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• (1030)

[English]

The Chair (Hon. Karina Gould (Burlington, Lib.)): Colleagues, I call this meeting to order.

Welcome to meeting 23 of the House of Commons Standing Committee on Finance. Pursuant to the order of reference of Wednesday, December 10, 2025, and the motion adopted on Wednesday, December 10, 2025, the committee shall resume consideration of Bill C-15, an act to implement certain provisions of the budget tabled in Parliament on November 4, 2025.

I would like to welcome back the Minister of Finance. He is joined by his deputy minister, Nick Leswick.

Minister, we're so delighted to have you for so long this week.

With that, you have 10 minutes for your opening remarks. Please proceed.

[Translation]

Hon. François-Philippe Champagne (Minister of Finance and National Revenue): Thank you, Madam Chair.

I'm delighted to be with you this morning as well.

I also want to thank my colleagues. This is a unique time in Canadian history, and we really need to work together.

I was encouraged by former prime minister Harper's timely comments about the fact that we need to work together. This is a time to come together and collaborate. I hope that will inspire the members of the committee.

[English]

I would like to begin, Madam Chair, by thanking the members of the committee for their important work in examining Bill C-15, the budget implementation act. I think Canadians expect nothing less than a lot of hard work from members of the committee to make sure that we can do that swiftly.

As you know, last fall I tabled budget 2025 in the House of Commons. It was really a plan, a generational investment in our collective future. As we all know, Bill C-15 serves as the primary legislative vehicle to enact budget 2025. Certainly, I'm pleased to join you today to provide a brief overview of some of the key measures included. I'm joined by Nick Leswick, my deputy minister, who has been serving our nation for a long time. He has been at the Bank of Canada.

I would say that Canadians are well served by public servants like you, sir, who have dedicated their professional careers to serving Canadians.

Let me first outline the profound global and economic restructuring taking place. We can't talk about budget 2025 without talking about the macroeconomic environment and the level of uncertainty we're facing. Canadians have seen that we're facing economic headwinds and that these changes are causing a lot of concerns for Canadian industries and workers. They've seen in budget 2025 our ambitious plan to harness Canada's many strengths and build the strongest economy in the G7. I would remind colleagues that I come from Shawinigan. I think there's an old fox there who said that no nation can be more optimistic than its leaders. I really call on each and every one of us to be optimistic and to join in building the strongest economy in the G7.

Madam Chair, you will have seen, in your privileged position as chair of the finance committee, that the world is undergoing a series of fundamental shifts at, I often say, the speed, scope and scale of change. It's geopolitics. It's geo-economics. It's supply chains. It's technology: AI, quantum and cyber. Some would go back to 1945, and some would go back to the fall of the Berlin Wall, but this is something that is sure: This is not a transition. As the Prime Minister said recently, we're facing more of a rupture. Therefore, if there was a time for us to work together, I think the moment calls for each and every one of us to contribute to this nation at a very historic moment in our nation's history.

People will have seen that the rules-based international order and the trading system that powered Canada's prosperity for decades are being reshaped, threatening our sovereignty, our prosperity and our values. We don't have to look very far. We've seen the number of changes south of our border. Therefore, we need to adapt. We are Canadian. We are resilient. I believe in Canada. I think you believe in Canada too. Long-standing supply chains and trade relationships that once ensured stable growth, good jobs and affordable products are being disrupted.

Taken together, dear colleagues, this can all sound overwhelming for a lot of families, workers and farmers across our nation. Nothing, however, is too much for Canadians. We have seen hardship before. When we come together, nothing can stop us. Instead, I would say that Canadians are embracing our vision of a strong and resilient Canada. There's nothing political about that. This is about nation building, protecting our sovereignty and empowering our citizens. Canada is purpose-built to meet this moment. The challenges are great—I will be honest with you and with Canadians—but I would say that the opportunities for Canada are even greater. That's why I urge each and every one of you to study and pass this bill as swiftly as possible.

Canada is in a good place, because Canada is what the world wants. We are an energy superpower in both conventional and clean energy. We hold vast reserves of the critical minerals that will be essential for the economy of the 21st century. We have the most educated workforce. I would say that Canada is also a big magnet for talent from across the world.

• (1035)

We have a world-class innovation ecosystem. Colleagues will have seen a number of measures to really boost our productivity and innovation. We are global leaders in industry ranging from agriculture to AI and from cars to quantum computing. We have strong and diversified trading relationships that span the globe. In fact, I always remind people internationally that Canada is the only G7 country with a free trade agreement with all the other G7 nations. We also have fiscal capacity and the ability to unlock generational investments, as has been recently highlighted by the International Monetary Fund.

Budget 2025, and by extension Bill C-15, is our plan to leverage these enviable assets, shape our economy and build our nation's future.

In partnership with provinces, territories, municipalities, indigenous communities, Canadian workers, Canadian innovators and the private sector, we will help unlock \$1 trillion in total investments in this country. That means more companies investing in Canada, more good-paying jobs for Canadian workers across our nation and more money in people's pockets. It means that at the end of the day we choose confidence over resignation. We choose to empower Canadians to build this country together and to protect what we hold dear as Canadians.

Let's talk about building a stronger Canadian economy.

[*Translation*]

To meet the challenges of our time, budget 2025 offers a historic investment strategy that protects and transforms our industries, strengthens our economy and empowers Canadians.

Our government is committed to delivering major projects for Canadians at a scale and speed not seen in generations.

From housing, infrastructure and defence to productivity and competitiveness, our plan puts Canadian workers front and centre and the national interest at the core of every decision we make.

This plan also defends our sovereignty through historic investments in national defence, security and the capabilities we need to protect Canadians in an increasingly fractured world.

[*English*]

To supercharge investment in research and development, for example, Bill C-15 will enhance something that is really well known by small and medium-sized businesses not only in Canada but across the world, what we call the scientific research and experimental development tax incentive. Bill C-15 will enhance what we call SR and ED by increasing the enhanced credit expenditure limit from \$3 million to \$6 million, extending eligibility for enhanced credit to small and medium-sized Canadian public corporations, and restoring capital expenditures as eligible costs.

This will be paired with a productivity superdeduction, which will reduce Canada's marginal effective tax rate, what we call the METR in finance jargon, by more than two percentage points.

What people in this committee need to realize is that as a result, Canada will have the lowest marginal effective tax rate in the G7 countries, with a rate well below the OECD average. We are more than ever open for business.

This means that businesses can invest and scale more easily and that Canada will remain an attractive destination for investment.

• (1040)

[*Translation*]

These are obviously not short-term measures. However, we know that being a leader in the low-carbon economy is also key to long-term competitiveness and growth to secure the success and prosperity of the Canadian economy.

The climate competitiveness strategy proposed in our 2025 budget will stimulate the investments needed for Canadian businesses to be competitive and prosperous in a net-zero future.

[*English*]

Madam Chair, I have to be a bit faster, as there's a lot to be said, as you might expect.

We're also going to make the tax system fairer. You will have seen that there are a number of measures in our budget not only to make sure that everyone pays their fair share, but also to take into account feedback and comments from this committee when it comes to making sure Canadians with disabilities receive the support they need.

You also will have seen the introduction of a temporary personal support workers tax credit to provide up to \$1,100 per year to eligible workers, and you will have seen a number of measures that are going to allow us to build this economy.

Madam Chair, in closing, I know that time is precious for the committee, but I will say that you will have also seen a comprehensive expenditure review. We need to spend less and invest more.

I'll conclude by saying that in these uncertain times, Madam Chair, Canadians expect nothing less from us.

We will deliver, because we all believe in Canada. As Canadians, there's nothing we can't do, so let's seize the moment, let's be ambitious and let's build Canada strong together.

[*Translation*]

Thank you.

[*English*]

The Chair: That's great. Thank you very much, Minister.

I will now turn to Mr. Hallan for six minutes.

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

Minister, in division 5 of part 5 of the bill, your government is once again asking for unprecedented powers to exempt any entity or company from any law or regulation in Canada, with the exception of the Criminal Code.

Would this include the Conflict of Interest Act? Answer yes or no.

Hon. François-Philippe Champagne: I think you're referring to something called a regulatory sandbox. I want to bring that to the committee's attention. You know—

Jasraj Hallan: Minister, I'm not asking what it is or why it's there.

This is very concerning. If this is passed, would it exempt any entity, company or individual, determined by the Prime Minister or any minister, from the Conflict of Interest Act in Canada? Answer yes or no.

Hon. François-Philippe Champagne: Madam Chair, I was just trying to provide background.

Canada is catching up, I would say, with other OECD countries and the G7—

Jasraj Hallan: This is a very concerning fact that's inside the budget.

After these powers are granted to a prime minister or minister, would they be allowed to exempt a company or an individual from Canada's laws and the Conflict of Interest Act? Answer yes or no.

Hon. François-Philippe Champagne: I was just trying to say, Madam Chair, that regulatory sandboxes are a tool that has been requested—

Jasraj Hallan: Would it include exempting—

Peter Fragiskatos (London Centre, Lib.): I have a point of order, Madam Chair.

It will be a very long meeting if we don't hear the answers. The question is being asked, but we're not able to hear the answers.

The Chair: Thank you, Mr. Fragiskatos. That's not a point of order.

Mr. Hallan.

Jasraj Hallan: The minister refuses to answer because this would give unprecedented powers, once again, to the government. Canadians are worried. In fact, even the Toronto Star, a non-Conservative friendly paper, has written about this. That's how concerning this is.

Would passing this give the Prime Minister or any minister in the government the ability to exempt any company or individual from the Conflict of Interest Act? Answer yes or no.

Hon. François-Philippe Champagne: Madam Chair, I know some colleagues are more interested in the questions than the answers, but let me try to inform Canadians.

Regulatory sandboxes are tools that are very well used by OECD countries and the G7. I would say, Madam Chair, that Canada is catching up. If you look at—

Jasraj Hallan: Does it include the Conflict of Interest Act being exempt? Answer yes or no.

Hon. François-Philippe Champagne: Madam Chair, as I was saying, Canada is catching up, and the—

Jasraj Hallan: Minister, I'll take that as a yes, and that's very concerning.

I'm going to give you an example. Again, I'm just asking if you can give me a yes or a no.

If a company like Brookfield has been looking to get a contract from either the Prime Minister or any minister in the government, would it be exempt from the Conflict of Interest Act—knowing very well the Prime Minister's declared conflict of interest—after this passes? Answer yes or no.

Hon. François-Philippe Champagne: Madam Chair, I'm sure the business people who are watching this morning are a bit surprised. Everyone in this country thought the Conservatives would be business friendly. This is a request from the business sector and Canadian innovators for Canada to catch up with other G7 countries—

• (1045)

Jasraj Hallan: We're definitely business friendly, but the rule of law—

The Chair: Mr. Fragiskatos has a point of order.

Peter Fragiskatos: On a point of order, again, we want to hear the answer. The question's been asked. There's been no interruption. We want to hear an answer. Let's hear it.

Pat Kelly (Calgary Crowfoot, CPC): On the same point of order, we had this minister earlier this week, when I asked a series of questions that he did not.... He burned my time—

The Chair: Thank you, Mr. Kelly.

This is turning into debate. Neither of those is a point of order.

We're going to continue with Mr. Hallan. Thank you.

Jasraj Hallan: Minister, I will take your non-answer to mean that the Conflict of Interest Act would not apply to a company or an individual if any prime minister or minister grants them those powers and a contract under the government. That is concerning, because it means that a company like Brookfield, which obviously has a conflict of interest with the Prime Minister, could be awarded a contract and be given Canadian money without having the Conflict of Interest Act apply to it with these powers.

