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# Standing Committee on Finance

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Chair: Karina Gould





## Standing Committee on Finance

Thursday, June 4, 2026

• (0820)

[English]

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

Welcome to meeting number 44 of the House of Commons Standing Committee on Finance. Today's meeting is taking place in a hybrid format pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

Before we begin, I would like to remind participants of the following points. Before speaking, please wait until I recognize you by name. For those participating via video conference, click on the microphone icon to activate your mic and please mute yourself when you are not speaking.

I would like to remind witnesses that committee members may ask questions in English or in French. If you need interpretation, please put your earpiece on and select the appropriate channel so that we can use the time allocated to us. I will remind you that all comments should be addressed through the chair.

Pursuant to the order of reference of Tuesday, May 26, 2026, and the motion adopted by the committee on Thursday, May 7, 2026, the committee resumes its consideration of Bill C-30, an act to implement certain provisions of the spring economic update tabled in Parliament on April 28, 2026.

I would now like to take a moment to welcome our witnesses. From the Canadian Federation of Independent Business, we have Jasmin Guénette, vice-president, national affairs. From the Intentional Community Consortium, we have Gary Gladstone, chair. From the International Union of Operating Engineers, we have Steven Schumann, Canadian government affairs director.

With that, you will each have five minutes for opening remarks.

We will begin with you, Mr. Guénette.

**Jasmin Guénette (Vice-President, National Affairs, Canadian Federation of Independent Business):** Thank you.

Good morning, Chair, and members of the committee.

[Translation]

Thank you for kindly inviting me to participate in today's meeting.

The Canadian Federation of Independent Business, or CFIB, represents more than 103,000 small and medium-sized businesses in every sector of the economy across the country.

I am pleased to be able to share our observations further to the 2026 spring economic update.

[English]

There were some positive measures in the spring economic update that CFIB welcomed. Most notably, the reduction in CPP premiums paid by employers and employees is a step in the right direction to reduce payroll taxes. This will put money back into the pockets of employees and the payroll budgets of employers.

We also welcomed the government's effort to strengthen apprenticeship supports in the skilled trades. This can help smaller firms address the ongoing labour shortage. As long as the paperwork is light, this new grant for employers could be a welcomed boost.

Finally, CFIB was pleased to see the employee ownership trusts tax exemption made permanent, providing entrepreneurs with greater flexibility and more options for succession.

While these were positive steps, they are not sufficient on their own to address the broader structural challenges facing small businesses or to reverse Canada's growing entrepreneurial drought.

Canada is facing a serious entrepreneurship problem. To give you an example, we have seen more businesses closing than opening in the agriculture sector for 11 straight quarters. We have seen more business closures than new ones created for eight consecutive quarters in retail and for 12 consecutive quarters in wholesale. We are losing more businesses than we see new ones created in many sectors, yet the economic update did not address that.

CFIB data shows that 55% of current small business owners would not recommend starting a business today. That should concern every policy-maker in this room.

It's also important to mention that the spring economic update did not lay out a real plan to go back to an overall balanced budget. CFIB members are concerned about the size of the debt and deficit.

[Translation]

In conclusion, I will say that optimism among small and medium-sized business owners is weak, costs are high, and the regulatory environment is too complex and restrictive.

The current government is focused on building so-called national interest projects and developing non-U.S. markets. While most CFIB members are not opposed to these initiatives, they feel that measures are also urgently needed to address the entrepreneurial drought.

[English]

CFIB recommends reducing the small business tax rate from 9% to 6% and increasing the small business deduction threshold from \$500,000 to \$700,000.

The government should also cut red tape and the administrative burden for all businesses, whether part of a major national project or not.

[Translation]

Thank you for the opportunity to speak to the committee today. I would be happy to answer any questions you have.

**The Chair:** Thank you, Mr. Guénette.

[English]

We'll continue now with Mr. Gladstone from the Intentional Community Consortium.

You have five minutes.

**Gary Gladstone (Chair, Intentional Community Consortium):** Good morning, Madam Chair and members of the committee. Thank you for the invitation to appear.

My name is Gary Gladstone, and I am chair of the Intentional Community Consortium, or ICC.

The ICC is a national coalition of more than 80 non-profit organizations working to expand affordable, accessible and supportive housing for people with intellectual and developmental disabilities across Canada. I am also the lead of stakeholder relations for Reena, one of Ontario's largest developmental service organizations and a provider of supportive housing.

I'm here today because as Parliament considers Bill C-30 and the future of Canada's housing investments, there's one population that cannot be overlooked: people with developmental disabilities.

For many Canadians, the housing crisis means rising rents or difficulty entering the housing market. For people with developmental disabilities, the housing crisis often means something much more severe. It means remaining on wait-lists for years. It means living with aging parents who worry every day about what will happen when they can no longer provide care. It means remaining in hospitals, long-term care facilities, shelters or inappropriate settings simply because suitable housing does not exist.

In Ontario alone, more than 24,000 people are waiting for developmental services and housing supports. Research has also shown that more than 18% of people in homeless shelters have a diagnosed or undiagnosed developmental disability.

The federal government recognized this need under the national housing strategy—thank you—and after sustained advocacy by organizations, including the ICC and our members, a special carve-

out in the original national housing strategy was made to create 2,400 housing units for this population.

Unfortunately, fewer than 900 units have been delivered. The challenge is not a lack of demand, it is not a lack of projects and it's certainly not a lack of willing non-profit partners. The challenge is that many community-based organizations lack the capacity and resources needed to navigate complex federal housing programs despite having land, expertise, community support and shovel-ready projects.

That is why we are recommending that people with developmental disabilities remain an explicit priority within the national housing strategy 2.0 and Build Canada Homes.

As in my written brief, we are also recommending a dedicated federal investment of at least \$1 billion over five years to support the creation, preservation and acquisition of 3,000 additional affordable, accessible and supportive homes by 2031; support for portfolio-based delivery models through organizations such as ICC that can coordinate national pipelines of shovel-ready projects and build the capacity of smaller non-profit providers; predictable operating and housing benefit supports; and clear accessibility, care occupancy and B3 fire code standards to ensure that the housing being built is not only affordable but is also safe, appropriate and truly accessible for people with developmental disabilities.

These recommendations are not simply social policy; they are sound economic policy.

On Monday, I attended the launch of the public housing dividend study conducted by the Canadian Centre for Economic Analysis for the GTHA Community Housing Collaborative. The study found that every dollar invested in public housing generates \$2.80 in combined economic and social benefits. It projects that strategic housing investments can create more than \$100 billion in value, generate 15,000 jobs annually, house 86,000 additional people and prevent more than 524,000 hospital days.

These findings reinforce what our sector sees every day. Supportive housing reduces pressure on hospitals, emergency rooms, shelters, policing and long-term care. Supportive housing strengthens families, creates jobs and, most importantly, changes lives.

At Reena, we recently opened the Tansley residence, providing homes for individuals who have been living in hospitals because no appropriate housing existed. This fall, the Frankfort family Reena residence will open in Toronto, providing affordable, accessible housing for 168 tenants through a partnership involving all levels of government.

Across Canada, ICC members are developing similar projects using modular construction, mass timber construction, universal design principles and innovative partnership models. The projects exist, the expertise exists and the need certainly exists. What we need is a federal commitment that ensures people with developmental disabilities are not left behind as Canada builds its next generation of housing.

I respectfully ask the committee to support the recommendations outlined in my pre-budget submission and ensure that national housing strategy 2.0 includes dedicated funding and clear priorities for affordable, accessible and supportive housing for people with developmental disabilities.

Thank you.

• (0825)

**The Chair:** Thank you very much, Mr. Gladstone.

We'll now continue with Mr. Schumann from the International Union of Operating Engineers.

You have five minutes.

**Steven Schumann (Canadian Government Affairs Director, International Union of Operating Engineers):** Good morning.

On behalf of the International Union of Operating Engineers, or IUOE, I'm honoured to appear before the committee today.

The IUOE represents nearly 60,000 members across Canada who build and maintain the infrastructure that holds this country together. Our members are usually the first on the job site and the last to leave, and they continually work themselves out of work. Our members operate cranes and heavy equipment, work as mechanics and apprentices and show up every day on the construction sites, energy projects and infrastructure builds that keep Canada moving.

Across the country, our local unions also operate a national network of not-for-profit, state-of-the-art union training centres that deliver accredited, industry-leading programs for the next generation of skilled workers. Apprentices trained at union facilities have a much higher completion and succession rate than those who do not go through a union training centre, at about 90% versus under 50%.

We are here today to express our strong support for the 2026 spring economic update, in particular those measures directed at skilled trades and apprenticeships. The proposed expansion of the union training and innovation program is an initiative our organization strongly supports and believes is critical to building Canada's training capacity for skilled trades. Union-run training centres are the backbone of skilled trades training in this country. Enabling them to upgrade facilities, expand capacity and invest in modern equipment is an investment in the future of Canada's skilled trades workforce.

The team Canada strong initiative is a serious and well-resourced plan to recruit, train and place up to 100,000 new Red Seal trade workers by 2030. The government's investment in support of training and apprenticeships is the kind of on-ramp that the trades have needed for a long time. Combined with the build Canada apprenticeship service and up to \$10,000 in wage subsidies for employers

hiring first-year apprentices, these measures create real incentives for growing Canada's skilled trade workforce.

We're also pleased to see the apprenticeship training grant, which will provide apprentices with a \$400 weekly top-up during mandatory technical training. Apprentices have long faced income gaps when they move between the job site and the classroom. This grant addresses that directly. The \$5,000 completion bonus upon the Red Seal certification is equally significant. Completion rates have always been a challenge in the trades, and financial support tied to the finish line is a practical and effective way to change that.

Finally, we also support the modernization of the Red Seal program. Online exams, digital logbooks and a single, national, registered apprenticeship number are long overdue. These changes reduce unnecessary delays and improve consistency across jurisdictions. They make it easier for Canadians to enter the workforce and move within it.

This legislation also proposes improvements to the labour mobility tax deduction for eligible tradespeople by increasing the annual limit on deductible expenses and reducing the distance threshold for eligibility. Our members regularly travel significant distances to job sites as that is the nature of their work in the skilled trades. A deduction that better reflects the real cost of that mobility is a meaningful and necessary adjustment. We are pleased to see those proposed changes.

Taken together, this represents the most significant federal investment in skilled trades and apprenticeship training in a generation. These measures give Canadian workers the tools they need to continue to build Canada's infrastructure and, most importantly, provide for their families.

I am happy to take any questions, and I thank you for your time today.

• (0830)

**The Chair:** Thank you very much, Mr. Schumann.

We will begin with Ms. Cobena for six minutes, please.

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

Good morning to all our witnesses, and thank you for your remarks this morning. If I may, I will start with Mr. Guénette.

