question asked, and the parliamentary secretary for health, a different file, read out a written response that had absolutely nothing to do with the question.

The question was not a request for a generic statement of the government's position on the budget. It was specifically about payroll taxes and why the government was paying for its proposed measures with further planned increases to the tax on jobs. That was the question. This is what is supposed to happen in this segment of parliamentary life. Can we get an actual answer?

Maggie Chi: Mr. Speaker, our plan is clear and disciplined. We are focused on what we can control, which is maintaining fiscal sustainability and making targeted high-impact investments for Canadians. That means reducing the operating deficit, upholding our fiscal anchors and ensuring every dollar supports growth, resilience and Canadians getting ahead.

If the member were interested in hearing an answer, he would be in the House to hear it, but he has left the House—

The Deputy Speaker: I will interrupt the member. I know it is a late hour, or actually the morning now, but a member cannot make reference to the presence or absence of a member.

I will let the parliamentary secretary finish, but the parliamentary secretary cannot make that reference again.

Maggie Chi: Mr. Speaker, I apologize, and thanks for overseeing the adjournment debate.

HEALTH

Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, it now being, as you just mentioned a moment ago, the morning of October 21, I am speaking in Adjournment Proceedings at 12:12 a.m. on a subject that I raised in question period on June 9 of this year. It is related to what was being put forward and has now had royal assent, Bill C-30, which was the omnibus bill related to the implementation of the spring economic statement.

I will state one concern up front, which is that the measure I will discuss now with the Parliamentary Secretary to the Minister of Health was not in any way telegraphed in the spring economic statement. If we are going to have an implementation act and it is an omnibus bill, it is justified in our parliamentary rules if the laws being changed in the spring economic statement omnibus bill have actually been announced, or at least suggested in clear terms, in the budget itself.

There was one throwaway line in the spring economic statement about how the government should revise, potentially, the Pest Control Products Act to take into account food costs and food security. It was a shock to find in Bill C-30, which I read when it was tabled on April 29, that it was putting remarkable, unprecedented new

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powers in the hands of cabinet to overturn decisions made by the Minister of Health or by the Pest Management Regulatory Agency.

This is quite astonishing. The bill had only three hours of debate before debate closure measures were put in place, and because it was an omnibus budget bill, not one single witness came to committee. Of course, the committee to study it was not the Standing Committee on Health or the Standing Committee on Environment and Sustainable Development, but the Standing Committee on Finance. No witnesses came forward to that committee, which was the inappropriate committee in any case, about how doctors, medical experts and pesticide regulators would take this information. By that point, it was pushed through clause-by-clause, but again, no witnesses appeared before the finance committee.

The crux of what was done in Bill C-30 led to my question on June 9. I asked why this was happening. Why was there a massive rollback in the Pest Management Regulatory Agency such that a substance considered too dangerous for use by experts based on scientific review could be overturned based on the political discretion of cabinet? I did not get an answer that day, and now we have a second omnibus budget bill in Bill C-31, which is now before this place. It again opens up the Pest Control Products Act for what are now being called the "silent spring" amendments to further weaken our regulation of dangerous substances.

• (2415)

Maggie Chi (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, my colleague has long been a powerful voice for the environment. I have immense respect for her.

First and foremost, I want to reassure her that the health and safety of Canadians will always be our top concern, and nothing that was in Bill C-30 takes away from the fact that the minister's top concern in making economic security and food security orders is always going to be preventing unacceptable risks to human health and to the environment. However, I think it is worth looking more broadly at what these changes do.

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The bill comes at a time when economic and food security are major concerns for all of us, not just because of the United States' action towards Canada, but also because of how climate change is impacting farmers and crops across the country and around the world. This is why our changes would be so important. For the first time, we would be asking that when Health Canada makes decisions on pesticides, we consider economic security and food security not above any other considerations, but alongside them. Any use of pesticides under these new rules would be temporary and would come with strict conditions attached. They would also be used in exceptional, time-limited circumstances where action was needed to protect national or regional economic security or national food security, such as in the event of a major crop failure or supply disruption. The goal really would be to protect the health and food security of Canadians while also ensuring a safe and affordable food supply.

As the Prime Minister and Minister of Health have both said, we are at a hinge moment. We must build on our strength to lead our country with confidence in its next chapter. A key part of this is working with our provincial and territorial partners, as well as local and global partners, to strengthen food security and economic resilience.

If we act now, we can ensure that Canada's agriculture and health sectors are a source of our stability, a catalyst for productivity and a strong foundation for our prosperity.

Elizabeth May: Mr. Speaker, it is very disheartening that the hon. Parliamentary Secretary for the Minister for Health does not realize that Bill C-30 already says that, based on complete political discretion, cabinet can overturn a decision made by the Minister of Health and by the pest management regulatory agency. We already have weaker pesticide regulations in this country than the European Union or even Brazil.

Canadian crops have been turned back, so it is an economic question too. It is in the economic interest of Canadian farmers to make sure our products can be exported around the world as we diversify our trade. The European Union has already rejected grains, lentils, pulses and other products from Canada because we have too much contamination with products that the International Agency for Research on Cancer has determined to be carcinogenic.

Why do we have lax pesticide regulation and continue to make it weaker?

Maggie Chi: Mr. Speaker, obviously, we want to make sure we are keeping Canadians safe and healthy, and that means ensuring we have a stable and secure food supply even during major disruptions. Our changes would help make that happen.

THE ECONOMY

Scot Davidson (York—South Simcoe, CPC): Mr. Speaker, good morning. It is 12:21 a.m., and I rise to get answers and accountability from the Liberal government on behalf of the hard-working people of York—South Simcoe.