I have another question for you. Would this division and this part also give the power to exempt any company or person from the government from the Investment Canada Act? Answer yes or no.

Hon. François-Philippe Champagne: Madam Chair, let me try to explain to Canadians that what we call regulatory sandboxes are subject to a number of safeguards. Let me list a number of them—

Jasraj Hallan: Let's go off that. You said they have a safeguard. Does the safeguard help to prevent a company like Brookfield from being awarded a contract and being exempt from the Conflict of Interest Act? Answer yes or no.

Hon. François-Philippe Champagne: Madam Chair, as I was trying to explain to Canadians, there are a number of safeguards in the act. For example—

Jasraj Hallan: Does the safeguard include conflict of interest, yes or no?

Hon. François-Philippe Champagne: Madam Chair, as I said, I feel there are some who are more interested in the question than the answer, but Canadians would rather hear the answer sometimes.

Jasraj Hallan: Minister, it is very concerning that you can't answer this.

Peter Fragiskatos: I have a point of order, Madam Chair.

I don't like doing points of order like this. However, again, he's trying to answer—

The Chair: Could you refer to which—

Peter Fragiskatos: It's on decorum. How's that? He's trying to answer. We can't hear an answer.

The Chair: Okay. Thank you, Mr. Fragiskatos.

Mr. Hallan, you may continue.

Jasraj Hallan: I have another example, Minister. In 2022, when you were the industry minister, you used the national security review provisions of the Investment Canada Act to order Chinese investors to divest holdings in Canadian mining companies. Now your government is cozying up to the Communist regime in Beijing.

I have a very clear question here. If these powers get passed, does that not give a minister power to exempt Chinese investors from the national security review in the Investment Canada Act,

letting them buy up holdings in Canada's critical minerals, yes or no?

Hon. François-Philippe Champagne: Madam Chair, it is the responsibility of any government to protect the national security of Canada and the national economic security of the country.

Jasraj Hallan: Will these powers that you're trying to get not exempt any Chinese company from the Investment Canada Act, yes or no?

Hon. François-Philippe Champagne: Madam Chair, let me go back to the limitations that are included.

Again, Canadians would be surprised. What the Conservatives are trying to portray is an instrument that is being used by just about every G7 country and OECD country in the world, because innovators want to have sandboxes. However, you need to have guardrails and safeguards. That's why the act provides for time limits for the exemption. The exemption needs to be in the public interest. It is required to protect public health, public safety and the environment.

Madam Chair, I would probably suggest that the Conservatives—

Jasraj Hallan: Minister, these decisions get to be made behind closed doors after you pass this law.

Hon. François-Philippe Champagne: —talk to business innovators in the countries that have demanded an expansion of the regulatory sandbox in order to be able to innovate, like other countries in the G7.

Jasraj Hallan: Not once, Minister, have you said anything about not having the Conflict of Interest Act or the Investment Canada Act exempt at all after these powers are granted. That's very concerning.

I hope you can see why Canadians are concerned about this specific provision being passed by you. It's because, behind closed doors, your government can grant any company...whether it has a conflict of interest with a minister, with the Prime Minister or in Beijing, if a Chinese company wants to come here.

The Chair: Thank you, Mr. Hallan. That concludes your time.

We will continue with Mr. Leitão for six minutes.

[*Translation*]

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

Good afternoon, Minister. Welcome.

Deputy Minister, thank you for being with us as well.

It looks like we're off to a good start. I was going to ask you all kinds of questions, Minister. I had a whole scenario prepared, but instead I'm going to ask you to expand on the regulatory sandboxes you were talking about just now, when our colleague was constantly interrupting you.

That seems like a very important element to me, and you didn't have a chance to clarify it for all the Canadians watching us.

• (1050)

Hon. François-Philippe Champagne: Thank you, Mr. Leitão.

First of all, I want to thank you for your service. You're a distinguished economist. Canada should be happy to have someone like you serving the nation.

I'm trying to explain something. What I'm hearing is that our Conservative colleagues are trying to demonize one of the tools in the tool box used by all G7 and most OECD countries. This tool is known as a "regulatory sandbox".

What is a regulatory sandbox? Anyone who innovates within that framework benefits from more relaxed rules for a limited time, as long as they continue to protect the environment and public safety. There are obviously a number of rules around that. Mr. Leitão, as a former Quebec finance minister, you'll understand this. This tool enables our innovators to innovate.

That's why I'm telling my Conservative colleagues to be cautious. When they talk to Canadian innovators, particularly those in the business sector, those innovators will tell them that, if other countries are doing it, Canada should be able to do the same thing to make that same space for itself.

If I'm honest, I just want to say one thing: Our Conservative friends are a little behind the times. This tool has been around for a long time. I chose a tool that has been around for decades. There's nothing new about what we're doing here. We're just talking about having a slightly broader regime because, when it comes to new technology and manufacturing and industrial innovations in the digital age, we sometimes need a more relaxed regulatory framework to test products. Once the product is certified and put into use, then, of course, it has to comply with all the other regulations.

I'm a bit surprised to hear the Conservatives say that this morning, because this is what the business community wants. Our innovators are telling us that, if we don't follow suit, they'll be at a disadvantage compared to other G7 and OECD countries, so I don't understand why the Conservatives would demonize a well-known tool.

I'm just telling my Conservative colleagues to go look at the OECD report on this tool. Look at it. I would be pleased to table that report if the committee would like to see what's being done in other G7 countries. When we discuss things in committee, it's important to inform Canadians and give them accurate information. There was an international survey that included European Union countries, South Korea, the United States, Brazil, Colombia, Singapore, the United Kingdom, France and Germany. We really are in good company with countries that recognize the value of having a special regime to allow for innovation.

Mr. Leitão, thank you for doing that. I'm ready to listen to my colleagues' comments, but I think we just need to put this in context. This isn't a new thing. It exists in every country on that list. It's also what Canadian innovators want. As they see it, if it's being done elsewhere, it should be done here as well, because otherwise they're at a disadvantage.

Thank you for allowing me to clarify the answer.

Carlos Leitão: Thank you very much, Minister.

I do think that was very important. You said you were surprised. I'm surprised, too, and disappointed, that our Conservative colleagues apparently chose not to listen to former prime minister Harper's recommendation. Just this week, he urged everyone to focus on the major challenges, set aside our minor differences and focus on the national interest. That's not the way things seem to be going.

I don't have much time left. At the beginning of your presentation, you talked about the macroeconomic environment that calls for significant government action. You also mentioned that our budget is all about investment and that we have the fiscal capacity to make it happen.

I only have 30 seconds left, but can you say a few words about that fiscal capacity? I'm sure we'll come back to it later.

• (1055)

Hon. François-Philippe Champagne: I would just remind everyone that, at the IMF meeting, the managing director mentioned two countries that stand out: Germany and Canada. Both countries have AAA credit ratings. They stand out because they both have good fiscal capacity and they are using it wisely to stimulate economic growth.

The Chair: Thank you, Mr. Leitão.

Mr. Ste-Marie, you have the floor for six minutes.

Gabriel Ste-Marie (Joliette—Manawan, BQ): Thank you, Madam Chair.

Minister and Deputy Minister, thank you very much for joining us here. There are many topics I would like to discuss with you this morning.

First, you offered to give the committee the review of other countries that have a regulatory sandbox system. I would appreciate your tabling that with the committee.

Now, to my first topic. This morning, the Parliamentary Budget Officer published a study on the fiscal implications of Canada's commitment to invest 5% of its GDP in NATO by the end of 2035. The PBO's findings are concerning. This would increase the deficit by \$63 billion, which is 1.4 percentage points of GDP. The federal debt-to-GDP ratio would increase by 6.3 percentage points.

Can you comment on that?

What are you going to do about it?

Hon. François-Philippe Champagne: I'll start by saying that it's nice to see you, Mr. Ste-Marie. You're an excellent colleague. We've been working together for years. Thank you for being here this morning.

I haven't had a chance to look at that report yet. Knowing that I was coming to testify at the Standing Committee on Finance this morning, I devoted my energy to preparing the best possible answers to committee members' questions in order to move the study of the bill forward.

I haven't had a chance to look at it, but I know it's a good thing for the Minister of Finance to look at the documents and do a detailed analysis of what the Parliamentary Budget Officer's report may contain before commenting. I haven't had a chance to do that yet.

Nonetheless, I can say it's true that Canada must make a considerable effort, as must other NATO countries. Canada is no different. I hope, as you've seen in Quebec, particularly with Mr. Legault and the others, that it will be an economic lever.

We're talking about companies, such as Marmen and PRO-B Group, that do business in my riding. However, small and medium-sized Quebec businesses are now developing the defence industry.

We're even seeing this in Saint-Tite, where I made my finance minister shoes. Bottes Boulet is a small business that has been in operation since 1942 and employs 75 people. Bottes Boulet makes cowboy boots, but it also has a military and defence division. It makes boots for the RCMP and the military. This shows that plenty of opportunities are out there for businesses of all kinds.

If this is true for Bottes Boulet, a small business that has been around for decades, I think all companies should consider a business strategy with a defence component.

Gabriel Ste-Marie: The company certainly produces quality products.

My second topic has to do with a really technical issue. The budget is usually tabled in the spring. In addition, the House votes on the main estimates, which go through more or less automatically, in March. In June, we vote on the supplementary estimates (A), which are the measures that were announced in the budget.

Given that the budget was tabled in the fall, can you tell us if the main estimates the government will be introducing shortly will include the budget measures we would typically have voted on in June?

Hon. François-Philippe Champagne: The deputy minister may want to add something on this subject, but I think it was a good idea to change how we do things in this country. There have been

times when the federal budget was tabled after all the provincial budgets.

That approach certainly didn't take into account the construction season. No matter what we do here, the construction season doesn't lie. Tabling a budget in November provides predictability and much more stability for the provinces and territories because they know how much they'll be getting in transfers in advance.

As you've seen, even the IMF has praised Canada's approach, suggesting that other G7 countries could use it as a model.

Gabriel Ste-Marie: With all due respect, I have to interrupt you. There are a lot of topics I'd like to discuss. If your team has the answers, you can simply send them to the committee. I would appreciate that.

The third topic I would like to discuss with you is the amount in the budget for infrastructure. I'm confused. On page 7 of the introduction, it mentions \$280 billion over five years. In chapter 1, on page 101, it says \$115 billion over five years. In the table at the end of the chapter, on page 124, it says there will actually be \$9 billion in new money. You have to subtract. The government says we should invest \$20.1 billion in infrastructure for future generations, but subtract the \$11.73 billion in previously provisioned funds, and you get \$9 billion.

How much new infrastructure money is actually in your budget?

Again, if you don't have the amount handy, please don't hesitate to send us the answer in writing.

● (1100)

Hon. François-Philippe Champagne: That's an excellent question, Mr. Ste-Marie. As always, your remarks are very relevant.

As you can imagine, the provinces and territories have asked me this question, too. We can give you the exact amount. If I remember correctly, there's over \$25 billion in additional funding for infrastructure.

The differences you pointed out can be explained by the fact that some amounts are determined on a cash basis. We present the figures according to accounting practice, which is why you see that our investment plan is \$280 billion. That's a significant amount, but, on a cash basis, it comes to \$450 billion.

It may interest you to know that we were inspired by the German model. When a generational project of this kind was announced in Germany, they were planning to invest 500 billion euros over 12 years. If you convert that to Canadian dollars, it would be about \$800 billion over 12 years. We're planning \$450 billion over five years. That is generational, and that's what credit agencies and our investors are seeing. They're seeing that Canada's infrastructure plan is one of the largest, if not the largest, in the G7. That's why we want to work with the municipalities, territories and provinces.