I was surprised by your opening statement, because we know that there have been more business closures than openings in three out of the last four quarters, but you gave some even more alarming stats: Within the agriculture sector, this has been happening for 11 quarters. Within the retail sector, it has been eight quarters. Within the wholesale sector, it has been 12 quarters.

How would you, then, describe the overall state of entrepreneurship here in Canada?

**Jasmin Guénette:** We call it the entrepreneurial drought. We are losing entrepreneurs in the vast majority of sectors. It is not what we saw in the past. If we look back to the eighties, Canada, generally speaking, always created more businesses than there were business closures. This was the natural general trend. Canada is a land of entrepreneurship, but unfortunately, in the last few years, we have not seen that in many sectors.

I have brought with me a list of all sectors that have been touched by the entrepreneurial drought. Agriculture is one of the hardest-hit sectors. Retail, wholesale, construction, transportation—there are many sectors in Canada where we are seeing more business closures than openings. It's not just the last quarter. It goes back many quarters. This is not CFIB data. This is StatsCan data. We hope to see public policy implemented to reverse that trend.

• (0835)

**Sandra Cobena:** Thank you.

Of course we want the economy to grow and to address this productivity issue, but it is a big issue when Canadian entrepreneurs are choosing not to start, expand or invest in their businesses locally. What would you say is the biggest domestic policy failure that's driving this entrepreneurial drought?

**Jasmin Guénette:** For CFIB, the two main policy buckets that really need to be modernized and reformed are our fiscal policy on the one hand, and the regulatory environment on the other hand. When we ask our members what the most burdensome policies are that prevent them from growing and developing their businesses, fiscal and regulatory policies often come first. That's why we make recommendations to reduce the fiscal and regulatory burdens on small businesses.

**Sandra Cobena:** Thank you.

I'd like to split my time with the MP for Sherwood Park—Fort Saskatchewan.

Thank you.

**Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Thank you, Chair.

I'll continue with the CFIB. We have a serious youth unemployment crisis in this country that we have been highlighting and calling for action on. The CFIB recently put out an excellent report, "Work in Progress: Bridging the Gap Between Small Businesses and Canada's Youth". It reflects many of the things I've been hearing when talking to business owners as well as young people. It demonstrates a mismatch or disconnect that's leading to a lot of frustration on both sides. I would just encourage this committee's members to familiarize themselves with that report. I think there's a

lot of good information to consider in the preparation for the next budget.

In particular, I want to ask you to follow up on a couple of points. You note how the challenges businesses are facing—weak demand, rising payroll, wage costs, limited capacity to absorb training costs—obviously have implications for the ability of small businesses to hire young people. Then you also talk about what we can do about it. It seems that often, when it comes to youth unemployment, the emphasis on the government side is to talk about programming.

You identify the fact that, "Existing government supports for small businesses to hire youth are often overly complex and administratively burdensome". What you're proposing instead is broad-based efforts to reduce the cost of hiring, things like a temporary EI premium relief and training supports that would make it easier to train young people.

Can you speak a little more about your recommendations for how government policy can make it easier for small businesses to hire young people, especially for their first jobs?

**Jasmin Guénette:** Thank you for your kind words about the report. The report showed that there's a mismatch between youth and SMEs, very often, when it comes to employment. SMEs hire mostly through their own networks, while youth are looking online, so they're not necessarily finding each other. There's often a salary mismatch between the expectations of the youth and what SMEs can afford.

Our report highlighted the Canada summer jobs program as a red tape example. For example, we say that it's rigid and has poorly timed deadlines. For example, business have to make a decision on their hire in December for the next summer's openings. Often, businesses don't really know what their plan is, in December, for the next summer. To boost youth hiring, we are recommending introducing targeted tax relief and targeted tax credits. We recommend putting in place EI reductions to hire youth. That would boost employment.

**The Chair:** I apologize, Mr. Guénette, but that concludes the time we have. Thank you, Mr. Guénette.

We're going to continue now with Mr. MacDonald for six minutes.

**Kent MacDonald (Cardigan, Lib.):** Good morning, Madam Chair.

Good morning to the witnesses.

My first question is for Mr. Guénette. I'm somebody who worked in the agricultural field for almost 40 years, running a business, so I can understand first-hand the challenges involved in passing that business on to the next generation. I went through that process. The business that I was involved in is operated by my son now.

In Bill C-30, we've introduced the \$10-million capital gains exemption for employee ownership trusts and worker co-operatives. I think this is a real positive move to allow business owners who reach retirement an opportunity to have that business continue in a small rural community and keep contributing to the community rather than closing.

You outlined in your opening remarks the number of businesses that are closing. Are there lessons to be learned from this measure, which may work for family transfers as well?

In my situation, the \$1.25-million capital gains exemption is not adequate to offset capital-intensive industries like agriculture, fishing enterprises or other small family businesses. They're worth a lot more money than they were in the past. Can you speak to that?

• (0840)

**Jasmin Guénette:** As I said in my opening remarks, CFIB was pleased to see the employee ownership trust tax exemption made permanent. This is one of the tools that businesses can use to pass on their business when they are ready to exit. Right now, the tax exemption is at \$10 million and it can be matched with the LCGE, so it's a good measure. We are calling for it to be made permanent prior to the spring economic update. It is one of the tools that businesses can use to sell their company, whether it's in agriculture or in other sectors. It's a way also that maybe companies can stay within the community, and not be sold to hedge funds or other types of investment funds. We supported that initiative. We hope that business owners will be made aware of it, and we hope that it will be used.

We did a report not too long ago showing that within the next 10 years, about 70% of business owners will exit their enterprise, so we need to have good public policies to ensure that we are successful in this massive wealth transfer that is coming in Canada.

**Kent MacDonald:** Thank you.

The other issue that I run into a lot in rural Canada is the shortage of labour. Nationally, we have changed the rules in immigration and the LMIA program is a little tighter with a one-year renewal required. When you talk to your membership, I'm sure you're getting the same comments that there's a shortage of labour, and the application for temporary foreign workers has become more complicated, more regulatory in nature and more of a persistent obstacle to small business owners. I hear that all the time, so I just wondered if you could comment on that.

**Jasmin Guénette:** We are suggesting a few measures to support hiring. First, we are calling for the government to increase the age exemption amount and the CPP basic exemption amount. We are recommending a few policies to help experienced workers stay in the labour market.

As I mentioned earlier, we support the hiring of youth by introducing targeted tax credits and deductions on premiums holidays, and by making changes to the Canada summer jobs program. Also, where needed, we are calling to preserve the TFW program so that

businesses that cannot find workers locally can go through this program, especially in some sectors in rural communities.

**Kent MacDonald:** Maybe I can get my next question in. It's for Mr. Schumann with the operating engineers.

Mr. Schumann, we've put a lot of measures in Bill C-30. There's the labour mobility deduction, as well as the apprenticeship training. Can you think of any other measures that might be required to keep the workforce mobile enough to address all these infrastructure projects and the very ambitious schedule that we have going forward?

• (0845)

**Steven Schumann:** Obviously, the Red Seal is recognized throughout Canada. If you're a crane operator with a Red Seal, you can easily travel anywhere in Canada to work. It's the same for a heavy equipment operator. There are various Red Seals in the various trades.

One thing the government could do is to take a leadership role and try to promote and create more Red Seals in the trades. You obviously need provincial buy-in, I believe four or five provinces need to all have buy-in to create a Red Seal for a program. I think that if the federal government took leadership on that and pushed for more Red Seals, you would easily have much more mobility throughout Canada.

Our members don't mind travelling. As you probably know, half—

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

Thank you, Mr. MacDonald.

I'll continue now with Mr. Garon for six minutes.

[Translation]

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

Thank you to all the witnesses for being here to help us with our study of Bill C-30.

I'm going to start with you, Mr. Guénette.

I'd like to hear your view on skills training. The government decided to invest in skills training through Bill C-30. The measure is tax-based. It too has "Canada strong" in the title, but I always forget the names of all those "Canada strong" initiatives. The support it provides is tax-based.

In Quebec, jurisdiction over skills training has been wholly decentralized since 1997. It was given to Quebec. Sectoral tables, committees of labour market partners and so forth ensure alignment between skills training and business needs.

In your view, should federal funding for skills training go towards strengthening Quebec's system, which works well, instead of providing tax-based support, in the current context?

**Jasmin Gu nette:** I think a lot of things need to be done to improve training in Canada and Quebec. The federal government needs to work with the provinces, Quebec and the others, to make sure that any funding available for training goes where it's needed. The more local the support, the more effective it is. Quebec's needs aren't necessarily the same as those in Alberta or other parts of the country. Support for training is already available through the employment insurance program.

Overall, CFIB members welcome support for training, but the federal government must work with its partners if those programs are to be successful. The provinces need to play a major role.

**Jean-Denis Garon:** Thank you, Mr. Gu nette.

In your opening remarks, you mentioned a crisis of sorts, one that doesn't get a lot of media coverage or public attention. I'm talking about the business succession and entrepreneurship crisis. You said the government was prioritizing major projects. Under the current economic conditions, we've seen four or five quarters without growth. More than anything else, major projects are economic stimulus packages.

In light of that, do you think the government is neglecting long-term solutions, neglecting small and medium-sized businesses, which need to grow if they're ever going to become very large companies? Do you think the government is favouring national interest projects, which are more about keeping things afloat in the short term?

Would you say small and medium-sized businesses are being overlooked in all this?

**Jasmin Gu nette:** Overall, I would say yes. Whether it's the budget that came out in the fall or the update this spring, the Statistics Canada figures clearly show that entrepreneurship in Canada is on the decline.

Major projects of national interest and big infrastructure projects are positive, yes, but public policy is significantly lacking when it comes to national challenges and the solutions they call for. Small and medium-sized businesses are the key to addressing those challenges.

Small and medium-sized businesses make up 98% of all businesses in Canada and employ more than 60% of the workforce. We need policies that will help existing businesses survive and grow, policies that encourage young people and aspiring business owners.

Currently, the government doesn't seem to be paying much attention to small and medium-sized businesses.

• (0850)

**Jean-Denis Garon:** Mr. Gu nette, business succession and entrepreneurship, specifically, are in trouble.

If you could add specific measures to Bill C-30 to help turn things around in the short term, what would they be?

Can you give us a few recommendations? I know they're in your brief, but I'd like to hear them from you first-hand.

What do you and your members see as priorities?

**Jasmin Gu nette:** The federal tax rate on small and medium-sized businesses should be reduced from 9% to 6%. The tax deduction limit for small businesses should be increased from \$500,000 to \$700,000. The threshold has been \$500,000 since 2009. It's never been raised. Had it been indexed to inflation, it would be more than \$700,000 today.

Our two main recommendations are to increase the tax deduction limit for small businesses and to lower the federal tax rate for small businesses from 9% to 6%.