Recently during question period, I referenced a letter written by one of my constituents, Margaret Haddon. In her letter, Margaret expressed concerns about the future facing young Canadians. She wrote to say that she raised her children to believe that if they

worked hard, stayed focused and pursued an education, they would be able to build stable and independent lives. This is the promise many of us believed in when we raised our families here.

She continued on to say that today she is watching that promise slip further out of reach for them. Her children are now young adults who are working, studying and trying to build their futures. They are not asking for handouts. They are doing exactly what society expects of them, yet despite doing everything right, they are facing barriers that her generation never imagined. She goes on to highlight many of these barriers brought on after 11 years of the Liberal government: high inflation, the rising cost of living, unattainable housing prices, and few good-paying jobs for domestic Canadians.

When I raised the contents of this letter, I was very disappointed when the parliamentary secretary, on behalf of the Prime Minister, referenced the national child care program. According to Statistics Canada, more than half of Ontario families using child care, 52%, report difficulty finding it, which is up from 40% in 2022, the year Ontario signed on. The Financial Accountability Office of Ontario projects that families of more than 220,000 children will be left without a space. He referenced the Canada groceries and essentials benefit, which pays a measly \$56 a month to a single adult, and only if that adult earns less than \$60,000 a year. People must always read the fine print.

Margaret said in her letter that Canadians are not asking for handouts, but that is all the government can offer, despite the fact that many of these programs and handouts do not even move the needle for most families. Sadly, under the Prime Minister, we now live in a K-shaped economy, where Liberal insiders, the wealthy, the bankers and the bondholders climb higher while working Canadians fall further behind. It is truly unacceptable.

Conservatives are fighting every day for Canadians such as Margaret and her children and for everyone from coast to coast to coast who feels that the formula that worked here for over 150 years is now broken. Canadians are tired of empty Liberal promises. They want the made-in-Canada formula for prosperity to work once more. They should be able to work hard, invest and save, and to work towards goals and dreams for the future. They should not have to resort to government programs, food banks and extreme cost cutting just to get by.

• (2420)

Maggie Chi (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, I also want to echo what the member said and say good morning. I did not realize that it was past midnight already, so I appreciate the reminder.

I also want to thank the member for bringing Margaret's letter to the House. I think, as a representative of the House, it is one of the tools we can use to bring the voices of our constituents to this prestigious institution, so I thank my colleague across the aisle for bringing that letter. Margaret's concerns are valid.

There are a lot of challenges given the current unstable economic environment and given the trade situation we have with the United States. However, I think it is also important to recognize that it is time to work together to really focus on building Canada strong and building an economy that is really resilient. That is where we are making strategic investments in housing and infrastructure to secure that long-term prosperity for our country. We want to ensure, and we are doing the work to ensure, that Canadians have the opportunities they need to succeed by building that stronger economy and lowering the cost of living.

That is where the member and I may disagree a bit. He may see some of the measures as handouts, where I see them truly as supports to help families, young people and seniors get through a tough period while we build a better and brighter future.

Let me maybe expand on the point of affordability. Our government understand that affordability affects every segment of our life, whether young families can buy a home, workers can afford to commute to work or small businesses can continue to operate and maintain jobs. That is why making life more affordable for Canadians is at the centre of our economic plan.

We are not relying on a one-size-fits-all solution. We have introduced targeted measures that address specific pressures such as housing, fuel and groceries while protecting long-term stability. Extending the repayment grace period under the RRSP homebuyers' plan helps Canadians to enter the housing market with confidence. Tax relief on gasoline and diesel deliver broad-based cost savings across our economy. We are starting the automatic federal benefits for the 2026 tax year with pre-filled returns for up to 5.5 million low-income Canadians by the tax year 2028, ensuring that support will reach those who need it the most.

Young Canadians are gaining the opportunity to work and build careers. Through Canada summer jobs, we have had 175,000 placements supported in 2026-27. There is the horizontal youth employment skill strategy and the student work placement program. Families and young people are travelling and exploring Canada for less through the Canada strong pass.

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Most recently, our government announced that the temporary suspension of the federal fuel excise tax on gasoline, diesel fuel and aviation fuels would be extended to 2027. This will bring down everyday costs for Canadians, including truckers and businesses in the food, agriculture, housing, construction and delivery sectors.

These examples demonstrate how our government has been taking responsible actions to make life more affordable for families and communities across Canada, including Margaret's family.

• (2425)

Scot Davidson: Mr. Speaker, the Liberal government literally just voted against our motion to recognize that there is an affordability crisis in Canada. I asked six Liberal members of Parliament across the way if there is an affordability crisis in Canada. Do members know what happened? It is the thing that frustrates Canadians every time. There was a mumbo-jumbo word salad, and they would not answer the question.

None of these programs are working. If they were so great and worked the way the Liberals say they do, the shelves would not be empty in my community of Bradford right now. Canadians would not have lost 68,000 jobs, and insolvency rates would not be up to numbers that we have not seen before. Canada is continuing to be uncompetitive, and inflation will keep rising as the government keeps spending and keeps borrowing money.

Maggie Chi: Mr. Speaker, our government is committed to making life more affordable for Canadians. We have demonstrated that through very targeted measures since we arrived here. We are helping Canadians keep more of their hard-earned money while investing to build a strong economy and vibrant communities from coast to coast.

We will do this while making responsible choices with tax dollars. That means spending less on government operations and ensuring public funds are used where they deliver the greatest impacts. By managing costs carefully, we are creating the fiscal room to invest more in supporting workers and businesses to help them expand to new markets and developing the nation-building infrastructure our economy depends on. This balanced approach strengthens our economy today and protects public finances for the future. That is how we build Canada strong for generations to come.

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until later this day at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 12:29 a.m.)

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