The Chair: Thank you, Minister.

Thank you, Mr. Ste-Marie.

Mr. Lefebvre, you have the floor for five minutes.

Eric Lefebvre (Richmond—Arthabaska, CPC): Thank you, Madam Chair.

Minister, it's good to see you again. We go way back. At the time, I had the privilege of being a member of the National Assembly with my colleague, Mr. Leitão, for whom I also have a great deal of respect.

I would like to echo what Mr. Leitão said. He said that returning to a balanced budget is not an obsession, but an obligation.

Do you agree with your colleague on that?

Hon. François-Philippe Champagne: As you know, I have a lot of respect for you and Mr. Leitão because we've worked on things together in the past. You're right, we've always worked well together.

Let me tell you: The world has changed. I've served in the federal government for years. People have pointed out that I took certain stances in the past, but now the world has changed, especially in the past few months.

I'll reiterate what the IMF said about Canada. It said the global situation is unprecedented. We'd have to go back many decades to find a comparable situation. As a result, those with the necessary fiscal capacity must use it to stimulate economic growth.

Eric Lefebvre: Thank you, Minister.

Later, I'll ask Quebec's former finance minister if he still stands by his statement. I imagine he does.

Minister, when the budget was tabled, you said you wanted to eliminate 40,000 public service positions. During question period, you talked about doing it through attrition. In other words, it will happen gradually as public servants retire. It's going to be hard to cut 40,000 positions through attrition alone.

Do you have a performance assessment tool to figure out how many public service positions will be eliminated?

Hon. François-Philippe Champagne: I'll give you a bit of background and then answer your question more specifically.

We said that we need to return the size of the federal public service to a level that is more sustainable over the long term. The public service grew significantly during the pandemic. You may have seen a graph in the budget showing that. We want to better align the

size of the public service with the Canadian population and other G7 countries.

It's important to understand that, yes, there will be attrition, but other measures have been put forward to make that happen in a humane and responsible manner with great consideration for the people who have served the country, because—

Eric Lefebvre: I'm sorry to cut you off. I do have several questions.

Do you have a performance assessment tool? At this point, can you tell me if there have been any results in the past seven months?

Hon. François-Philippe Champagne: Yes, I can give the committee that data. I'm sure you've seen some articles in *La Presse* about notices sent to public servants. Implementing these departures will take several years.

All I want to say is that I am grateful to public servants, who are doing an amazing job.

The idea is to reduce the number of employees to a more sustainable level. We need to get back to a pre-pandemic ratio. I also think that, given modern technology, we need to modernize the Canadian government.

• (1105)

Eric Lefebvre: According to the budget, the government wants to develop economic strength through fiscal discipline. Over the past decade, government spending has increased rapidly, with direct program expenses increasing by 8% annually. The budget says this pace is no longer sustainable. It's right there in black and white: "a pace that is no longer sustainable".

The cost of Cúram, the computer system that manages our seniors' old age security pension, went up from \$1.7 billion to \$6.6 billion. They talk about fiscal discipline on the one hand, but on the other, there's the Cúram boondoggle. According to a survey, nearly 93% of public servants say that the computer system isn't working.

You talk about fiscal discipline, but these facts suggest otherwise.

Hon. François-Philippe Champagne: Thank you for raising the issue of rising program expenses. On page 13 of the budget, there's a graph that illustrates how we'll reduce that 8% annual increase to a more sustainable growth rate over the years. For that reason, one of the fiscal anchors we've set for ourselves is to align the operating budget with revenues by 2028-29. At that point, any loans will be used for capital investments.

Thank you for highlighting the fact that we're moving from 8% to a rate that's much more sustainable over the long term. That's exactly what we wanted to illustrate in the graph on page 13 of the budget.

Eric Lefebvre: How can you talk about fiscal discipline if the cost of a computer system like Cúram goes from \$1.7 billion to \$6.6 billion? That's just one example—

The Chair: I'm sorry to interrupt, Mr. Lefebvre. Your time is up.
[English]

We will continue with Mr. Sawatzky for five minutes, please.
[Translation]

Jake Sawatzky (New Westminster—Burnaby—Maillardville, Lib.): Thank you, Madam Chair.

Minister, it almost seems like you're a permanent member of this committee this week. It's truly a pleasure to see you again.

A lot of the investments in budget 2025, as we see in Bill C-15, are for major infrastructure projects to drive the country's economic growth.

As you know, many workers in Canada are struggling these days. Those in manufacturing, steel, aluminum, forestry and other sectors affected by the tariffs are feeling the effects of the United States' unjustified trade measures in particular. These structural and generational investments are designed specifically to create jobs these workers can retrain for.

How is the government going to create jobs here?

Hon. François-Philippe Champagne: First of all, thank you for the question. Congratulations on your French. I enjoyed hearing it. Thank you for inviting me to appear before the committee. I feel very much like a permanent member of this committee.

You're right, budget 2025 is really a generational investment plan. As we've seen, the Canadian economy may be more resilient than some expected.

You talked about the tariff situation with the United States. I should note that, even now, 85% of the goods that cross the border are duty-free thanks to the free trade agreement and the exemptions. Canada is in a privileged position with a marginal tax rate of 5.4%.

That said, it's important to know that the effects of the tariffs are being felt very acutely in the lumber industry in regions like mine, Saguenay—Lac-Saint-Jean, in Mauricie and in Vancouver; in the steel sector in Hamilton; in the automotive sector in Windsor and Oshawa; and in the aluminum sector in Saguenay. Generally speaking, the Canadian economy is more resilient than people thought, with the exception of sectors and regions where those effects are being felt.

Madam Chair, I know you're from the Hamilton region and have done a lot for steelworkers and the steel industry. I am grateful for your contribution.

I mention that because sometimes the data point to a national trend, but the situation on the ground in a particular sector, such as the steel sector in Hamilton, is not as clear. That's why we knew we had to build the strongest economy in the G7. The Canadian economy is currently the second-fastest-growing economy in the G7, so we're in a very good position.

Still, we have a lot to do in this country. I think one thing that's going to help steelworkers in Hamilton is the buy Canada policy. It is definitely high time we give Canadian companies favourable treatment and eliminate interprovincial tariff barriers. I believe a recent IMF study noted that, although there's still work to be done, Canada has the potential to boost its economy by some \$200 billion.

We've also taken structural measures through the strategic response fund to enable the Canadian economy to adapt to the new reality of export markets, automation and productivity. That's why the budget includes many measures designed to stimulate productivity and innovation. We'll start by investing here at home to grow our economy and help our workers.

With respect to the deficits that members were talking about initially, on page 2 of the budget, we see that about 75% of the actions that contributed to a deficit this year supported sovereignty and affordability. I think those two things are in line with Canadian values. That is why we will grow the Canadian economy while being there for workers in meaningful ways.

• (1110)

[English]

Jake Sawatzky: Thank you very much. I will just switch to English now.

Of course, these large-scale projects don't just grow the economy; they also create many long-term, skilled union jobs, providing stability for those workers who are facing disruption right now, especially in these traditional sectors that are really feeling the pain from tariffs.

In British Columbia, the softwood lumber industry is being hit quite hard. Our combination of the buy Canadian policies with all of these large-scale national projects will certainly—

The Chair: Thank you, Mr. Sawatzky.

We're going to have to end it there.

[Translation]

Mr. Ste-Marie, you have the floor for two and a half minutes.

Gabriel Ste-Marie: Thank you very much, Madam Chair.

I have some technical questions for the minister and deputy minister about division 9, which deals with consumer-driven banking services, as well as harmonization with the Autorité des marchés financiers, the AMF, and provincial entities. However, if you don't have the answers handy, feel free to send them to the committee in writing.

If the single framework were put in place and an agreement were reached with the provincial entity and the Bank of Canada, what would the relationship be between those two institutions?

For example, would the AMF become an extension of the Bank of Canada to oversee the framework, or would it retain its autonomy to act within its jurisdiction?

In other words, would the AMF report to the Bank of Canada or to Quebec's ministry of finance for everything related to the open banking system?

Hon. François-Philippe Champagne: I'll let the Deputy Minister of Finance, a former member of the Bank of Canada, address those two questions.

[English]

Nick Leswick (Deputy Minister, Department of Finance): If I understand the question correctly, the legislative framework under the Consumer-Driven Banking Act will allow the provinces an opt-in allowance. They can opt in to the legislative and regulatory provisions that the federal government is deploying. In that context, the minister, working with the Bank of Canada, as the overseer of the framework, can designate a provincial regulator or supervisor to oversee the deployment.

[Translation]

Gabriel Ste-Marie: Okay.

Here's my question. Let's suppose that the AMF were designated in Quebec. Would the AMF be accountable to the Bank of Canada or to Quebec's ministry of finance for that part?

[English]

Nick Leswick: I'll have to follow up. My instinct is that it would put it through to the Bank of Canada, but let's make sure that we get a correct answer there.

[Translation]

Gabriel Ste-Marie: I have one last question about this.

Last December, in another committee, the Department of Finance noted that provincial authorities, such as the AMF, can add standards for certain things, such as information exchange and privacy. However, these additional rules would create an uneven playing field.

I would like you to comment on that. You can also send comments in writing to the committee.

The Chair: Thank you very much.

[English]

We will continue with Ms. Cobena for five minutes, please.

Sandra Cobena (Newmarket—Aurora, CPC): Thank you.

Minister, in your opening remarks, you asked for this bill to be passed swiftly, because of the measures that are being introduced. However, as you know well, there is a poison pill in this bill, in that you're asking for ministers to have the power to exempt entities, corporations or individuals from any federal law except for the Criminal Code.

Given the potential for abuse of this clause, would you consider removing it, so we can move on and review the rest of the bill in the spirit of collaboration and speed the passing of the bill?

• (1115)

Hon. François-Philippe Champagne: Thank you for the question and thank you also for your contribution. You've been in the banking sector for many years. I'm reminded by your leader's letter to say, "Time to turn rhetoric into reality."

Obviously, this provision was specifically asked for by the business sector in Canada, to put us at par with other G7 nations. I always have an open mind, but I'm always very conscious of the impact it would have on Canadian innovators and Canadian businesses, which want to have very constrained guardrails that you can put around things. If you have suggestions with respect to guardrails—

Sandra Cobena: With all due respect, this is a legal sinkhole. There are no guardrails. You compare us to G7 countries. The G7 countries actually use regulators to run these regulatory sandboxes that you refer to. They rely on limited waivers, no action letters, supervised testing plans, and no broad ministerial powers that you are asking for. It's not an apples to apples comparison.

On the topic of the business community, I have a letter signed by 43 organizations that have serious concerns with this. They say:

Ministers would have radically new discretionary power to decide when and how federal legislation applies, and to whom. But laws should apply equally to all, regardless of status, wealth, or power.

They insisted that the federal government withdraw this undemocratic section of the bill.

Hon. François-Philippe Champagne: Was that a question, or do you want me to comment on that?

Sandra Cobena: Comment on that.

Hon. François-Philippe Champagne: I would just say that there are clear time limits and there are clear exemptions. It has to be in the public interest. It has to preserve public health, public safety and the environment. We tried to mirror what was done in other G7 countries.

As I said, this is not something new. That's why I'm surprised. I respect the comments from the people who wrote the letter, but this is not a new tool. The OECD report, I think, dates back to—

Sandra Cobena: Minister, I just explained the differences. It does not concentrate the power on the ministers, which is what you're asking for. You, as minister, can choose the winners or losers. Entities and individuals would be inclined to lobby you personally, rather than look at the rule of law.

It is not a fair comparison with other G7 countries. Other G7 countries have regulators with very specific limitations. It's not the same. This is why it is called a Henry VIII provision.