As you know, the provincial small business tax rate varies from province to province, ranging from 1% to 2% or 2.5%. The federal rate is 9%, and there's no reason whatsoever it should be that high.

**Jean-Denis Garon:** I have one last question for you.

You welcomed the capital gains exemption for employee ownership trusts and workers' co-operatives.

Given your knowledge of the situation on the ground, do you think a lot of businesses are likely to take on the ownership trust or co-operative model?

**Jasmin Gu nette:** I don't think it'll be the way most business owners choose to sell their business, but it's certainly a positive measure for those who want to sell. It gives them more options.

**Jean-Denis Garon:** The measure went somewhat unnoticed, even when the government was promoting Bill C-30.

Do you think the federal government should promote and advertise the measure so that more people know about it?

**Jasmin Gu nette:** Yes.

**Jean-Denis Garon:** Thank you.

[English]

**The Chair:** Thank you.

[Translation]

Thank you, Mr. Garon.

[English]

We'll continue now with Mr. Kelly for five minutes.

**Pat Kelly (Calgary Crowfoot, CPC):** Thank you, Madam Chair.

Before I begin my questions—I don't want to take up much time, because we have such a tight schedule here—I have to get a motion on notice. I'll read it and try to get through it quickly. We'll be able to distribute it in both official languages.

The motion I am putting on notice reads as follows:

That the committee undertake a study of Bill C-31, A second Act to implement certain provisions of the budget tabled in Parliament on November 4, 2025, provided that:

- a) the following witnesses be invited to appear separately, for no less than one hour each:
  - i. the Minister of Finance and National Revenue,
  - ii. the Minister of Housing and Infrastructure, in relation to proposed amendments to the National Housing Act,
  - iii. the Minister of Jobs and Families, in relation to proposed amendments to the Canada Labour Code,
  - iv. the Minister of Justice and Attorney General, in relation to proposed amendments to the Canadian Human Rights Act,
  - v. the Minister of Health, in relation to proposed amendments to the Tobacco and Vaping Products Act and the Pest Control Products Act,
  - vi. the Minister of Northern and Arctic Affairs, in relation to proposed amendments to the Territorial Lands Act,
  - vii. the President of the Treasury Board, in relation to proposed amendments to the Access to Information Act and the Red Tape Reduction Act,
  - viii. the Minister of National Defence, in relation to the proposed enactment of the Defence Investment Agency Act, and amendments to the Defence Production Act, and
  - ix. the Minister of Transport, in relation to proposed amendments to the Canada Transportation Act;
- b) the Minister of Foreign Affairs and the Secretary of State (International Development) be invited to appear for one hour, on the same panel, relating to the proposed amendments to the International Development Research Centre Act;
- c) the Secretary of State (Defence Procurement) and the CEO of the Defence Investment Agency be invited to appear for one hour, on the same panel, relating to the proposed enactment of the Defence Investment Agency Act;
- d) the committee receive 6 hours of additional witness testimony, including at least one panel with departmental officials for a technical briefing, another panel of Canadians affected by inflation, another panel of defence procurement experts, and other panels featuring witnesses deemed relevant by members of the committee;
- e) the chair only be authorized to schedule a meeting for the purposes of clause-by clause consideration of the bill after the witnesses have appeared as prescribed by this motion; and
- f) the Minister of Finance and National Revenue appear before the committee within five calendar days of the conclusion of this study, for no less than two hours, to discuss his plans for managing Canada's economy out of recession, and that he appear one time per month thereafter, as long as the Canadian economy remains in a recession.

With that now on notice, I'll turn and cede the floor to Mr. Hallan.

• (0855)

**Jasraj Hallan (Calgary East, CPC):** Thank you—

**The Chair:** Are you now beginning questioning?

**Pat Kelly:** I'm ceding the floor to Mr. Hallan.

**Jasraj Hallan:** Thank you, Madam Chair.

I want to move the motion that I put on notice last time:

That, given that Canada's economy is in recession, the Standing Committee on Finance schedule a meeting with the Minister of Finance and National Revenue one time per month, as long as the Canadian economy remains in a recession.

On Friday, we found out through Stats Canada what Canadians have been experiencing for many years under the Liberal government and that Canada is in a full-blown recession now. It's clear in the numbers that since the Prime Minister has taken office, in three out of the last four quarters, the economy has shrunk. In fact, it's the only economy in the entire G7 to do so. The Prime Minister is the only leader of any G20 country that has put a country into a recession: 120,000 jobs have been lost under this government in just the first three months of this year.

Canada also has the highest household debt and the highest housing costs. The Prime Minister has given Canadians the highest food costs and the second-highest unemployment in the entire G7.

This translates into a real-world human cost, which is seeing a record number of people in food banks. In fact, 2.2 million Canadians are visiting a food bank every single month. One in four Canadians is now food-insecure. This is the real-life result of failed Liberal policy, and we want to see the Minister of Finance and National Revenue once a month to update the House, because, as of yet, we have heard no plan from this same government that said we would get the fastest-growing economy in the G7 but ended up delivering the fastest-shrinking economy in the G7 and threw us into a recession.

We need to have a clear plan. Canadians want to know how we will get out of this recession, which was caused by the Liberal government. We want to see the Minister of Finance and National Revenue here once a month until we have a plan.

**The Chair:** Okay. Thank you.

**The Chair:** Thank you, Mr. Hallan.

Mr. Turnbull is next.

**Ryan Turnbull (Whitby, Lib.):** Thanks, Chair.

It's too bad that while we're in the study of an important piece of legislation, Bill C-30, we're using up committee time with valuable witness testimony hanging in the balance. I feel sorry for our witnesses who have to sit through this.

I recognize that it's the prerogative of committee members to move motions, but I just want to say that within the study we agreed to, which was actually dictated by the Conservatives in a programming motion that we said was fair and reasonable, we agreed to a committee schedule, and it didn't include these interruptions of motions.

I'll just say that in 17 minutes from now, the Minister of Finance is appearing at this committee. We know the House is scheduled to rise on June 19. If committee members have a burning desire to ask the Minister of Finance questions about the state of the Canadian economy, they are going to have that opportunity just 17 minutes from now.

I think that's more than fair. I'm sure that in future studies on future bills.... I think we've just heard another motion put on notice that will also request the Minister of Finance to appear before this committee. The Minister of Finance is more than happy to come to the committee, but I think the motion is somewhat unreasonable, given the circumstances we face.

I could go on at length in defending the record of the government, but I'm not going to do that because I want to get back to our witnesses today.

**The Chair:** Thank you, Mr. Turnbull.

Mr. Kelly on this motion...?

Okay. We're back to our regularly scheduled programming.

**Pat Kelly:** We would have to come to a vote. The motion has been put.

**The Chair:** Is there a desire to have a vote?

**Pat Kelly:** If nobody's speaking, it goes to a vote. That's how it works.

**The Chair:** Sometimes you can pass things through unanimous consent.

Anyway, we're going to go to a vote.

(Motion negatived: nays 7; yeas 4)

● (0900)

**The Chair:** Mr. Kelly, you have the floor.

**Pat Kelly:** Thank you.

I do apologize to the witnesses. We have a tremendously tough schedule with many hours of meetings, and there just simply is no good time to insert some committee business. I apologize for that.

This is for the CFIB.

You really did have some troubling statistics on business closures: eight consecutive quarters of more retail closures than openings. Beyond the job losses within the sector itself, beyond the loss of these businesses and the ownership of these businesses no longer carrying on and earning a living from these businesses, what effect does the closure of retail have more broadly? We see vacant buildings. What does this do to the character of neighbourhoods and to the goods and services available to Canadians?

**Jasmin Guénette:** Obviously, small businesses are important for our local communities and for the main streets of our small cities, our villages or our larger cities as well. As you said, when a small business closes, it's the owner who is losing their business, the workers who are losing their jobs and a community that is losing a place they used to go.

As I said earlier, more than 60% of the private sector jobs are in small businesses. They're 98% of all businesses in Canada. When

we see an entrepreneurial drought like we are seeing right now, it's the entire economy that is impacted. It is our main streets, and it is the entire economy. That is why we are putting so much effort into raising the issue and are sharing as often as we can our recommendations. We believe that it should be the government's priority moving forward to reverse that trend and encourage entrepreneurship.

**Pat Kelly:** You mentioned in your opening statement that your members are concerned about the government's overall spending: that it is running never-ending deficits and that it cut loose its fiscal anchors that are supposed to prevent it from excessive borrowing.

What do you make of this last budget that is...? Today we're talking about the next budget, but the last one contained just an enormous and unexpected jump in the level of borrowing and the level of deficit spending. It failed to deliver many of the commitments, or at least hints, that they made during the election campaign and before about reining in the size and scale of government.

What are your expectations, and what are some more concrete recommendations that you can make for this government for the next budget?

**Jasmin Guénette:** Our expectation is for government to introduce a timeline to balance the overall budget—not just one of the two budgets but the overall budget. This is our expectation. We are also recommending that government introduce a spending limit outside of a global crisis so that there is a mechanism in place to constrain spending. Every time we ask CFIB members a question, an overwhelming majority of them share their concern about the size of the debt and deficit.

● (0905)

**Pat Kelly:** That's right, so a plan to actually balance the budget might be the starting point.

**Jasmin Guénette:** Yes. It's introducing a timeline to balance the overall budget, having a plan and communicating that plan to Canadians and to small business owners.

**Pat Kelly:** I've asked the finance minister literally dozens of times to do that, and he has never actually answered that question. Perhaps we can put it to him later this morning.

A timeline for a balanced budget is what your members are calling for, and I agree with them. Are your members concerned that these incessant deficits just lead to higher taxes and choke out the private economy?

**Jasmin Guénette:** Yes. They are worried that today's deficits are tomorrow's taxes, and they believe that there should be additional efforts made to balance the overall budget and to create room for more business creation and entrepreneurship in Canada.

**Pat Kelly:** Thank you.

**The Chair:** Thank you, Mr. Kelly.

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

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

Thank you to all our witnesses for being here today.

My questions today are for Mr. Schumann with the International Union of Operating Engineers.

I was happy to hear in your opening remarks about the strong support for the spring economic update. You mentioned that it is “the most significant...investment in skilled trades...in a generation.” It's good to hear that feedback. I think it's an important time to invest in the skilled trades. Arguably, for a while, the skilled trades were not getting the support they needed. Now, with all of these large-scale projects, we need the workforce to build them, particularly by training up Canadians to do that, so I'm very happy to hear that.

I know the members in your union have helped build some of Canada's most significant nation-building projects in B.C., such as LNG Canada, Coastal GasLink and the Site C dam, among many other projects. The spring economic update had measures aimed at attracting investments and accelerating major projects. From the perspective of the union workers actually building these projects, how important is it to restore investor confidence to ensure that more projects move forward? What impact does that have on creating good-paying union jobs across Canada?