Would you remove it because it has the potential for abuse?

Hon. François-Philippe Champagne: We have a set of guardrails. If you think of other guardrails that you think would be in the public interest, we're always looking at issues in order to move forward with an open mind. I'm also—

Sandra Cobena: Minister, just to outline some of the risks, it would allow violation of the Conflict of Interest Act, and it would prevent citizens from seeking documents under the Access to Information Act and the Extractive Sector Transparency Measures Act.

There are a number of acts that could be violated at the prerogative of the minister. How is that reasonable?

Hon. François-Philippe Champagne: I was just about to say that if you have suggestions with respect to guardrails....

I'm mindful of the people who wrote the letter, and I respect their view. I'm also mindful of all the innovators and even the Council of Canadian Innovators, who may have a view with respect to what I'm trying to achieve.

I'll be very transparent with you, as I should be in front of this committee. I'm trying to put Canadian innovators on par with other G7 countries, so we foster innovation in the country and don't hamper that.

The Chair: Thank you, Minister.

Thank you, Ms. Cobena.

• (1120)

Hon. François-Philippe Champagne: I'm open-minded if you have any thoughts.

The Chair: We will continue with Mr. MacDonald for five minutes.

Kent MacDonald (Cardigan, Lib.): Thank you to the minister and the deputy for attending today.

When I get home on the weekends, I get a very positive response to budget 2025 in Prince Edward Island. I've met with many groups that have been excited about the infrastructure investments that are in budget 2025. Community groups, municipalities and even the provincial Conservatives in PEI want this budget passed. They want to be able to apply to the programs in the budget.

One particular thing that I know we did last year, shortly after I was elected, was have stakeholder meetings across the country. You, Parliamentary Secretary Turnbull and Secretary of State Long went around to listen to Canadians.

One of the things you heard in P.E.I.—I was at the Charlottetown round table—was that we had to increase the capital gains exemption for small businesses. This particularly affects rural communi-

ties, because we have a lot of fishers, farmers and small businesses. The real benefit is that if we allow them to transition their business to the next generation, it keeps those businesses in our small rural communities. It drives our economy in an area like Cardigan, where I come from.

I wonder if you could elaborate on this \$250,000 increase in the tax exemption. What will it do for those rural communities?

Hon. François-Philippe Champagne: I want to say thank you for bringing the voice of rural Canada to this discussion, because I come from rural Canada as well, and I think it's important.

You talked about small and medium-sized businesses, which represent 98% of all the businesses in the country, so having tax measures—programs, grants, loans—that would fit them is particularly important for me to support.

You're quite right in that the capital gains tax exemption is a tool in the tool box that we have. There are many more. I spoke about the SR and ED tax credit earlier today, which is also an area where we work with a number of people in the private sector to ask how we can make it more efficient.

What I hear a lot from businesses, as I'm sure you do, is that what they want is stability and predictability, cutting red tape, making sure we're more efficient, having more predictability when it comes to project assessment, and certainly having programs that are fit for purpose in respect of a number of industries.

I think you mentioned the fishery industry, for example. There are a number of things that we have been contemplating to make sure that they have the tools. You may recall that, when I testified earlier this week about the measures in Bill C-19, there were a number of structural measures as well to support transformation: seafood transformation, fishery transformation and increasing the production of food in Canada. I think that's important for food security.

You're right. Regarding budget 2025, like you, in my experience going across the country, I think it speaks to seniors, it speaks to young people, it speaks to workers, and it speaks farmers, fishers and small businesses. I think they realize that the world is changing. A lot of questions I get from my colleagues are about where we are. I think Canadians can see the winds of change, and they see that this country is adapting. They see that this is a moment for us to come together. They see this as a moment to invest in our future and support Canadian for now.

That's why Bill C-19 was about a boost and a bridge. As I was saying before, this is a generational budget. If you look at the investments we're making, it's comparable to what you've seen in Germany. Germany is the largest economy in Europe. That's why I would say that this budget has been well received, not only in Canada but by investors around the world, who see Canada taking structural measures that will foster investments, growth and innovation.

Going back to the regulatory sandbox, you've heard my comments that this was a request by innovators in Canada. By definition, I have an open mind, but I'm also mindful of the other side of the coin, where people say that, on the one hand, we're being asked by Canadians to reduce red tape—by the opposition, and by us as well. On the other hand, when we try to make it easier for people to innovate, we get criticized, so you see the position I'm in today.

• (1125)

The Chair: Thank you, Minister.

Thank you, Mr. MacDonald.

We will continue with Mr. Kelly for five minutes.

Pat Kelly: Thank you.

Minister, in your opening statement, you referred to Canada as an energy superpower, and indeed we ought to be one, but your government, in November 2015, cancelled an existing Pacific pipeline. It was literally one of the first things the cabinet did when elected in 2015.

In 2018, you passed Bill C-69, which precluded any pipeline construction in Canada, and your government presided over a 10-year flight of capital from the energy industry.

In 2025, with the support of the opposition—which supported you because this is what it has come to—you did support extraordinary new powers. Since you won't get rid of the red tape, you have given yourself the power to cherry-pick which projects red tape would not apply to.

The Prime Minister said that new major nation-building projects would be built at speeds unimaginable. I could imagine a pipeline commencing production in, say, a year.

Could you tell me on what date a pipeline will be approved and construction begin?

Hon. François-Philippe Champagne: What I would say is that you should just look at what we did with Trans Mountain. We are the government that made things happen because we built Trans Mountain. Actually, I was with the CEO of Trans Mountain.

When you talk about the year, I would just say that you should probably talk to the CEOs of the industry—

Pat Kelly: Okay. Since you won't answer the question, and you mentioned Trans Mountain, you chased private capital out of Canada, nationalized a project and then presided over a 500% increase in the cost of it once it was nationalized.

I'm going to ask you again, and I'd like you to answer the question. When—in what year—can Canadians expect construction on a pipeline to begin?

Hon. François-Philippe Champagne: You seem more interested in the question than the answer. I was about to go with Trans Mountain. I was just with the CEO. When you suggest a timeline like that, I would say to talk to the CEOs of the companies. They would tell you that the measures we have taken—the Major Projects Office—are really making a difference.

Pat Kelly: Okay, no. I'm very much interested in your answer—

Peter Fragiskatos: I have a point of order, Chair.

We want to hear the questions, and we're hearing the questions. We want to hear the answers.

Pat Kelly: On the point of order—

The Chair: This isn't a point of order, Mr. Kelly.

You can continue.

Pat Kelly: Okay. We'll continue.

Minister, you have not answered my question. The reason I am interrupting you is that you're not answering the question.

Will you answer the question? In what year will pipeline construction begin?

Hon. François-Philippe Champagne: It's not that I don't answer. It's that you don't like the answer. That's very different—

Pat Kelly: No, that's not an answer.

Hon. François-Philippe Champagne: Canadians who are watching at home agree, and they understand that.

Pat Kelly: The answer would be a year: Give me the year. If you don't know the answer, that's okay too. You can say that you don't know, and then we'll move on to another question.

Hon. François-Philippe Champagne: Well, I would say that I speak to people in the industry and they see Canada, with the Major Projects Office and what we've done, as an enviable jurisdiction for them to make investments in. That's what I would say.

If you talk to the people.... I was with the CEO of Trans Mountain recently. This is a pipeline in operation. It was built. I think that in a way you should recognize that at least: It was built, and it's in operation.

Pat Kelly: I would say that's no thanks to your government. You chased out the private builder that would have built the thing already. That's a distraction, not an answer to the question.

You mentioned the Major Projects Office. When will it announce a pipeline approval, and when will construction begin?

Hon. François-Philippe Champagne: Well, the Major Projects Office has a list of projects that are ongoing, and I can tell you discussions we have had with a number of oil companies.... They're looking at interesting projects in Canada in the oil and gas sector. People realize that the framework we have put together is an interesting one for them to invest in.

Pat Kelly: Are there any pipelines on that list?

Hon. François-Philippe Champagne: Listen, as I said, Canada is recognized now as an energy superpower—

Pat Kelly: Okay, so that's no.

On what date, in what year, through whatever means possible, can Canadians expect a pipeline to begin construction?

• (1130)

Hon. François-Philippe Champagne: I'm trying to explain to you that you should ask the proponents that. The proponents are the ones who put projects forward. What I'm saying to you is that we have good discussions—

Pat Kelly: No proponent is going to put anything forward, because they don't know what the rules are. They know you've given yourself the power to cherry-pick which projects, but they don't know the rules you have put in place that would otherwise preclude construction. In what year do you think it's reasonable for Canadians to expect a pipeline to be built?

Hon. François-Philippe Champagne: I'd say that's not what we hear from CEOs. I would invite you to talk to global CEOs of major oil companies and oil and gas companies. That's not what we hear from them. I was with a number of them recently. That's not what we hear from them. That's the only thing I can share with you.

The Chair: Thank you, Minister.

Thank you, Mr. Kelly.

We'll continue with Mr. Leitão for five minutes, please.

[*Translation*]

Carlos Leitão: Thank you very much, Madam Chair. I will make sure I have time to continue my very good discussion with the Minister of Finance.

Minister, we started talking about fiscal capacity. To put my esteemed colleague Mr. Lefebvre's comments into perspective, I will say that fiscal capacity often—primarily—depends on context. Things were very different in 2014 from what they were in 2025.

Let's talk about Canada in 2025. Minister, in the budget you tabled in November, you anticipate that the government will be able to unlock \$1 trillion worth of investments. Just so we're clear, "*bil-lion*" in French means "trillion" in English. Sometimes it can be confusing. Of course, that's not just public money.

I have a two-part question.

First, can you tell me what the public portion of that \$1 trillion is?

It seems that the focus is mainly on private investment. In other words, the government wants to be able to attract private investors from Canada and abroad.

Can you give us a summary of what has already been done in this regard? The Prime Minister made a number of trips abroad, during which he spoke to a number of institutional investors.

What is our capacity to attract that investment here?

Hon. François-Philippe Champagne: You're right, and you did a good job of describing the current context, which is kind of unprecedented, certainly in our generation, in terms of the level of uncertainty. As a reminder for my opposition colleagues, if we compare what's known as the World Uncertainty Index, which is published by the International Monetary Fund, to where it was at the time of the financial crisis, it has pretty much doubled. That captures the current context. That's not Department of Finance data; it's from the International Monetary Fund.

We are therefore operating in a highly uncertain international context. However, as I often said when I chaired the G7 finance ministers' meeting, we cannot let uncertainty become the new certainty. We need to invest.

Mr. Leitão, you certainly experienced this when you were the finance minister, just as Mr. Garon did as an economist. When we look at Canada's position within the G7, we're well received at the G7 table because we have an enviable position. There are five reasons for that.

First, we attract talent. Canada is a magnet for global talent.

Second, Canada is one of the few G7 countries with a strong industrial base. We manufacture planes, cars and ships.

Third, we have the critical minerals that are going to drive the 21st-century economy.

Fourth, we have an abundance of energy.

Fifth, we're the only G7 country that has a free trade agreement with each of the others.

For those reasons, I told my counterparts to think of Canada not as a country of 40 million people, but as a country that gives them preferential access to 1.5 billion consumers.

In a very uncertain world, Canada offers stability, predictability and the rule of law. These things are in great demand, as you know. You also know that they're in short supply. I was saying earlier to my Conservative colleague that, according to the CEOs of international groups, Canada is truly unique. For those who want to invest in mining, in energy, in electricity, in new AI technologies, in cybersecurity or in quantum computing, Canada is definitely a major player.

It's no coincidence that the Prime Minister of Canada has had a number of meetings over the past few months. In the last six months, we've signed a dozen or so strategic agreements on four continents. That gives us a sense of how interested other countries are in Canada.

Our goal is to double our overseas exports within 10 years, from \$300 billion a year to \$600 billion a year. Canada will always have a privileged trading relationship with our neighbour to the south. That said, we have a lot going for us to enable Canadian businesses to export and create economic growth at home.

• (1135)

The Chair: Thank you, Minister.

Thank you, Mr. Leitão.

Mr. Garon, you have the floor for two and a half minutes.

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

Good morning, Minister.

We've been seeing a lot of each other lately. You're like God. You're everywhere, but you perform slightly fewer miracles.

I would like to know more about the proposed stablecoin legislation. We know that the payment environment has evolved. We need stablecoins. We understand the importance of blockchain technology. We also understand the Prime Minister's caution and his need, as a former governor of a central bank, to fully understand these matters.

I would like to ask you two questions.

First, do you consider it to be a currency or a security? How will you operationalize this in future regulations?

Part of the answer probably lies in the fact that the legislation stipulates that there can be no return on these stablecoins.

Secondly, if there can be no return, because I imagine that would be a matter for the provinces, will we still be able to compete in this market, attract innovators and still have a competitive cryptocurrency, given these restrictions?

Hon. François-Philippe Champagne: That is a very good question, Mr. Garon. Thank you for your introduction. I am humbler than that, but I am pleased to be with you so often.

You are right, we considered that it would be a currency. So that is my answer to your first question. I think that this is widely accepted by our fellow finance ministers across the country. That is why we said that the Bank of Canada would have a supervisory role. All of our colleagues respect that institution.

There is a reason for that, as you mentioned. We had to act because there was a certain risk that these cryptocurrencies would ultimately be based on the U.S. dollar, at least in North America. Indeed, the United States has currently taken the lead in this area. It was therefore important to provide an alternative for those who want to use this type of currency.

Jean-Denis Garon: If I may, I would like to ask you another question. I don't have much time left.

These stablecoins are often backed by treasury bills rather than currencies.

Do you think this will significantly increase domestic demand for treasury bills?

Do you think that, in the short term, this could have an impact on the government's financing costs?

Hon. François-Philippe Champagne: I have not seen any studies that would support your claim.

Deputy Minister, would you like to add anything to that?

Nick Leswick: Thank you for the question.

[English]

The Chair: Be very quick.

Nick Leswick: I think that's both the threat and the opportunity. Is it a form of payment? Is it a form of money? To what extent does it draw demand for—

The Chair: Thank you, Mr. Leswick. I'm sorry. We will have to pause there.

Mr. Hallan, you have five minutes, please.

Jasraj Hallan: Thank you, Chair.

Minister, in 2022 you forced Chinese investors to divest from holdings in Canadian mining companies, using the national security review provisions in the Investment Canada Act. Now you're asking for unlimited, unquestioned powers to be able to exempt any company or individual. Not only would they be able to avoid, but you would give them free rein from the Conflict of Interest Act and the Investment Canada Act. Today Minister Hodgson, the energy minister, said that he won't rule out the possibility of Chinese state-owned firms buying majority stakes in Canada's oil patch.

If part 5 in division 5 gets passed, would that exempt Chinese state-owned companies from buying majority stakes and avoiding any type of conflict of interest or the Investment Canada Act, yes or no?

Hon. François-Philippe Champagne: I don't really follow your premise, because what you're referring to is the regulatory sandboxes, which are not—

Jasraj Hallan: The sandboxes have always been there, Minister. This act in itself is giving you, the Prime Minister and any other minister in the government unprecedented powers to bypass the Conflict of Interest Act and the Investment Canada Act for any company or individual that you guys would deem okay or as fit to purchase whatever they'd like in Canada—for instance, Chinese state-owned companies buying up majority stakes in our oil and gas patch. Those are unprecedented powers you're trying to grant yourselves.

Would that apply to Chinese state-owned companies?

• (1140)

Hon. François-Philippe Champagne: As I was trying to say, Madam Chair, I don't agree with the premise.

Let me read from the budget, just for the benefit of Canadians. It says that it provides the federal minister with the authority to enable regulatory sandboxes, to issue temporary and limited exemptions from legislative or regulatory requirements to allow for the testing of “a product, service, process [or] procedure”—

Jasraj Hallan: Actually, Minister, in the division—

Hon. François-Philippe Champagne: I'm just reading from the budget.

Jasraj Hallan: —it says this:

a minister may, by order, for a specified validity period of not more than three years and on any terms that the minister considers appropriate, exempt an entity from the application of

(a) a provision of an Act of Parliament, except the Criminal Code, if the minister is responsible for the Act;

In there, “an Act of Parliament” would include the Conflict of Interest Act and the Investment Canada Act.

This means the Prime Minister or you or any minister could exempt any company that they deem fit to avoid the Conflict of Interest Act. That's what I'm reading there. I've asked this multiple times, and you're not answering. That's very concerning, because “no”, basically, is what you're saying.

Hon. François-Philippe Champagne: Well, I'm answering, but you don't like the answer. That's very different.

Jasraj Hallan: I don't think Canadians like that answer. It's scary to know that you would have those types of powers.

Hon. François-Philippe Champagne: I think Canadians are able to see through that. This is about regulatory sandboxes that exist—

Jasraj Hallan: Minister, I'll move on.

Peter Fragiskatos: I have a point of order.

Look, I've held back, but we need to hear answers. We need to hear an exchange that is full.

The Chair: Thank you, Mr. Fragiskatos.

I would just ask all members to please be respectful of each other's time and to also think of the interpreters, who are trying to interpret.

Mr. Hallan, you continue to have the floor.

Jasraj Hallan: Minister, you've created a fourth bureaucracy, which is going to cost \$13 billion, for housing. Can you tell us how many new homes will be built this year—just the number?

Hon. François-Philippe Champagne: I would disagree with the premise. I would say that Build Canada Homes is a new tool in the tool box to build more affordable homes in Canada.

Jasraj Hallan: It's a fourth bureaucracy. How many homes will be built? I'm looking for just the number.

Hon. François-Philippe Champagne: As I said, the entity is being created. It's really going into a place in the market that's very much needed. It has been applauded by people who look at these things in a very serious way.

Jasraj Hallan: The PBO has said that this new bureaucracy, Build Canada Homes, will make or produce only 5,000 homes every year. Who was it, if you can remind me, who said during the campaign that they would build at speeds not seen since World War II?

Hon. François-Philippe Champagne: Again, I think you're trying to portray people who just started in a new organization.... They're ramping up quickly. They're going to crowd in private investment to really address a part of the market, which is that more affordable housing that is needed.

Jasraj Hallan: I'll just remind you that it was the Prime Minister who said that, Minister.

Do you remember what your campaign promise was? How many homes would you build per year? I just want the number.

Hon. François-Philippe Champagne: I was trying to answer the question you asked me about Build Canada Homes.

Jasraj Hallan: How many homes did you promise, in the election, that your government would build every year?

Hon. François-Philippe Champagne: What I was saying is that Build Canada Homes is a new entity.

Jasraj Hallan: It was 500,000, Minister.

According to your own housing agency, every year your numbers don't meet your target. This year, you won't meet your target. Last year, you didn't meet your target.

The Chair: Thank you, Mr. Hallan. That concludes your time.

We will continue with Mr. Sawatzky for five minutes.

Thank you.

Jake Sawatzky: Thank you, Madam Chair.

I'd like to touch on the personal support workers tax credit now.

Personal support workers play, of course, vital roles in our communities. It's important for us, as the government, to help them and support their work.

Bill C-15 lays out a five-year personal support workers tax credit.

Minister, could you explain how much these workers will be able to claim and how much this will benefit everyone in their communities?

Hon. François-Philippe Champagne: It's rare that I take the opportunity to speak on behalf of everyone, because it's not easy, but I think we all want to thank the personal support workers. I think we've seen the essential roles they play in our communities and in the lives of our family members, neighbours and friends.

I can say—because I have the floor now, uninterrupted—thank you to all of them who are watching today: Thank you for what you do. We hear you. We see you. We value the work you're doing. I think I speak on behalf of all members of Parliament. To those who are watching, I just want to say a big thank you.

You're right. We introduced a personal support workers tax credit that will provide up to \$1,100 per year to eligible personal support workers. This is very much welcome. It's a way to say we recognize their work. During the pandemic, I think everyone realized people like them—frontline workers, emergency personnel, etc.... Our society relies on these people to function.

Many times, maybe, we have taken for granted the extraordinary work they do for Canadians and communities across our nation. This is really a boost for them. A lot of members in this House have been with us on the journey to recognize their work, to say to them that we appreciate them, and to offer the support that they deserve for the very important role they play in our society.

• (1145)

Jake Sawatzky: Absolutely. Thank you, Minister.

I'll move on to a new topic. We're also very focused right now on fostering investment and innovation.

Budget 2025 is clear that Canada's long-term prosperity is dependent on increasing productivity and crowding in private investment, especially in strategic sectors. To boost productivity and attract investments, the budget also introduced a productivity superdeduction, which is a set of tax incentives that cover the new capital investment and allow businesses to write off a larger share of the cost investment, making it easier for businesses to invest and grow.

I'm personally very happy to hear just how competitive Canada will now be among all of the other countries. I think that's really important right now. We're already starting to see some of the outcomes of that, with investment into our country and deals with other countries as well.

I know it's an especially challenging time, given the threat of tariffs, so, Minister, could you explain how allowing businesses to immediately expense the cost of new machinery, technology and equipment will help accelerate capital investments? How will that improve investment certainty for firms that are planning on major, long-term, capital-intensive projects?

Hon. François-Philippe Champagne: First of all, let me say that this is a great question. That's why it's great to be sitting in Parliament with members like you, from a younger generation, who are joining the ranks and really looking forward. This is because a lot of the measures in this budget are about the future. They're

about young people. They're about people like you or those you represent. It's great.

The productivity superdeduction is a game-changer. For other members who have maybe been sitting here for a few more years, this has been the conundrum in Canada. I can think of the economists in the room. Increasing productivity in this country is something that the country has been trying to address for a number of decades. This is our effort to really change the course and to make capital investment a national priority to support businesses in investing more in plant equipment, machinery, technology, AI and robotics. We need to make sure that our industries are more productive.

You're right. In the world we live in, we have to take all the measures we can to make our businesses more productive, open new markets, remove bottlenecks, improve our trade corridors and put tools in the tool box to enable SMEs to invest.

Jake Sawatzky: Absolutely. I think it's very important to—

The Chair: That's great.

Thank you, Mr. Sawatzky.

[*Translation*]

Mr. Lefebvre, you have the floor for five minutes.

Eric Lefebvre: Thank you very much, Madam Chair.

Minister, on page 96 of the 2025 budget, it says: “The government recognises the role temporary foreign workers play in some sectors of the economy and in some parts of the country. To that end, the 2026-2028 Immigration Levels Plan will consider industries and sectors impacted by tariffs and the unique needs of rural and remote communities.”

My constituency is located in one of the regions of Quebec where the unemployment rate is low.

Can you explain this quote from the budget?

Hon. François-Philippe Champagne: Thank you for the question.

Mr. Lefebvre, thank you for the work you are doing.

Basically, we have aligned temporary and permanent immigration levels with our capacity to accommodate newcomers. I have always said that we need to bring this down to a more sustainable level in the long term.

We have seen this in Quebec in particular, and perhaps more so in metropolitan areas or large cities than in rural areas. This refers to the capacity to accommodate people in terms of housing, schools and hospitals.