**Steven Schumann:** Obviously, first, the more you build, the better it is. There's the spinoff factor. The more hours you work, the more taxes go back in. It feeds the system back. Our members like to work. They don't care where the projects are. Like I said, we have a very mobile workforce. Obviously, the bigger the projects, the more work there is, and it provides a future.

I will say this. Our membership is generational. My former Canadian director comes from B.C. His sons are now the third generation. A colleague of mine is the fourth generation. Our members see the benefit. Hopefully, by building all these projects and getting investments in Canada, other Canadians will see this—those who may not know the union way and may not know the trades, and they may get involved in the trades. It is a great career. It is very lucrative. It has great pension and benefit plans. It is fantastic. Without us, the Canadian economy does not exist because we build everything.

Going back to your first point, investor confidence is essential. There are some major projects out there that can be built and will be built. There are some projects that should have been built and haven't been built. There needs to be stability not only in the economy but also in the workforce.

One thing I would suggest to the government is that if you're putting money into any projects, I would look at community benefit agreements or project labour agreements because they guarantee work. They also guarantee that disenfranchised minorities are all working on projects, so everyone can benefit.

**Jake Sawatzky:** Thank you.

My riding is New Westminster—Burnaby—Maillardville, which has a lot of union members and has many people working in the

skilled trades. They understand the value of a good-paying union job and the opportunities that apprenticeship training can create.

With our government's investment in union training centres, apprenticeships, labour mobility and Red Seal certification, what changes are you expecting to see in the industry? How would these measures help unions recruit, train and retrain skilled workers for the future?

**Steven Schumann:** I can't stress enough how the money to UTIP, for the bricks and mortar, is going to be a game-changer. Right now—and I know I only speak for operating engineers—with all the trades, we are at capacity. We are turning people away at the door. We just don't have the size to train people. Now the opportunity to expand our training centres will be essential because we can get more people through the system to become apprentices and get them working.

One thing I mentioned was that, with operating engineers, if you want to become an apprentice, there's a 99% success rate. You will get a job, and you will work. For that small percentage who don't, the job is not for them. They leave. Again, compared to those who go through apprenticeship programs, non-union, you're looking at an under 50% success rate. If you want to be an apprentice in Canada in the trades, going through a union training centre is the way to go.

● (0910)

**Jake Sawatzky:** Thank you.

How important is it that young Canadians see a clear pathway from apprenticeship to Red Seal certification? You mentioned the apprenticeship training grants and the \$5,000 completion bonus. Do you think our government's investments, specifically in unions, will help encourage more young people to pursue the skilled trades?

**Steven Schumann:** I hope so. I really do. I think there is some work to be done. There needs to be a promotion of the trades. The federal government could take a role in that. Obviously, we're doing it. Getting to the parents to get people into the trades is key. I will say—and Ms. Martin and I talked about this earlier—that we need more women in the trades. They are excellent tradespeople. It's just promotion.

Members of Parliament need to come to the training centres, as well, to see them. I know Ms. Gould has been at the one in Oakville a couple of times. I offer it to anyone here.

**The Chair:** Thank you, Mr. Schumann.

We're going to have to end there. That concludes your time.

**Jake Sawatzky:** Thank you.

**The Chair:** Thank you, Mr. Sawatzky.

[*Translation*]

Mr. Garon, you may go ahead for two and a half minutes.

**Jean-Denis Garon:** Thank you, Madam Chair.

I'm going to turn to you, Mr. Guénette.

As we know, the way the U.S. tariffs are calculated changed at the beginning of April, affecting nearly a quarter of Quebec's exports. A 25% tariff applies to just about any product containing the slightest bit of steel or aluminum.

Businesses in the furniture sector have started to close. Since your membership spans all sectors, I imagine you represent people in the furniture sector. The Saint-Michel sawmill, in Saint-Michel-des-Saints, recently announced that it had sought creditor protection under the Bankruptcy and Insolvency Act.

Given all that, the Bloc Québécois suggested the government put a temporary wage subsidy in place for businesses that had to eliminate shifts or temporarily lay off workers, as a result of the new tariff calculation. The idea is to maintain the employment relationship between businesses and workers with expertise. We recommended that for two reasons.

The first reason is to prevent a situation where other businesses come in and scoop up those temporarily laid-off employees because their expertise is hard to find. The second reason is the employment insurance, or EI, system, which is set up actuarially to break even every seven years.

There was the pandemic crisis, and now there's another crisis. Allowing the EI system to deal with it, instead of addressing it through a wage subsidy, means that both employee and employer premiums will eventually have to be raised.

Where, then, do you stand on the Bloc Québécois's proposal and the government's pledge in Bill C-30 to create a wage subsidy so that the employment relationship can be maintained?

**Jasmin Guénette:** When we ask our members about the most damaging tariffs, they say steel products are the hardest hit, followed by aluminum products. Even though we don't necessarily represent big producers, the tariffs are very damaging to our members. They use steel and aluminum to make their products, so the tariffs are very damaging.

We appreciate the flexibility the EI work-sharing program provides. Under the program, the employment relationship can be maintained if the business has to cut workers' hours. We support the government's approach.

If the government does do more, it should start by improving the existing reimbursement process. It's very slow. It takes forever. People have to wait way too long to get the money back.

**Jean-Denis Garon:** Thank you.

**The Chair:** Thank you, Mr. Guénette.

We're going to have to leave it there.

Thank you, Mr. Garon.

On behalf of the committee, I want to thank all the witnesses.

[*English*]

We're going to have a brief suspension while we turn things over for the Minister of Finance.

Thank you.

• (0910) \_\_\_\_\_ (Pause) \_\_\_\_\_  
 • (0915)

**The Chair:** Colleagues, we will resume the meeting.

[*Translation*]

Now I would like to welcome our next witness, the Honourable François-Philippe Champagne, Minister of Finance and National Revenue. Joining him are Maude Lavoie, assistant deputy minister, tax policy branch; and Evelyn Dancey, assistant deputy minister, economic, fiscal and intergovernmental policy branch.

Minister, you may go ahead with your opening remarks. You have five minutes.

• (0920)

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

Colleagues, good morning. It's a pleasure to be with you today.

Thank you for inviting me to appear before the Standing Committee on Finance. I see that you've met with other witnesses. Thank you for the very important work you are doing.

[*English*]

Colleagues, to begin, I would like thank you for giving me the opportunity to speak about the spring economic update and Bill C-30, an act to implement certain provisions of the spring economic update, which, as you will know, was tabled in Parliament on April 28, 2026.

In April, I had the honour of presenting the spring economic update, which outlined our plan to empower Canadians across the country who are navigating a rapidly evolving and, let's admit it, challenging world driven by escalating conflicts and trade tensions abroad. Canada is not immune to these global challenges. In response, our government is looking towards and acting on what we can control: building a strong and resilient economy, diversifying our trade partners, restoring discipline in fiscal management and making life more affordable for Canadians.

It is my belief that Bill C-30 is essential to advancing this crucial work and to asserting greater control over a volatile geopolitical and economic environment. With that in mind, I'd like to speak to some of the key elements of the bill and urge you all to give it the serious, timely and non-partisan consideration it deserves. Canadians, after all, expect nothing less from us.

Yesterday, I appeared in front of the Senate finance committee, which has also started their prestudy. I want to thank them for their work.

[Translation]

Madam Chair, the 2026 spring economic update highlights the progress we've made and the important work still to do.

Our mission is to build Canada strong, while ensuring that progress and economic growth benefit all Canadians right across the country. That is why we gave Canadians the opportunity to help build the economy, by creating Canada's first national sovereign wealth fund; by opening up new opportunities for 80,000 to 100,000 of the country's youth so that they can help build the country, with the launch of the team Canada strong program; and by making historic investments in community safety, Canadian sport, which unites us, and small craft harbours.

[English]

All of these measures are part of our broad plan to seize the moment with ambition and purpose, and build a strong and resilient Canadian economy. The good news is that we're just getting started. As the main legislative vehicle arising from the spring economic update, Bill C-30 will play a key role in this process. I would say, members of this committee, that you have in your hands one of the key bills to implement this vision to support Canadians.

With my remaining time, I'd like to highlight some of the key measures contained in this important legislation.

First, in recognition of the sudden increases at the pump due to the war in the Middle East, Bill C-30 will temporarily suspend the federal fuel excise tax on gasoline and diesel across Canada, saving drivers 10¢ per litre on gas and four cents per litre on diesel from April 20, 2026, until and including September 7, 2026. It will also suspend the excise tax on aviation fuels for the same period. This will ensure that Canadians receive tangible, immediate affordability relief when they need it most.

Bill C-30 also proposes maintaining for an additional two years the 2% cap on the inflation adjustment for the excise tax for beer, spirits and wine. It also proposes to continue the temporary 50% reduction in excise duty rates on the first 15,000 hectolitres of beer brewed in Canada for an additional two years. Combined, these two

measures would provide over \$30 million of relief to the sector until 2028.

Madam Chair, housing affordability remains a challenge for many Canadians. That's why Bill C-30 will extend the grace period during which homeowners are not required to start repaying their own buyers' plan withdrawals from their RRSPs from two years to five years for participants making a first withdrawal between January 1, 2026, and December 31, 2028. This will provide up to \$4,000 in relief per individual per year.

● (0925)

There's far more in Bill C-30. In conclusion, I would say to the members of the committee, let's seize the moment, let's be ambitious and, together, let's build Canada strong. Canadians expect nothing less from us.

Thank you.

**The Chair:** Thank you very much, Minister.

We will begin with Mr. Hallan now for six minutes.

**Jasraj Hallan:** Thank you, Chair.

Minister, what is the definition of a recession?

**Hon. François-Philippe Champagne:** Madam Chair, I think what my colleague, whom I have a lot of respect for, is getting at is whether the Canadian economy is resilient. In my response to him, I would say that the Canadian economy is indeed resilient.

**Jasraj Hallan:** I find it a bit shocking that you, as the finance minister, don't know what the definition is.

The widely accepted definition is two consecutive quarters of GDP decline. Would you agree with Friday's StatsCan report that Canada has had two consecutive GDP-declining quarters, yes or no?

**Hon. François-Philippe Champagne:** Madam Chair, what my colleague is getting at, because I know he's looking at the data that came out.... He will be comforted in this assessment by the OECD, which released numbers yesterday saying that Canada would have the second-fastest growth in the G7 for 2026-27.

**Jasraj Hallan:** I would ask that you stop putting words in my mouth. I asked a simple question.

Statistics Canada—your own statistics agency—said on Friday that Canada has had two consecutive quarters of GDP decline. Would you agree with that report, yes or no?