When we admit people into our country, we have a responsibility to ensure that they can find adequate housing and send their children to school. If they ever need health services, we must have the capacity to provide them. That's the general idea.

• (1150)

Eric Lefebvre: I agree with you, Minister. However, it says: "... will take into account the industries and sectors affected by customs duties as well as the specific needs of rural communities..."

What do you mean by that?

In large cities, we have hit a wall in terms of accommodation, housing and schools.

What is your response to businesses?

Hon. François-Philippe Champagne: We are certainly very aware of the reality, as you said, and I thank you for pointing that out. The urban reality and the rural reality are different when it comes to immigration. As you know, my constituency is larger than Belgium. You are speaking to someone who understands this reality.

The budget states that we will take this reality into account. We want to attract talent to the regions in certain trades, for example. This must be taken into account when developing policy. That is exactly what we asked the minister to do, namely, to take this regional reality into account.

Basically, you are referring to a difference between urban and rural areas that exists throughout the country. That is a reality. I am thinking in particular of the need for welders. You probably face this challenge in your region, as is the case in mine. We need to be able to—

Eric Lefebvre: Minister, allow me to interrupt you, because my speaking time is limited.

Let me give you a specific example.

In my riding, welders have been working for a trailer manufacturer for years. Their wives are integrated into the community, and their children go to school. They contribute to the economy, to the economic development of this company, to the economy of Quebec and to that of Canada.

Are you for or against a grandfather clause for these people?

Hon. François-Philippe Champagne: You are right to mention that. I have also seen this kind of situation. People with temporary worker status have been with us for years. Their children, who arrived when they were very young, are now in high school.

We are, of course, working with the minister to look at the specific cases of these people who, as you say, are truly integrated into their communities, both yours and mine.

It was to a degree with this in mind that we developed the budget. In other words, we need to consider measures for these people who were technically called temporary workers, but who, as you say, have already been in the communities for—

Eric Lefebvre: Excuse me, Minister.

Since these people contribute to economic development and are integrated into communities, are you in favour of introducing a grandfather clause?

Hon. François-Philippe Champagne: As I said, this is something we are taking into account. That is why the budget mentions that we are aware of the reality of the various regions, which differ from one another. There is also the issue of workers who have temporary status but who have been with us for quite some time.

Eric Lefebvre: Minister, you are a seasoned politician. Are you for or against a grandfather clause?

Hon. François-Philippe Champagne: I know you would like me to give you a black-and-white answer. In the budget, what we are saying is that we are opening the door and that we want to take this reality into account. We have set ourselves the goal of bringing this back to reasonable levels, while taking into account the reality of rural and urban areas.

Eric Lefebvre: Minister, I would now like to move on to another topic.

Earlier, I quoted Mr. Leitão. I will now quote you, Minister.

On September 2, 2025, you said: "The service delays and access difficulties Canadians are experiencing at call centres are unacceptable." We are talking here about delays at the Canada Revenue Agency, or CRA.

What has been done since then?

The Chair: I'm sorry, Mr. Lefebvre, but your speaking time is up.

[English]

We will continue now with Mr. MacDonald for five minutes.

Kent MacDonald: Thank you, Chair.

Minister, I'm going to get back on the infrastructure stream in budget 2025. In budget 2025, for the first time, we've announced \$5 billion dedicated to health care infrastructure. I know smaller provinces like P.E.I. are challenged with delivering health care at the same standard as the rest of Canada. Doctor recruiting, health care worker recruiting and retention are real factors because, in a lot of cases, these people have lots of opportunities to go to work wherever they choose. When you have aged and older infrastructure and facilities, it's hard to attract them to rural Canada and rural P.E.I.

I'm optimistic. In my Cardigan riding there's Kings County Memorial Hospital. The provincial government has dedicated some funds to that. What is the process for the provincial government? How is this stream going to work? Are those details ready to release yet? Can you update me on that?

• (1155)

Hon. François-Philippe Champagne: First of all, I just want to say it's a great question. I'm happy that you focus on that, because this is new.

For Canadians watching at home, the chair would know that the federal government, to my knowledge at least, has never been involved in health infrastructure in this country, and Mr. Garon and others would be happy to say we have responded to a request by the provinces. The provinces were saying, we're facing aging infrastructure. Can you give us a hand? We say we're happy to do our part, because we understand this is about meeting Canadians where they are. It's the same thing with groceries and rent in a sense.

Some people, when they visited these facilities, asked, can we do more to modernize, to upgrade? This is a great way for us to partner with provinces and territories and say, let's upgrade some of these facilities. It matters a lot when you're in a province like Prince Edward Island, as you said, because some of these facilities have been aging. The fiscal constraint of the province is limited sometimes. You'd be happy now.

Premier Moe will be happy that I'm referring to him, because I was with him yesterday. Premier Moe, from Saskatchewan, was in my office trying to see projects like that on the health side. This is a new fund of \$5 billion that has been dedicated. There's an open invitation for premiers to come see me and look at what's on the table, with Minister Robertson, who has that as part of the infrastructure portfolio.

If there was one thing we did in the budget, based on my conversations with ministers of finance across the nation, this is one about which they say the federal government understood the pressure they were facing and responded presently. We're happy to do our part.

This is new. For every Canadian, the federal government has never been, as you would know, in health infrastructure. Considering the needs across the nation, we decided to allocate funding to support provinces in refurbishing, upgrading and renovating some of these facilities across the country.

Kent MacDonald: I'm going to pivot into another category.

I've heard a lot of debate in the last two or three months over the price of food. The opposition talks about the need to remove the industrial carbon tax, the need to take the regulations off fuel. Their theory is that this is going to somehow magically lower grocery store prices. The one thing I will agree with the opposition on is that competition at the grocery stores is important. I think we took measures this week to help in that way.

You quote your mother sometimes. I'm going to quote my father. I grew up on a farm. We had good potato prices when someone else had poor crops. Supply and demand, to simplify it, controls a lot of what happens at the grocery store. I want you to comment on that statement. Do you agree with it?

Hon. François-Philippe Champagne: I'm happy you quote your dad, just as I quote my mom. I don't know if she's watching today. You're right. You're basically saying there's no magic bullet, and Canadians understand that.

We need to increase food security. I want to applaud you, your father and your family, because people like you are the ones who feed the nation. What we announced in Bill C-19 was support for people like you and your family. We're asking how we can grow, how we can have a more resilient supply chain. I know it doesn't fit

the narrative of the Conservatives, but those are facts. When you import 30% of your produce, going to 80% in winter, you're subject to currency fluctuation, climate change events, droughts and supply and demand, because you don't produce domestically. It's the same thing with respect to livestock, when it comes to beef, poultry and pork. We just need to have more in the country.

The Chair: I apologize, but that concludes the time. I'm sorry.

[*Translation*]

Mr. Garon, you have the floor.

Jean-Denis Garon: Thank you, Madam Chair.

I would like to ask the minister to provide us with written details on what has been done and on the performance evaluation criteria for service delays at the CRA. I think this would be beneficial to the committee.

Before asking my question, Minister, I would like to make an important observation.

As you know, the budget affects people in their daily lives. Sometimes there are unintended consequences. Public libraries in Quebec are concerned because section 2 of the bill exempts Canada Post from the requirement to have its rate changes approved by the cabinet. You are probably not aware of this.

We are told that Quebec libraries are concerned because this will likely affect the preferential rates they have obtained, among other things, to send books to people with visual impairments. These people need Braille books, for example.

I don't necessarily want us to have a debate on this, but could you follow up on what can be done? I think Quebecers would be grateful to you.

I will now turn to the issue of the clean technology investment tax credit, particularly with regard to clean electricity.

This tax credit includes the use of small modular nuclear reactors. Officials told us this when they came to testify. As you know, producing oil from tar sands requires energy for the filtering process. It is a heavy industrial process. We are told that this tax credit will, in fact, be available to the people who produce the most polluting oil in the world.

In your opinion, is it clean electricity when electricity is produced to obtain the most polluting oil in the world?

How much will this tax credit cost exactly for oil companies that will use nuclear power plants?

• (1200)

Hon. François-Philippe Champagne: First, with regard to your first question about libraries, we will confirm this with the department before providing you with an answer. As you said, there are several measures in the budget.

From memory, I believe we have protected that in the implementation. You mentioned the Canada Post exemption, but I believe there are specific measures in place to maintain the status quo in that regard.

Jean-Denis Garon: Would it be possible for you to follow up on this? We would be grateful.

Hon. François-Philippe Champagne: Yes, we will do that.

I was telling you that from memory to be sure I could answer your question.

Jean-Denis Garon: What about oil, in 20 seconds?

Hon. François-Philippe Champagne: You asked me about the cost of the electricity tax credit. I can tell you that in 2026–2027—

Jean-Denis Garon: No, I was referring more to the tax credit granted to oil companies that use nuclear power plants.

Can you also provide us with specific information on this? What does the department have planned?

Hon. François-Philippe Champagne: We are always willing to look into this. However, I am not sure we have enough details. We will certainly try to see what we can do to answer your question.

Jean-Denis Garon: We have confidence in you. We know you will be able to do it.

Hon. François-Philippe Champagne: Thank you.

The Chair: Thank you, Mr. Garon.

[English]

We will continue now with Ms. Cobena for five minutes, please.

Sandra Cobena: Minister, as you know, you changed the definitions of operating expenses and capital investments in the budget. The Parliamentary Budget Officer has done an in-depth analysis of this. Of course, many Canadians are very concerned with this new definition. The budget itself—your budget, actually—shows how the provinces don't do it; Singapore doesn't do it. Nor do the U.K. and others. The PBO has called for an independent expert body to police the numbers because of concerns around this new definition. Have you considered appointing an independent expert body?

Hon. François-Philippe Champagne: We always listen to the comments of the Parliamentary Budget Officer. You're right. Our capital budgeting process has attracted a lot of attention. I can tell you that there are many jurisdictions that are looking at the Canadian definition and, I would say, like it. Therefore, I would look more at other international bodies to comment on what Canada is doing.

By the way, it doesn't change; it's an addition. The deficit is the deficit. In whatever column you put it, it doesn't change the calculation.

Sandra Cobena: I'm sorry. Can you just focus on the question itself? Will you be appointing an independent expert body?

Hon. François-Philippe Champagne: It's not part of our plan now, I can tell you, because what we're doing is in addition to what was presented. It doesn't change in any way the Public Accounts of Canada. As I said, it's an addition. If anyone doesn't like the presentation, they can just look at the bottom line, and they'll see that the deficit is the deficit.

Sandra Cobena: When you actually, in fact, use the definition outlined by public accounts, there is a misrepresentation of \$94 billion. It is a big number, which is why the PBO requested an independent body to police the numbers. Would you consider that to ensure that there is transparency and fiscal integrity in the numbers?

Hon. François-Philippe Champagne: Well, there is certainly integrity, because it doesn't change the number. You are talking about the presentation, and I would say it is in addition to what existed, so people can still see, from year to year, the evolution of the numbers.

What we tried was more transparent, and the IMF even commented on it and complimented Canada for the work we have been doing compared to other G7 countries.

• (1205)

Sandra Cobena: Minister, I don't want to focus on the IMF, but the IMF itself also said, "The definition of capital spending remains broad".

Just to get back to the definition of tax credit subsidies, corporate welfare would be considered a capital investment. Obviously, that's not the case. One example is that the country is going to be spending on security for FIFA. That would be a capital investment. There will be no capital formation, so you can understand the concern around that. Why refuse the independent expert body?

Hon. François-Philippe Champagne: It's a way to present the numbers, but it's in addition to what already exists. It doesn't change, in any form, the public accounts of Canada. It's an addition. It's a way of presenting it. The deficit numbers are deficit numbers.

Sandra Cobena: The answer is no, then. You won't be appointing them.

Hon. François-Philippe Champagne: That's not part of our current plans.

Sandra Cobena: Okay.

Some of my constituents had some questions. They obviously don't have access to you, so if I may, I will ask some of their questions.

My constituent Lorna has a question for you. She wants me to kindly ask you, the finance minister, to look her grandchildren and her children in the eye, explain why you're racking up debt in Canada and tell them how much debt they will inherit.

Hon. François-Philippe Champagne: Thank you.

I want to thank her, and if I have the chance to go to your riding, I'd like to go knock on her door and provide the answer to her in person.

I would say that she should see the budget as an investment in her children. By growing the economy—

Sandra Cobena: The question was, how much will the debt be?

Hon. François-Philippe Champagne: That's what I was saying. Because we are growing the economy, her children will be better off.

Sandra Cobena: The economy is under a recession watch, though. For two out of the last three quarters, GDP has been contracting. How much will the debt be?

Hon. François-Philippe Champagne: That's what I was trying to explain. This is a moment when you need to invest to grow the economy. It's not a time to look down—

Sandra Cobena: Just the number....

Hon. François-Philippe Champagne: I have to explain the framework, so I'm saying that we invest so that we can have—

Sandra Cobena: It's okay. I don't have a lot of time.

Another constituent, Laurie, wants me to tell you that she is one of the millions of working poor, just above the line to receive the benefits. When is there going to be some kind of benefit coming her way?

Hon. François-Philippe Champagne: I would say that Bill C-19 is probably the answer—the Canadian groceries and essential benefits—

Sandra Cobena: She's above the limit.

Hon. François-Philippe Champagne: I would say that she would have benefited from the tax cut. That's what I would respond to her, and I hope I can go knock on her door with you.

The Chair: Thank you very much, Minister.

Thank you, Ms. Cobena.

We will continue now with Mr. Sawatzky for five minutes.

Jake Sawatzky: Thank you, Madam Chair.

We have come to the topic of affordability, which plays into competition among sectors. However, to ensure that there's competition, we also need to help small and medium-sized businesses and encourage their growth, so that people will have different options when it comes to buying things.

In my riding of New Westminster—Burnaby—Maillardville, there are lots of SMEs. They're really the backbone of Canada's economy. They're a major source of productivity and growth.

We saw major disruptions during the COVID-19 pandemic, and that has had long-lasting effects on SMEs. Think about shutting down for over a year and the effects it would have on your employees and the ability to stay afloat. Now is an especially important time to make sure we're supporting these SMEs.

How will measures in the budget implementation act reduce barriers and create better conditions for SMEs to grow, innovate and compete in today's economy?

Hon. François-Philippe Champagne: That's a very good question, and thank you again for your focus on small and medium-sized businesses, because every member of Parliament obviously has SMEs in their riding. We know they're the backbone of the Canadian economy.

Let's be honest: If you're a small or medium-sized business just coming out of COVID and you're now dealing with the whole tariff situation and the change in the supply chain, it's been tough. That's why I'm saying the speed, scope and scale of change are quite unprecedented. These things particularly affect small and medium-sized businesses across the country.

I would point out the reform we did on the SR and ED tax credit to make it more predictable. What we heard from small and medium-sized businesses is that this was too cumbersome, because the audit would take years and there was no predictability in how much they would receive. That's why we went to the private sector and asked how we could reform that: "If you had a blank sheet of paper, what would you do?" They came back, and we implemented the recommendations they made. Now you can pre-apply for the credit. If you stay within the parameters, you have the predictability you need. There is no need for a long audit and or to wait for years to know how much you're going to receive.

This has been applauded. This is one of them.

The other one is the productivity superdeduction. That is really giving a hand to small and medium-sized businesses that, in the context of this uncertainty and the tariffs, may want to invest in plant equipment, machinery, technology, robots, automation, AI. This is the kind of boost they need, because that goes to their cash flow. That's the kind of need.

The other thing I would mention, if I have time, Madam Chair, is the buy Canadian policy. What businesses want is not a grant and it's not a loan: They want a customer. We at the federal level—and provincial, municipal, corporate Canada—have been talking to CEOs. We all need to do that, because that's the best way. What they want is a customer, and sometimes to be the first customer, so they can go abroad and say, "Well, my own government believes in my product, my services."

That's why, for me, this is a game-changer, in addition to removing the interprovincial barriers, as we've seen recently. That could give a boost of north of \$200 billion. If you're in P.E.I. and you want to sell in Alberta, Quebec or New Brunswick, removing these barriers is essential to our economic growth.

Those are the kinds of things that we've been focusing on to make sure that SMEs in the country can succeed.

• (1210)

Jake Sawatzky: Thank you, Minister. Those are certainly some very concrete actions.

You mentioned having the timeline to make sure that the SR and ED credits can come in as quickly as possible. Of course, when you have employees to pay, sometimes an extra week can really make a difference, I'm sure.

I'll bring the conversation over to trade diversification, an essential thing for protecting Canadian jobs, particularly when we're looking at rising protectionism around the world. This budget includes new export financing tools, trade corridor investments and market expansion supports to help Canadian businesses access the Indo-Pacific and European markets and other emerging markets.

Could you tell us how this legislation is going to help Canadian exporters take advantage of new markets and strengthen Canada's trade diversification strategy?

The Chair: That's in 10 seconds.

Hon. François-Philippe Champagne: The national trade corridors will be helping to have more fluidity to bring our products to market.

Jake Sawatzky: Thank you.

The Chair: Thank you very much, Mr. Sawatzky.

Go ahead, Mr. Kelly, for five minutes, please.

Pat Kelly: Minister, you've had a lot of time, I think, to prepare for this meeting.

There's a question that I have asked you repeatedly at committee of the whole and at your budget appearance here. It's a question that you never answer. I'm hoping that you've been well briefed and have maybe consulted your officials, and that today is the day that you will answer the question and tell Canadians in what year you will balance the budget.

Hon. François-Philippe Champagne: It's like you don't like my answers. It's not that the question is wrong. You just don't like the answer.

That's why I say that I think Canadians who are watching at home understand that we are in unprecedented times. As the International Monetary Fund said, you need to use that fiscal capacity to build in this country, protect our nation and empower Canadians.

Pat Kelly: That wasn't an answer to my question. The answer to my question would necessitate a date or a year.

The question is, in what year will you balance the budget?

Hon. François-Philippe Champagne: As I said, I'm afraid you just don't like the answer, so you might want to change the question.

Pat Kelly: No. You're a minister. You're here to answer questions. I've asked a question, and you're not answering it. You must have an answer: Your department is full of officials who go through all kinds of modelling and projecting. Your budget contains projections, but it doesn't go far enough out, maybe, to get to the year when the budget will be balanced. What year do your department officials tell you the budget will be balanced?

Hon. François-Philippe Champagne: Well, let me put that in context. You might not like the answer anyway, but we live in, probably, the most uncertain time in the world. That's why you see, in G7 countries, that the reality now is that those who have the fiscal capacity are building their country, protecting their sovereignty, empowering their people. That's the best way for Canadians to grow our economy.

Pat Kelly: Since you aren't answering it—you're giving a response that isn't an answer—am I to infer that there is no possibility, under your government, of ever balancing the budget?

• (1215)

Hon. François-Philippe Champagne: As I said, I refer you to.... You can look at the fiscal framework. It's in the budget. We're living in a very uncertain time, and I'm a responsible finance minister. When you're responsible, you base your answer on facts and on the reality of the moment.

Pat Kelly: Would a responsible finance minister answer a basic financial question?

Hon. François-Philippe Champagne: As I said, you've been asking the same questions, and you still don't like the answer.

Pat Kelly: No, you have never answered my question.

Hon. François-Philippe Champagne: Well, it's that you don't like it. Change the question and you may like the answer.

Pat Kelly: No. Your parliamentary immunity allows you to do this. For a regular witness, this would actually be contempt of Parliament.

Hon. François-Philippe Champagne: Well, that's your opinion.

Pat Kelly: No, it's a fact. Witnesses have to answer questions.

Hon. François-Philippe Champagne: Well, I'm a lawyer, and that's your opinion. As I said, I'm providing an answer. You just don't like it, but Canadians understand. You can play that game all day long, but that's okay with me. I'm a lawyer. That's fine. Ask the question again.

Pat Kelly: In what year will you balance the budget?

Hon. François-Philippe Champagne: I'll say to you again, we live in the most uncertain time, and this is a time when you need to be fiscally prudent and use your fiscal capacity to invest in Canada.

Pat Kelly: On fiscal prudence, you have made commitments in the past about what the deficit would be. During the election, I believe, you promised it wouldn't exceed its present level. It has doubled. The budget deficit that you tabled was double the last budget's deficit. Will next year be lower or higher than this year? Will you meet the projection? Can you give us anything?

Hon. François-Philippe Champagne: Have you seen what happened in the last few months?

Pat Kelly: Yes, I've been here for 10 years, and every single finance minister, including all of your predecessors, has come here to this committee and made commitments that they never fulfilled, so it goes to credibility.

Canadians are watching, and they want to have confidence in their officials, but refusing to answer questions and to adhere to fiscal anchors and guardrails that you set for yourself and perpetually change erodes confidence in officials, because it means that Canadians don't know whether they can trust your words.

Can you give Canadians a plain answer about whether or not there is any plan to ever balance the budget?

Hon. François-Philippe Champagne: That's your personal opinion. I'd use humility, because if you look at the rating agencies and others, and the economists of the country, they understand where we're going. Even former Prime Minister Harper, whom you should listen to, in uncertain times—

Pat Kelly: Mr. Harper balanced the budget.

Hon. François-Philippe Champagne: —used the fiscal capacity, at a time of crisis, to protect Canada. That's what I'm doing.

The Chair: Thank you, Minister.

Thank you, Mr. Kelly.

We continue with Mr. MacDonald for five minutes now.

Kent MacDonald: Thanks again, Minister.

Atlantic Canada is having some electricity challenges, and it's been a result of, again, aging infrastructure and transmission lines that will not carry enough transmission for all the maritime provinces. The Prime Minister has been clear, in budget 2025, that he's interested in creating a clean electricity corridor across the country and doubling the supply of electricity that will be available. I wonder whether you could comment on that, speak to how that will take place. I know the clean electricity tax credit is going to incentivize the private sector to invest. We see Wind West as one of the named projects. In Atlantic Canada, it will be a combination of different proponents generating electricity to meet the needs of the day.

Hon. François-Philippe Champagne: There are great projects in energy generation and transmission in Atlantic Canada. I've been speaking to a number of premiers, and they understand that we just need to go on with these projects because they're going to be game-changers for the whole region.

There are a lot of opportunities in Atlantic Canada. You mentioned a few of them. I know there are other projects being considered, because it is very clear that energy is a proxy for growth in many ways. If you want to track investment and if you want to grow the economy, energy generation is fundamental to achieving that.

Therefore, I think what you've been doing, what the premiers have been doing and what we put in the budget.... If you look at the clean economy tax credits, I would say that Canada is by far the one on top of the list in the G7 when it comes to the clean electricity tax credit and clean energy generation tax credit. This is just another proof point that we understand where the ball is going. You want to be in this electricity stack. You want to produce the elec-

trons in order to capitalize on the monetization of what they call the electricity stack in the digital economy of the future. You want to be able to attract the investments that will monetize, for example, what you see in AI and what you see in quantum.

It is a very smart way, in Atlantic Canada, to generate growth for future generations.

• (1220)

Kent MacDonald: One of the other factors that have been identified is our trade diversification goals and reducing our reliance on our U.S. partner. I talk a lot to agricultural producers across the country—west, east and central. What they tell me is that the port infrastructure has to be expanded. I know budget 2025 mentions port infrastructure.