**Hon. François-Philippe Champagne:** Madam Chair, I think that when my colleague reads the report in more detail, he will see that there are some interesting elements. We see that business investment in machinery and equipment is up. We see that business investment in intellectual property is up. We see spending by government going down.

**Jasraj Hallan:** Business investment has declined for five straight quarters, but I'll move on since obviously the finance minister of the country, who helped to drive our economy into a recession, refuses to answer.

It's very clear from the minister's own stats agency that Canada is in a full-blown recession. Can the minister tell us if any other G7 country is in a recession?

**Hon. François-Philippe Champagne:** Madam Chair, my colleague will be happy to hear—and Canadians, because I know they're watching this morning—that just yesterday, the OECD released numbers that show that Canada will have the second-fastest growth in the G7.

**Jasraj Hallan:** Since the minister brought up the OECD, can the minister tell us how many countries in the OECD are in a recession today?

**Hon. François-Philippe Champagne:** Madam Chair, what really matters for Canadians is to see how we do compared to other G7 nations. If you look at the numbers, Madam Chair, you'll see we're growing twice—

**Jasraj Hallan:** I'll answer for the minister, since he refuses to answer.

**Ryan Turnbull:** I have a point of order.

Mr. Hallan cannot answer for the minister. He's just—

**Jasraj Hallan:** The minister's not answering. It is my time.

**The Chair:** Thank you, Mr. Turnbull.

Mr. Hallan, you may continue.

**Jasraj Hallan:** Minister, in the entire OECD—in all developed countries—there are only two countries that went into a recession. They are Canada and Ireland. All other countries, especially the ones in the G7, are facing the exact same global pressures and tariffs, yet Canada is the only G7 country in a recession. Can you tell us why?

**Hon. François-Philippe Champagne:** I think that Canadians who are watching this morning understand very well the level of uncertainty we're in. If you look at the World Uncertainty Index published by the International Monetary Fund, you will see that today the uncertainty is almost equal to what we faced after the Second World War—

**Jasraj Hallan:** When all other countries are facing the same global pressures—

**Ryan Turnbull:** I have a point of order.

I apologize to Mr. Hallan. I know it's his time, and I know that is a convention in committee, but when he constantly talks over the witness, the interpreters can't interpret.

**The Chair:** Thank you, Mr. Turnbull.

Mr. Hallan, you have the floor.

I would just ask both Mr. Hallan and the minister to not talk over each other.

**Jasraj Hallan:** Thank you, Chair.

Minister, it's very clear that as the finance minister you're completely dodging. You can't even admit to or say the word “recession”. We are in a full-blown recession according to your own stats agency. In fact, Canada is the only country in the G7 that's had three out of four quarters of economic decline.

This morning, just less than an hour ago, there was a scathing report by the PBO against you and your claims, especially when it comes to your fiscal anchors. The PBO has said, on one of your fiscal anchors, which was a declining deficit-to-GDP ratio, that you would have less than a 1% chance of meeting that fiscal anchor. Do you agree?

**Hon. François-Philippe Champagne:** I'd be happy to report that in the spring economic update, you will have seen that we have in fact projected a lower deficit—by \$11 billion. This is what it is about. It's about restoring fiscal discipline—

• (0930)

**Jasraj Hallan:** That's fair enough, Minister.

**Hon. François-Philippe Champagne:** That's what Canadians expect from us at a time like this. It's to be able to restore fiscal discipline.

**Jasraj Hallan:** Minister, after your spring economic statement, the PBO came out today with a scathing report that has totally debunked your claim that there will be a declining deficit-to-GDP ratio. She's saying that there will be less than a 1% chance you will meet that. Doesn't that mean your fiscal anchors are completely useless?

**Hon. François-Philippe Champagne:** I stand by our projections. They're based on the best available information from the experts in the Department of Finance.

Madam Chair—

**Jasraj Hallan:** I'll take that, Minister, as meaning that you don't believe the PBO.

**Hon. François-Philippe Champagne:** Like I said, Canadians have seen that we have a declining deficit. I think Canadians understand that it's important to restore fiscal discipline.

**Jasraj Hallan:** Minister, I have one last question to ask.

There are 2.2 million Canadians going to food banks, and one in four Canadians are food-insecure because of your policies. The Prime Minister spent \$200,000 on lavish meals on three flights. Do you think that's fair when you guys are sending record numbers of people to food banks?

**Hon. François-Philippe Champagne:** June 5 is tomorrow. On June 5, 12 million Canadians will be receiving the Canada groceries and essentials benefit. Affordability is top of mind for Canadians, and that's why we're acting with respect to rent, food and gas.

**Jasraj Hallan:** Is it fair that the Prime Minister spent \$17,600 on salmon? That's \$100 more than what a Canadian will spend on groceries this year. Do you think that's fair to taxpayers?

**Hon. François-Philippe Champagne:** Like I said, again, I'm here to do a serious thing. The serious thing to do in a moment like this is to support Canadians. Affordability is an issue—

**Jasraj Hallan:** Do you think it's taking things seriously when \$200,000 is spent on lavish meals—

**Hon. François-Philippe Champagne:** —of concern to not only Canada but all of our partners.

**Jasraj Hallan:** —on three flights? Is that fair?

**Hon. François-Philippe Champagne:** I could not hear the question, Madam Chair.

**Jasraj Hallan:** It's very clear. The Prime Minister spent \$200,000 on lavish meals on three flights. When your government has spent record numbers—

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

We'll continue now with Dr. Martin for six minutes.

[*Translation*]

**Danielle Martin (University—Rosedale, Lib.):** Thank you, Minister, for being here this morning.

I'm delighted to have the opportunity to ask you about federal funding for health, food security and the social sector, overall, and about the impact of those investments, when a province, territory, sector or municipality chooses to pull back on its investment, because the federal government has stepped up. That's a very important issue in my riding.

[*English*]

I represent the riding of University—Rosedale, where I've been speaking with advocates for food security. As a former health executive, I've observed this phenomenon in action: The federal government declares a priority and wishes to invest to make lives better for Canadians. I won't name names, but a given municipality, province or private sector player then sees that investment as an invitation to get out of funding the existing programs themselves, such that we don't see any net improvements, necessarily, on the front lines.

I'm curious about whether you could speak to where in the spring economic update you see risks in that regard.

[*Translation*]

What tools do we have to respond to that?

**Hon. François-Philippe Champagne:** I want to thank the member for her question, Madam Chair.

Thank you, honourable member.

First, let me say what a pleasure it is to see you here, in Parliament. It's great to see that we can attract people with experience and expertise in the health sector. Your experience is going to serve us well, guiding us in the months ahead.

You're right. In the spring economic update and the 2025 budget, we addressed provincial concerns about how the federal govern-

ment could help the provinces with their health infrastructure needs.

[*English*]

You will know, by now, that the federal government had not been investing in health infrastructure directly. Obviously, we have the Canada health transfer, which supports health care in provinces and territories across the country. This was in direct response to a request made by the provinces.

That is how you constructively work in this federation. I must give kudos.

[*Translation*]

This was something the Quebec government had asked for. It wanted specific support for health infrastructure. I'm sure you saw the investment that was recently announced by the Prime Minister of Canada and the Premier of Quebec. A total of \$10 billion will go towards infrastructure. That kind of partnership is good for the economy, infrastructure and health.

● (0935)

[*English*]

When it comes to health, it's not for me to suggest to this committee what to do, but I would think, in this day and age—when I compare us with other G7 nations, or with Nordic countries—one should be looking at innovation. You're well placed to do that in this committee. What are the key innovations you see in the health field to improve services and make sure Canadians get the best possible services they deserve?

We often look at funding for health, but there is also innovation in how we do practices and processes. We should inspire the best practices to make sure we deliver the best possible care to Canadians. That could be something this committee helps with through a study the government can analyze. Broadly speaking, what are other colleagues doing around the world, or in the G7 or OECD?

Everyone is facing a level of pressure when it comes to the fiscal framework, and different countries have adopted different approaches. I'm very much looking forward to your advice on this.

**Danielle Martin:** Thank you.

I want to continue on the theme of housing, particularly for vulnerable people. I want to respect, of course, that we're talking about Bill C-30 today, but I can't help but be influenced by the pre-budget consultations that this committee has been undertaking in parallel with this bill.

We've heard from many witnesses about the importance of ensuring that when we talk about building housing infrastructure, we do so with an eye to particularly marginalized or vulnerable groups, whether that's people with disabilities or families and women fleeing intimate partner violence.

Can you talk a little bit about how you see Bill C-30 responding to the needs of groups whose housing requirements won't fit into the regular market structures?

**Hon. François-Philippe Champagne:** Thank you for this very important question.

When you look at affordability, we've seen, going back to what my colleagues and Canadians understand, that global events are translating now into affordability issues. Canada is not immune to that. It's the same thing. I just came back from the G7 meeting in Europe a week or so ago. We're now seeing a clear nexus between food security, energy security, economic security and national security. What you're seeing in the Middle East and with the tariff situation, it's all translating into an affordability issue.

The first pillar of affordability—and the chair would know this because she's done a lot of work on it—is having an affordable and secure home. People want to have an affordable home, so they don't have to pay more than they should in terms of their disposable income for housing or rent. That's the key pillar. That's why you've seen a focus on generational investment. It's to provide more affordable housing.

To your point as a health specialist, it's the whole spectrum to make sure we do that in the appropriate way

**The Chair:** Thank you, Minister.

Thank you, Dr. Martin. That concludes the time.

[*Translation*]

We now go to Mr. Ste-Marie for six minutes.

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

Minister, Ms. Dancy and Ms. Lavoie, it's always a pleasure to see you and get to talk to you.

Good morning to everyone on the committee, the chair and all the support staff.

Minister, I want to discuss a number of things with you.

I'll start with the Saint-Michel sawmill, which has sought creditor protection. My understanding is that the Business Development Bank of Canada provided some initial support, but it doesn't seem to be enough.

Does the government intend to do whatever it takes to save sawmills like the Saint-Michel sawmill, by either improving the assistance it provides or, as we've been recommending, introducing a system to buy back countervailing duties, whereby the government would get its money back once the dispute with the U.S. government was settled?

**Hon. François-Philippe Champagne:** Thank you for the question, Mr. Ste-Marie.

First off, you're an exceptional colleague. I always really enjoy working with you. I'm glad to see you at the Standing Committee on Finance. I've had the opportunity to appear before you a number of times now.

When it comes to softwood lumber and sawmills, I'm from the Mauricie region, as you know, so forestry is part of our DNA. I have good news. Yesterday, the minister, Mr. Hodgson, met with industry executives, and federal and provincial stakeholders in that very important economic sector, which has been dealing with difficult circumstances for a very long time, as you pointed out. It's been going on for decades.