In Atlantic Canada, we have Halifax and Saint John. Some of the caucus met the other morning with the CEOs. They have a path forward. What's the role of government to help this port expansion?

Hon. François-Philippe Champagne: The port expansion is key. We have some projects in Atlantic Canada. We have some in Quebec. Contrecoeur, as you know, will expand capacity by 60%. We just need to do that.

We've been talking to some of the largest port operators and marine operators as well. They really like Canada. Honestly, in this world, Canada really stands out. They're looking at inland ports. They're looking at the expansion of ports. I can think of Prince Rupert. We can think also of the port of Vancouver. In Halifax, there are other opportunities, as you know. In Newfoundland and Labrador, I was just with the premier.

It's just that Canada is really the place where people are looking to invest and deploy capital. That's really the signal we got from sovereign wealth funds around the world. They say they're willing to partner with proponents in the country. That's why I believe in Canada. I'm confident.

There's a bit of headwind, but we have everything to succeed as a nation, because our people are resilient. Our economy is more resilient than we expected, and with the investments that we have put in budget 2025, we have a road map from 2023 to succeed as a nation.

The Chair: You have 30 seconds left.

Kent MacDonald: I have a quick comment on defence. As we roll out defence investments, obviously all of us who are MPs are trying to identify opportunities in our own particular areas and ridings. I've identified an opportunity. I've identified that we could do it in a dual-purpose way. It could be infrastructure invested that would help with trade diversification, but it would also help the defence file.

Is that what you're running into across the country—that we're getting—

The Chair: Thank you, Mr. MacDonald. We're going to have to end it there.

[Translation]

Mr. Garon, you have the floor for two and a half minutes.

Jean-Denis Garon: Thank you, Madam Chair.

Minister, you abolished the digital services tax to facilitate trade negotiations with the United States.

Did Donald Trump send you a Christmas card?

Hon. François-Philippe Champagne: No.

Jean-Denis Garon: Did he send one to the Prime Minister?

Hon. François-Philippe Champagne: I don't know what he gets in his mailbox.

Jean-Denis Garon: By doing this, the government has deprived itself of revenue for the next five years. How much is this revenue?

Hon. François-Philippe Champagne: You know, when you undertake negotiations—

Jean-Denis Garon: I'm just asking you for a figure. What I'm asking you for is quantitative. I just want to know how much revenue we're losing out on, rather than getting into all that oratory.

Hon. François-Philippe Champagne: We need to provide context so that people understand.

Jean-Denis Garon: I want to see the figures. How much is this income in Canadian dollars, in local currency?

Hon. François-Philippe Champagne: I have them, but I still want to give you some context. In a complex negotiation like this one—

Jean-Denis Garon: Minister, this is what bothers me. You're wasting time. My question—

Hon. François-Philippe Champagne: We need to provide some context.

Jean-Denis Garon: No, tell me how much money you're giving up. I'd be happy to hear it. It's Thursday.

Hon. François-Philippe Champagne: I do want to make you happy.

Jean-Denis Garon: So give me a figure.

Hon. François-Philippe Champagne: Give me a minute, and I will get back to you on that.

Oh yes, listen—

Jean-Denis Garon: I am a patient man, Minister. You know me, I am patient.

Hon. François-Philippe Champagne: You're going to find this takes a while. Just give me a minute.

Unless the deputy minister has the figure to hand, I can give it to you. Otherwise, I'll give you the answer later.

Jean-Denis Garon: I may know what it could look like.

• (1225)

Hon. François-Philippe Champagne: If you know—

Jean-Denis Garon: I am always here to help you, Minister.

Hon. François-Philippe Champagne: I'm glad you are.

I know you are a renowned economist.

Jean-Denis Garon: It's like in *Indiana Jones*; I wear my heart on my sleeve, Minister.

Hon. François-Philippe Champagne: Your heart on your sleeve.... I don't know about that.

Jean-Denis Garon: It's \$7.2 billion. You gave that up. We understand the context. I didn't want us to argue about it. We disagree, we understand the context and we know what you're going to say. We agree on that.

You know there is a crisis in the media. During the election campaign, you offered \$150 million to CBC/Radio-Canada. We weren't against that idea, but you know there is a major crisis in the private media, which is the heartbeat of our democracy.

I would like to know why there is nothing for them in the budget. Why aren't you more generous? Why aren't you extending the funds to newsrooms so that they apply to traditional media?

When you think about the next budget, do you have measures in mind to support our private media, our regional media or private television, so that the heart of democracy continues to beat?

Hon. François-Philippe Champagne: Yes, measures are already in place, and you are correct.

Jean-Denis Garon: I want to know what the next measures will be.

Hon. François-Philippe Champagne: This is something we have in mind. You've seen, for instance, that additional funds have been allocated to CBC/Radio-Canada to help them.

Jean-Denis Garon: I am talking about the others, the private media.

Hon. François-Philippe Champagne: There are also certain initiatives. People have come to us with good ideas, which we are currently considering.

Jean-Denis Garon: Can you give me an example of a good idea?

The Chair: Thank you, Mr. Garon and Minister. Your speaking time is up.

[*English*]

We have only about five minutes left for this committee.

Given that we have two more speakers, I'll split the time in half, with two and a half minutes each.

With that, Mr. Hallan, please proceed.

Jasraj Hallan: Minister, in 2023, you said that you would stabilize grocery prices. Ever since that date, when you promised that to Canadians, food inflation has more than doubled. In fact, Canada now has the highest food inflation in the entire G7. Food bank usage has more than doubled, and we're seeing 2.2 million Canadians having to use one each month, including at least 700,000 children.

Knowing all this, knowing the pain and suffering that your government has caused Canadians, why wasn't there a single thing in the BIA to lower grocery prices?

Hon. François-Philippe Champagne: You would have seen Bill C-19. I just appeared this week on that, and I think your party supported it.

Jasraj Hallan: Minister, Bill C-19 came after the budget, and if it was that important to you, why was it not in the budget?

Hon. François-Philippe Champagne: As I said, this is something you supported, so I think that you recognize that this was important for Canadians.

Jasraj Hallan: By the way, Minister, Bill C-19 has almost passed now, and we helped it. Yes, it's a rebate.

Can you tell us how much grocery prices will go down after it's implemented?

Hon. François-Philippe Champagne: You know very well how complex that situation is, and Canadians understand this. There's no gain politically for you to go in that direction. Canadians understand that it's complex and that we're offering support.

Jasraj Hallan: Canadians who are going to grocery stores are frustrated because your government policies have raised grocery prices. That's why we have the highest food inflation in the G7.

Your government also committed to 500,000 homes a year. Your own housing agency says that you're not even meeting half of that target. Can you tell us in what year you'll reach 500,000 homes?

Hon. François-Philippe Champagne: Honestly, I don't think there are any political points for you to score talking about groceries and shelter. This is something we should all come together on. You supported it, and you should stand by that.

Jasraj Hallan: You said that it would be in the budget, but it wasn't. It became a political issue for you guys. The 2.2 million Canadians going to food banks weren't enough for you. Sometimes it makes me wonder if you guys are all like the Prime Minister, and none of you do your own grocery shopping. Do you not see the prices at the grocery store? Canadians are suffering under you, and 2.2 million Canadians a month are going to food banks. You've doubled food bank usage.

Hon. François-Philippe Champagne: That's why I think you should adhere to the words of your leader. I'm just quoting the letter from your leader of January 24—

Jasraj Hallan: Your leader said to judge him by the cost of groceries at the grocery store.

Hon. François-Philippe Champagne: That's not what he said in the January 24 letter. I have it in front of me. He said, "If you have other ideas that make food affordable, we will fast-track them."

I think you should stand by what your leader said.

Jasraj Hallan: What have you done to make food more affordable? Name one thing. Name one.

Hon. François-Philippe Champagne: I did not hear your question.

The Chair: Thank you, Mr. Hallan.

We will conclude now with two and a half minutes from Mr. Leitão.

[Translation]

Carlos Leitão: Before asking you a question, I would just like to make two brief comments.

During our meeting, we talked a lot about pipelines.

I would just like to remind our colleagues that the memorandum of understanding with Alberta was extremely well received by the Alberta government and the oil industry. I think our friends across the floor who are trying to scare people should check this with their colleagues in Alberta.

Furthermore, with regard to taxation, the integrity of the tax system and Canada's debt, I think we always have to look at the size of the economy and the government's ability to manage that debt, and this debt is manageable.

Minister, I don't really have any questions for you, but I would like to give you the remaining minute and a half in case you would like to make any final comments to the committee.

• (1230)

Hon. François-Philippe Champagne: Thank you, Mr. Leitão.

I would like to take this opportunity to thank my colleagues from the Bloc Québécois and the Conservative Party who are here today.

I think Canadians understand that Canada must move forward. If there is one message to take away today—and this was certainly the Prime Minister's message when he said that we are at a critical moment in history—it is that now is the time for us to work together. I think these words were also echoed recently by former prime minister Stephen Harper.

I invite everyone to rise above politics and truly work in the national interest. At a time like this, we must build our country, protect our sovereignty, ensure Canadians have the services they need, and grow the Canadian economy. For my part, I believe in Canada, and I believe in the potential of Canadians.

The plan we presented in the 2025 budget is a timely plan for growth. It is an investment plan. It is also the kind of measure that will enable families, workers, our seniors and our youth to prosper in uncertain economic times. That said, I believe that each and every one of us believes in Canada's future.

Thank you, Madam Chair. Thank you to my colleagues.

The Chair: Thank you, Minister.

On behalf of the committee, I would like to thank you for joining us today for two very productive hours. You have been here for three hours this week. Thank you.

I will now conclude by first taking the time to thank Mr. Leswick and reminding him that he promised the committee he would provide it with written information. We will thus be waiting for this from the Department of Finance.

In addition, I would also like to remind committee members that when officials from the Department of Finance appeared before us, they promised to provide us with written information on several topics, and the committee is still awaiting this information. I will leave that to you.

[*English*]

Before we conclude, colleagues, I want to give you a bit of a preview for Monday. We'll soon be sending out an official notice of meeting.

We likely will be meeting for four hours again on Monday. We will be hearing from Minister Miller, the Minister of Canadian Identity and Culture, as well as the CRTC, Minister Fraser, the Minister of Justice, and justice officials.

Monsieur Garon, did you have something?

[*Translation*]

Jean-Denis Garon: I would just like to make one comment, Madam Chair.

I think it is important that we talk about this, because we are going to have a lot of meetings.

Personally, I am very sensitive to the work of interpreters. You know, it's kind of in our DNA, in the Bloc Québécois. We know that it is difficult for interpreters when we speak at the same time as

others, because there is sometimes emotion involved, because ministers do not answer our questions or because we feel that they are not answering them.

However, I have noticed that, for some time now, points of order have often been raised to somewhat undermine the privilege of members to ask questions of the minister. You know that—I don't want to drag this out—we sometimes have no choice but to interrupt the minister. Ministers know they have six minutes. They play their game, they stretch out their speaking time. That's fine, it's kind of their job to do that, but it's up to us to rectify things.

I would perhaps invite the parliamentary secretary, on the other side of the table, to trust us to manage our time and to recognize that sometimes situations can arise that are a little more inconvenient for the minister or for the interpreters. We will try to keep their number in check, but perhaps we should be allowed to manage our speaking time and stop raising points of order for reasons that are not actually in the Standing Orders.

The Chair: Thank you, Mr. Garon.

On that note, if there are no objections, the meeting is adjourned.

Have a good weekend.

Thank you.

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