That's why we've created tools with the Business Development Bank of Canada to help the sector get through this time and explore opportunities for innovation. I think profound changes are needed. The federal government has a role to play and the provincial governments have a role to play, as you know, when it comes to fibre, the cost of fibre and the availability of fibre, to secure long-term prosperity for the industry. That's the reason for yesterday's big meeting. I think we are moving in the right direction.

I talk to people in the forestry industry regularly, to see how the programs we've put in place are addressing their current needs and how the programs can help the industry pivot and position itself for the future.

• (0940)

**Gabriel Ste-Marie:** Thank you.

The sawmill is Matawinie's biggest employer, so we obviously want the government to do everything it can to help.

Now I want to talk about something else in Haute-Matawinie, the housing situation in Manawan. A month ago, Amnesty International released a very troubling report highlighting the housing shortage. In some households, 23 family members are crammed in together, or the parents have to share their room with five children. Houses have mould problems and need major repairs.

Does the government intend to fix the problem, as the former prime minister had pledged to do by 2030?

**Hon. François-Philippe Champagne:** First, I would like to extend my greetings to the Atikamekw community of Manawan. You know, you and I are constituency neighbours. I have the pleasure of representing the people of Wemotaci and Obedjiwan, who are in the same community.

Obviously, seeing this report, this situation, affected me. I even saw Manawan community representatives yesterday, I believe. They were here in Parliament. We said a quick hello.

We've invested heavily in housing. Is there more to do? Certainly. Of course, I share your concerns about the situation, particularly in Manawan. It's in our part of the country. We want to find the best solutions for the people who live there.

I'll be discussing this matter with the minister responsible to find out the exact situation in Manawan. How did we get there? What measures can we take? A great deal of money has been invested in infrastructure and housing for indigenous communities. We want to see how these funds are being invested to help the people of the Manawan community, for example.

**Gabriel Ste-Marie:** Thank you.

Yesterday, Sipi Flamand, the chief of the community, was on the Hill. He was able to speak with Minister Gull-Masty. He was able to speak directly with the Prime Minister about this matter a few weeks ago. So we hope that the government will be able to meet his needs.

On another completely different topic, you have no idea how disappointed I felt when I saw, at the end of last week, the decision by your colleague, the Minister of Industry—the member opposite me—to cut back on what you promised two years ago. You promised to provide support for organizations that champion consumer rights, such as Option consommateurs and Union des consommateurs.

You said, two years ago, when you were Minister of Industry, that you would triple the support and that you would commit \$5 million a year over five years. It has been two years now, and everything has been cut. This is taking resources away from these organizations, which carry out incredibly important work on shrinkflation, air passenger rights, and so on.

Can the government reconsider this penny-pinching decision?

**Hon. François-Philippe Champagne:** First, thank you for your question.

I want to thank them. You know, I know them a bit, the people from Option consommateurs and the various organizations that you mentioned. Of course, when we look at how we can streamline our programs and become more efficient, we have various tools in the tool box. We also focused heavily on the tools in the tool box of the Competition Bureau, which plays a key role. As you know, these organizations are also funded in large part by the provincial governments. This includes, of course, Option consommateurs, which is funded by the Quebec government.

We're partners. However, I think that there are different ways to support these organizations. Of course, in our streamlining plan, we're looking at how we can better contribute to this objective. Clearly, we're heavily involved in the competition issue.

**Gabriel Ste-Marie:** Thank you.

**The Chair:** Thank you, Mr. Ste-Marie.

Mr. Lefebvre, you now have the floor for six minutes.

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

Good morning, Mr.—

**The Chair:** You have five minutes, sorry.

**Eric Lefebvre:** Thank you, Madam Chair.

Good morning, Minister, and good morning to the people accompanying you.

Madam Chair, Maritime Launch Services is a private company that leases land from the Nova Scotia government for \$13,500 a year. This private company then turns around and leases the land to the federal Liberal government at a cost of \$20 million a year for 10 years, for a total of \$200 million.

Minister, my question is simple. Have you ever met with the people from Maritime Launch Services?

• (0945)

**Hon. François-Philippe Champagne:** Madam Chair, I already had the pleasure of responding to Mr. Lefebvre, I believe, regarding this issue in the committee of the whole. I'm happy to respond to him again. I think that it's important.

**Eric Lefebvre:** I have five minutes. I'm asking whether you met with them.

**Hon. François-Philippe Champagne:** I couldn't give you a specific answer to that question this morning.

**Eric Lefebvre:** That's fine, Minister, thank you.

My question was whether you met with them. Let me help you. You met with them on August 13, 2024. You were the minister of industry from 2021 to 2025.

Did your chief of staff, Ian Foucher, meet with the people from Maritime Launch Services?

**Hon. François-Philippe Champagne:** Thank you for recounting my record of service. I was indeed the minister of industry for a number of years. I enjoyed that role.

**Eric Lefebvre:** Minister, you're a clever politician. I'm asking whether your chief of staff, at the time, met with the people from Maritime Launch Services.

**Hon. François-Philippe Champagne:** As you just said, you have information suggesting that I've already met with these people. However, I think that the bigger issue concerns national security. Why is Canada investing in space?

**Eric Lefebvre:** No. Minister, I have only five minutes.

My question is the following. Did your chief of staff meet with them? Your chief of staff met with the people from Maritime Launch Services 14 times.

My question is simple. When were you informed of this financial scandal?

**Hon. François-Philippe Champagne:** Madam Chair, I would say that the people who keep up with our work understand the need for Canada to have a space industry.

**Eric Lefebvre:** They understand, I can tell you.

**Hon. François-Philippe Champagne:** If you speak to the officers, the people who know about space—

**Eric Lefebvre:** Minister, don't talk to me about astronauts today. People laughed at the answer that you gave me this week in the House.

We're talking about a financial scandal. People are outraged. We're talking about a \$13,500 site rented for \$20 million.

Who negotiated this contract and who signed it?

**Hon. François-Philippe Champagne:** You may not have the same respect that I have for astronauts. However, Canadians have a great deal of respect for our astronauts, because people are proud.

**Eric Lefebvre:** Madam Chair, the Minister is putting words in my mouth. I have a great deal of respect for astronauts, but I also have a great deal of respect for the money that Canadians entrust to us to manage like good stewards.

The Liberal government leasing \$13,500 land at a cost of \$20 million a year for 10 years, for a total of \$200 million, shows a lack of respect for Canadians.

My question is simple, Minister. Who signed this contract?

**Hon. François-Philippe Champagne:** Madam Chair, as I was saying, I would like to ask my colleague to talk to the people at the Canadian Space Agency and to national security experts. They could explain the need for a launch site to launch a geostationary satellite.

**Eric Lefebvre:** Minister, you're talking about astronauts again, which I find unbelievable.

Minister, do you agree that we should get together to meet with these people so that I can find out who signed this agreement?

Will you accept my invitation?

I would like to join you in meeting with them. You have invited me twice now.

**Hon. François-Philippe Champagne:** Madam Chair, as I said to my colleague, I would encourage him to talk to the people who know about space, who know about national security and the Canadian Space Agency and who can explain to him why this is important.

**Eric Lefebvre:** Minister, I'm not talking about the importance of space issues, but about the importance of the sound management of Canada's public finances. The current situation is a financial scandal. I understand the importance of astronauts and of doing this. However, given the current situation, we need to know who signed this agreement and when you found out about this.

Your chief of staff met with these people 14 times. The former Liberal premier of Nova Scotia is a member of the company's advisory board.

Minister, questions need to be asked.

Do you agree that we should get together to meet with the people who negotiated this agreement?

**Hon. François-Philippe Champagne:** As I said, Madam Chair, the committee could talk to the heads of the Canadian Space Agency. They could shed some light on the topic.

I have a great deal of respect for Mr. Lefebvre. However, I think that he lacks a broader perspective on national security and space security, in which Canada wants to play a key role.

**The Chair:** Thank you, Mr. Lefebvre.

Thank you, Minister.

[English]

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

**Kent MacDonald:** Thank you, Madam Chair.

Welcome to the minister this morning.

Minister, our government has spoken extensively about improving productivity, strengthening the trade corridors and building the infrastructure needed to support long-term economic growth. I'm not going to be talking down Atlantic Canada investment this morning. I'm going to be promoting it. That may not surprise you.

I'll tell you that I'm in my riding, in Cardigan, P.E.I., this morning. I'm attending a rural development conference with our Secretary of State for Rural Development, Buckley Belanger. As we travel around the district, we are getting a lot of excitement from our fishers and our small business people with the commitment of almost a billion dollars announced for small craft harbours in Atlantic Canada and throughout Canada for all our coastal communities.

Another critical piece of infrastructure here in P.E.I. is our ferry service between Wood Islands and Caribou, which you would be aware of. That ferry service brings about a million visitors to P.E.I. every year. In budget 2025, the Prime Minister lowered the fares on those ferries. With that measure, in 2025 alone, we had an increase of 100,000 visitors using the ferry service.

Going forward, my question for you is this: As Canada advances its nation-building agenda and we seek to improve productivity, what's the government's view of regional transportation links like the Wood Islands ferry service, small craft harbours, marine infrastructure and everything that gives us opportunities in rural coastal communities to contribute to the growth of Canada?

• (0950)

**Hon. François-Philippe Champagne:** Madam Chair, that's a great question.

You're lucky to be in P.E.I. today. I'll give a big shout-out to everyone in P.E.I.

I was just in Newfoundland and Labrador. I was in St. John's on Monday and Tuesday. We see in Atlantic Canada that there's something special in your part of the country. People roll up their sleeves. They don't see only challenges; they seize opportunities. I've never been more confident about the economy in Atlantic Canada. We're looking at a number of opportunities.

You mentioned small craft harbours. I wanted to note, in front of everyone in Prince Edward Island who is watching this morning, the key role that you played with your colleagues in Atlantic Canada to make sure that we would double the support for small craft harbours.

I was recently in Cap-Lumière, New Brunswick, with Minister LeBlanc. I had the pleasure of sitting down and meeting with fishers, who explained the 950 small craft harbours we have across the country to us. They are more than ports; they are the livelihoods. They are the centres of communities.

I want to say to everyone watching this morning that, thanks to your leadership and your good work, we have met the moment. We understand how the ocean economy is key to Atlantic Canada. We understand that a seafood industry is one of the key exports. I even had the chance to look at one of the cold storage facilities when I was in New Brunswick. We understand how logistics are key to Atlantic Canada as well as your proximity to key markets. As we're looking to diversify our exports overseas, Atlantic Canada is a geographic location that puts us closer to Europe, for example, which is a very significant market.

I want to reiterate that the investments we've been making—reducing the fare on Confederation Bridge, supporting Atlantic Canadian fisheries and making sure that we have the funds needed to support the fishers, the families and the communities in Atlantic Canada—are going to be signature programs for many communities and families who are watching today.

I want to thank you for your leadership.

**Kent MacDonald:** I have a second question for the Minister of Finance.

We've made significant investments in housing, trade corridors, defence infrastructure and energy projects.

Can you elaborate on the steps we've taken to ensure that we're going to have people to train, recruit and retain in order to do the work that's needed?

**Hon. François-Philippe Champagne:** Again, Madam Chair, that's an important question. We want to build a Canada for all, and all for Canada.

Part of that is to bring youth along with us. At the Senate appearance yesterday, there was a lot of focus on youth. We're going to train and provide opportunities for 80,000 to 100,000 young people in the country.

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

Thank you, Mr. MacDonald.

[*Translation*]

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

**Gabriel Ste-Marie:** Madam Chair, thank you again.

Minister, I would like to move on to another topic. I'll be talking about the situation in Cuba.

When we watch the news on any media outlet, we realize that this country is facing a full-blown crisis. My question is twofold.

First, last year we celebrated 80 years of uninterrupted diplomatic relations with Cuba. Canada has always had a special relationship with the Cuban people.

We can criticize the regime. However, is the government committed to continuing to provide humanitarian aid to support the people at this time?

Second, the Canadian legislation provides the necessary mechanisms to protect Canadian economic interests on the island. The latest orders show that companies are pulling out. These companies include the Blue Diamond Resorts hotel chain, which is tied to Sunwing. Sherritt International Corporation also had many concerns. Even credit cards are no longer accepted. Everyone is pulling out.

Does the government intend to protect Canadian economic interests on the island from interference by a third country?

Will it continue to provide humanitarian aid and to use legislation to protect Canadian economic interests in Cuba?

• (0955)

**Hon. François-Philippe Champagne:** First, I would say that we have among us an expert on the topic. The chair of the committee was once the minister for international development.

Canada has always played a leading role in humanitarian aid. So, yes, thank you for pointing this out. I think that Canada has always played a key role.

In terms of the broader economic situation, I'm aware of some of these events. I've had the opportunity to speak with some of the parties involved, including Sherritt. As you know, back when I was the minister of foreign affairs or the minister of innovation, science and industry, I was asked to step in to support them.

Mr. Ste-Marie, you're a man of great talent and expertise. I'm sure that you'll agree that this issue is quite complex. However, we're keeping track of this issue in order to advocate for the interests of Canadians and Canadian companies. The environment is complex, volatile and, in certain ways, uncertain. Clearly, we're here to advocate for the interests of Canadian companies.

**Gabriel Ste-Marie:** What do you have to say about the humanitarian aid?

**Hon. François-Philippe Champagne:** We'll get back to you in writing. My colleague will certainly have more details to give you.

However, as I said, we have an expert here, a former minister for international development. Ms. Gould is quite familiar with the programs that we've set up in the country.

**Gabriel Ste-Marie:** Thank you.

**The Chair:** Thank you, Mr. Ste-Marie.

Thank you, Minister.

[*English*]

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

**Sandra Cobena:** Thank you, Chair.

Minister, I asked the Bank of Canada governor, officials of your department, the PBO and you, in fact, last week, for the cost of the sovereign wealth fund. I couldn't get straight answers. You referred me to the total interest charge of all Canadian debt. It was \$58 billion. You expected me to share that number with my constituents and tell them to figure it out, to figure out the actual cost for the sovereign wealth fund.

I'd like to ask you again: How much is the interest for the \$25 billion you'll be borrowing for the sovereign wealth fund? I'd like just the number, please.

**Hon. François-Philippe Champagne:** Thank you very much. I recall your questions. You did ask me a few questions. My answer will be the same. I would refer you to the main estimates and what has been provided there. I can even quote you the pages where you can see the relevant information.

**Sandra Cobena:** I'd like just the number, not the page.

**Hon. François-Philippe Champagne:** As I said, this is all in the spring economic update. You will see the details with respect to the sovereign wealth fund.

**Sandra Cobena:** That is just a pool of funds. It's not the actual number.

**Hon. François-Philippe Champagne:** As I said, all the information is there in an aggregate fashion.

**Sandra Cobena:** Do you know the number for the cost of the interest?

**Hon. François-Philippe Champagne:** I'm quite happy to talk about the sovereign fund. As I answered my colleague before, the data is included, in fact, in the spring economic update, and—

**Sandra Cobena:** Minister, we are in a recession. This morning's PBO report even forecasts that the GDP growth will be lower than expected, lower than even the OECD had projected. As the economy worsens, Canadians will be paying for this interest. They want to know how much they're on the hook for.

How much is the interest that they will have to pay on the \$25 billion of debt?

**Hon. François-Philippe Champagne:** As I said, I would make reference to the OECD numbers that were published yesterday, which say that Canada will have the second-fastest growth in the G7.

**Sandra Cobena:** I'm asking about the interest cost, Minister.

**Hon. François-Philippe Champagne:** With respect to the interest cost, as I said, I would refer my colleague to table A1.9 on page 125 of the English version. She will find all the relevant information that has been made public.

**Sandra Cobena:** Minister, with all due respect, you're refusing to state the number, but your department actually provided it on May 7. Canadians will be on the hook for \$750 million per year just on interest payments. Why are you withholding this number from Canadians?

**Hon. François-Philippe Champagne:** Madam Chair, the member just stated the number that she says is public, so I'm not understanding the gist of the question.

What I can say is that this is going to be transformational.

• (1000)

**Sandra Cobena:** No, Minister—

**Hon. François-Philippe Champagne:** You have to look at not only the cost but also the benefit that will be provided to Canadians.

**Sandra Cobena:** Excuse me, Minister. I have asked you for the number several times. You refused to tell me last week. I'm giving you another chance now. You're still refusing to tell me. That's withholding the information. You know the number. It's \$750 million per year.

You promised Canadians to reduce the deficit-to-GDP ratio after giving up the last fiscal anchor, which didn't work for your political agenda. Now the PBO confirms that there's only a 1% chance that you will hit that deficit-to-GDP ratio. The \$750 million for the sovereign wealth fund is just the interest on the debt.

How much will the bureaucracy cost?

**Hon. François-Philippe Champagne:** Let me quote a former PBO, because I think this is important for Canadians: "The hard target of a balanced operating budget in 2028-29 will put more constraints on the government than would fiscal rules tied to changes in the size of the economy". That's from Kevin Page, who's saying that our fiscal anchors are solid.

As I've said with respect to the Canada strong fund, my colleague is focusing on the cost, but she's not telling Canadians the benefits they will derive from them. The Government of Canada can borrow at one of the lowest rates—

**Sandra Cobena:** Minister, my question was very clear. It was about the cost of the bureaucracy. It was just the number.

**Hon. François-Philippe Champagne:** Madam Chair, again, the member should also say to Canadians that if you look at the cost of borrowing for the Government of Canada, we're one of the lowest in the G7, which allows us to borrow at very favourable rates in order to invest.

**Sandra Cobena:** Minister, you're the Minister of Finance. We're the finance committee. We expect numbers to be discussed. I asked about the cost of the bureaucracy. You're not giving it to me.

What will the cost be for the executive salaries?

**Hon. François-Philippe Champagne:** Again, I think Canadians want to hear about the benefits of the Canada strong fund. I provide some perspective to Canadians in saying that Canada can borrow at one of the lowest costs in the G7. We'll invest in Canadian companies and projects of national interest.

**Sandra Cobena:** In this morning's report, we have now heard that interest costs will, in fact, probably go up.

The PBO report also noted that government operational costs were actually revised upwards another \$18 billion, up to \$142 billion. Were the interest payments for the sovereign wealth fund factored into your government's operational expenditures?

**The Chair:** Thank you, Ms. Cobena. That concludes your time.

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

**Jake Sawatzky:** Thank you, Chair.

Thank you, Minister, for being here today. It's good to see you again.

I agree with your opening statements. We are facing major economic headwinds, of course, with high energy prices, being uniquely affected by U.S. tariffs and global uncertainty. However, we have a resilient country and resilient people. We're taking decisive action to build our economy and to also help protect our people because, of course, there are a lot of Canadians who are feeling the pressure right now.

People in my riding have spoken to me about the difficulty with the disability tax credit. The application process can be lengthy and difficult. It's an important source of support for many Canadians. It helps people access their disability benefits.

Can you tell me and this committee how the new measures in Bill C-30 will make it easier for eligible Canadians to access the disability tax credit and the supports that will come with it?

**Hon. François-Philippe Champagne:** First of all, I want to applaud your leadership and your work at the committee. I'm glad to see you at the committee.

I'll go to the macro and then I'll come to your question. You're quite right: What we're seeing, coming back from G7 and G20 meetings, is that the speed, scope and scale of change is quite unprecedented—geopolitics, geo-economics, supply chains, AI, quantum and cyber—and because all of these things are happening, it is giving many of us a feeling of a loss of control. As I said, even with what's happening in the Strait of Hormuz, you're seeing how this is translating into affordability issues in pretty much every country.

The fact is that the Conservatives have not yet been able to understand that Canada is not immune to these global issues, as with every other country—the tariff situation, the Strait of Hormuz, the price of oil—so what we've done.... We're very mindful that if you go out and talk to Canadians—as I know you do—as I do, what's top of mind for them is affordability. It's the price of rent. It's the price of gas. It's the price of food, so we've been acting on these three vectors

At the same time, with respect to the disability tax credit—and I want to again thank the chair because she's played a lead role in making sure that the government would do what's right—we have taken a number of measures to modernize the way the credit is administered. We have extended the benefit and are making sure that we take less time away from general practitioners, who were spending time on filling out forms. I'm sure our colleague Ms. Martin would have a view on that.

We have made it easier, and we have made it broader, certainly, for the category of people we cover—and I think it's just very much

in line with our Canadian values. Those are some of the people who deserve all of our attention. I want to thank them. I want to thank them for their submissions. We listened, and we acted. I want to praise the chair in particular, and other members of the committee, who have been really stellar leaders, along with my parliamentary secretary—because Parliament Secretary Turnbull has been a key advocate as well—in making sure that we do the right thing.

• (1005)

[*Translation*]

**Jake Sawatzky:** Thank you.

Seven FIFA World Cup matches are taking place in Vancouver, British Columbia. Canada has the opportunity to showcase its breweries, distilleries, wineries and other local businesses to a national and international audience.

The spring economic update saw our government extend excise duty relief measures, including the 2% cap on annual increases and the continuation of targeted tax reductions for small brewers. This amounts to over \$30 million in support.

Can you explain how these measures will help Canadian producers?

**Hon. François-Philippe Champagne:** First, thank you for the question.

I think that this is one measure that should receive unanimous support. I'm looking at my Bloc Québécois colleagues, and I see a smile. I'm looking at my Conservative colleagues, and I'm trying to see a smile. I'm looking at my colleagues on the Liberal side, and I see a big smile.

I think that we're all here to support the small brewers—the microbreweries, as we call them back home—found in just about every region of the country, if not in a number of regions of the country. This measure was absolutely necessary. You're right. We're headed for a summer full of sports activities with the FIFA World Cup. There will be plenty of occasions to celebrate.

I think that this also shows the need to support regional economic development. These microbreweries are often located in smaller communities, in our area and in other places. Certainly, it's good to be able to give them a helping hand.

The chair is telling me that I need to wrap up now.

**The Chair:** Thank you, Minister.

[*English*]

Thank you, Mr. Sawatzky.

We're going to continue, now, with five minutes for Mr. Kelly.

**Pat Kelly:** Thank you.

Minister, just this morning, the CFIB testified that their members—hundreds of thousands of workers and businesses—are calling upon the government to have a time frame and to lay out a plan for a balanced budget.

I've asked you this question literally dozens of times at this committee and at the committee of the whole. I asked you this last week at the committee of the whole. You refused to answer the question. I really hope today might finally be the day you can tell Canadians—because they're demanding this—in what year your government will balance the budget.

**Hon. François-Philippe Champagne:** Let me talk a bit, first, about the CFIB. I saw them. I want to thank them for their important work. We work very well with Dan Kelly and his team.

I've answered that question. Canada has the strongest fiscal position in the G7. I think Canadians will be pleased to hear that, yesterday, the OECD said that we'll have the second-fastest growth in the G7. I can quote the numbers, if you want. That might be helpful.

**Pat Kelly:** No. If you're, again, not going to answer the question, we'll move on to another question. You still refuse, despite being the Minister of Finance, who ought to have some kind of plan.

This was a promise. You ran in 2015. You promised a balanced budget following a generational investment in infrastructure. The investment didn't happen. The infrastructure didn't get built. Ten years later, you promised the same thing. You didn't deliver. You didn't balance the budget, and you refuse to even respond to any questions about a balanced budget.

Let me bring to your attention this morning's PBO report. We just got this. It was tabled just before you arrived here. I haven't had a chance to read the whole thing, but I got to page 13, where the PBO says, “we estimate that the likelihood that the deficit-to-GDP ratio will decline in every year over 2026-27 to 2030-31 is less than 1 per cent.”

Minister, you have cut loose every fiscal anchor your government has ever given itself, and now the PBO says that you have a 1% chance of meeting your new fiscal anchor. What credibility do you think you have on any fiscal matter?

• (1010)

**Hon. François-Philippe Champagne:** This is a serious moment. I think Canadians understand that. That's why we need to focus on facts and figures. That's why, as I said—

**Pat Kelly:** It's in the report.

**Hon. François-Philippe Champagne:** As I was trying to explain.... The Canadians who are watching understand the dynamic in this committee this morning. They want to know the Canadian economy is resilient. We have seen an increase in business investment in machinery and equipment, an increase in business investment in intellectual property and a decrease in government spending.

The International Monetary Fund doesn't need a clip like my colleague does. They said that Canada has the strongest fiscal position in the G7. The OECD, which is also an international body, just said that we will have the second-fastest growth in the G7. Those are the facts. Those are the numbers, Madam Chair.

**Pat Kelly:** Minister, you made an opening statement, where you could run down your clock. I'd like you to actually answer a question. You did not answer my question about credibility in terms of your fiscal anchor, which was challenged quite vigorously this morning by the PBO.

The PBO says that there is less than a 1% chance that “the deficit-to-GDP ratio will decline”. Do you agree with the PBO's assessment, yes or no?

**Hon. François-Philippe Champagne:** Canadians are very smart. They understand that we're facing one of the most uncertain periods since, probably, the Second World War and that the world is complex and volatile. Despite all that, Canada's growth—

**Pat Kelly:** You had a chance to make an opening statement. Now you're here to answer questions.

**Hon. François-Philippe Champagne:** —has been assessed by an international agency as being the second-fastest in the G7.

**Pat Kelly:** No, you're here to answer questions. You can say whatever you like in your opening statement.

Why do you refuse to answer questions put to you by parliamentarians? Parliamentarians are elected to question ministers and hold them to account. Why do you hold them in such contempt?

**Hon. François-Philippe Champagne:** Madam Chair, I've answered all the questions. That's a subjective comment by the member. He may not like my answer because the Conservatives don't really like it when we present facts. That's the problem. I've seen that over a decade, and—

**Pat Kelly:** I asked you if you agree with the PBO, yes or no.

**Hon. François-Philippe Champagne:** —they don't like facts, Madam Chair. When I present facts, they don't like it, but that's the answer.

**Pat Kelly:** I asked you if you agree with the PBO, and you talked about something completely different. That's not an answer. It may be a response. They're words. You say words at committee, but that's not an answer.

Will you answer the question? Your credibility has been challenged by the PBO. Do you agree with the PBO's assessment, yes or no?

**Hon. François-Philippe Champagne:** Madam Chair, I will even cite—

**The Chair:** Thank you, Minister. That concludes the time we have.

Thank you, Mr. Kelly.

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

**Carlos Leitão (Marc-Aurèle-Fortin, Lib.):** I have only five minutes. That's excellent, but this is going to be tough.

[Translation]

Good morning, Minister.

Thank you for joining us.

The country is indeed facing an extremely complex situation. As you have said a number of times, a fog of uncertainty hangs over everyone. This is particularly true for Canada, since our economy is still highly integrated with the American economy. So the fog is denser here than in other places.

One item noted and made public in the economic update is the following. The deficit is lower than forecast in the November budget. The main reason for this decrease of about \$11 billion is that income taxes generated higher-than-expected revenues. When income taxes generate higher revenues, even in a situation where we lowered the tax rate, it means that the Canadian economy has performed quite well and is quite resilient.

What are your thoughts on this?

**Hon. François-Philippe Champagne:** Thank you, Madam Chair.

First of all, I want to thank my colleague Mr. Leitão. He's a great economist, and he gets it.

I think that puts this discussion in perspective.

The first thing is to look at the macroeconomic situation. I also know Canadians aren't easily fooled. They understand the macroeconomic situation very well, for sure. The International Monetary Fund was talking recently about a global fog of uncertainty. I would say Canada is like a beacon in that fog. Despite the economic integration with our neighbour to the south and this very complex, very volatile global situation, the Canadian economy is truly more resilient than people had estimated. Canadian workers and the Canadian industry are more resilient.

I know Canadians understand that. In a world filled with uncertainty, what can we do? The Prime Minister has been very clear on this: We need to focus on what we can control. What is that? We control the investments we can make at home. That's why we're making generational investments in housing, infrastructure, productivity, innovation and defence.

As Mr. Leitão knows, as a great economist, and as the International Monetary Fund has reiterated, countries that have the fiscal capacity can implement this kind of measure. In the IMF's declaration, two countries were mentioned, Madam Chair, not 10, and those were Germany and Canada. Why? Because we're the only two countries with a triple-A credit rating. It was said that if we made generational investments simultaneously in sectors that would generate economic growth, we would see the benefits.

That's what we're seeing. Our plan is working, and we are moving forward. The global macroeconomic environment certainly doesn't spare any country, but I think Canadians watching us this morning understand when we say Canada's growth is nearly double

that of some of our G7 partners. It shows how resilient workers are, how resilient the Canadian economy is and how smart our investments are. We're talking about logistics corridors, doubling our exports and attracting investments here.

We're talking about developing infrastructure through agreements like the one we signed with Quebec a few days ago to inject close to \$10 billion in infrastructure. This is a historic agreement to develop infrastructure in Canada, in this case in Quebec, for hospitals, but also for schools. That's the kind of thing we can do to help the Canadian economy, our workers and our industries.

• (1015)

**Carlos Leitão:** Thank you, Minister.

Of course, I fully share your point of view. As you've already mentioned many times to this committee, it's important to look to the future.

The most recent report from the Organisation for Economic Co-operation and Development, or OECD, released yesterday or the day before, states that Canada is the second fastest-growing country in the G7 in 2026-27. It's not just the OECD saying this. This week, the Bank of Montreal and CIBC released their economic forecast for 2026-27—the other banks will follow—and both forecasts are relatively similar to that of the OECD. Everyone sees that Canada, after the little break—

**The Chair:** Thank you, Mr. Leitão. Your time's up.

We're going to finish this hour with Mr. Ste-Marie.

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

**Gabriel Ste-Marie:** Thank you, Madam Chair.

Minister, I was very disappointed a year ago when I saw your government backtrack on the digital services tax, more specifically on web giants that make money here, but don't pay their fair share of taxes. That decision was made on the basis that it would allow Canada to conclude an agreement with the U.S. government by July 2025. Obviously, that didn't happen.

That said, the Canadian Radio-television and Telecommunications Commission, or CRTC, which the government claims is an independent tribunal whose decisions must be enforced, is requiring online platforms such as Netflix to invest more money in the creation of Canadian content and shift their contribution from being self-funded to being paid.

However, we learned this week that the government was reversing that decision, because it irritated the Americans and it was better not to make them chip in. Your colleague Marc Miller acknowledged that. This means the government will pay the tax itself.

It's good that there's money for the creation of Canadian content, but isn't it important that even American multinationals that come here and make money pay their fair share?

I understand this requirement is an irritant—by the way, the American ambassador called it that—but isn't it a sign of weakness to act this way and lay down arms before the Americans, even before starting negotiations?

**Hon. François-Philippe Champagne:** I'd like to thank Mr. Ste-Marie for his question.

There are two things. We've made very important investments to support the French language culture and vitality, and we will always be there for the cultural industry. I think artists know that very well. More specifically, we've made announcements recently, and you even saw yesterday that the Association québécoise de l'industrie du disque, du spectacle et de la vidéo, or ADISQ, understands the complex situation we're in. First and foremost, artists recognize the federal government's support for the cultural industry.

As for the rest, I would say, Mr. Ste-Marie, that you're a very wise man. We must always stand up for Canada's interests, in every part of the country. As you can appreciate, these negotiations are complex, even volatile sometimes in many respects.

However, our position is always to defend the best interests of all sectors and all workers, to position Canada in the best way while continuing to very clearly and strongly support all sectors.

You asked about forestry. We're here for those in the forestry sector. We are there for those in the aluminum sector. We are here for those in the steel and auto sectors.

• (1020)

**The Chair:** Thank you.

On behalf of the committee, I'd like to thank the minister for joining us today.

[*English*]

Committee members, we're going to take a 10-minute pause before we return for the next session.

Thank you.

The committee is suspended.

• (1020)

(Pause)

• (1030)

[*Translation*]

**The Chair:** I call the meeting back to order.

I'd like to welcome the witnesses.

From the Canadian Federation of Agriculture, we have Stéphanie Levasseur, second vice-president, and Brodie Berrigan, senior director, government relations and farm policy.

[*English*]

From the Labourers' International Union of North America, we have Eric Olsen, the political director for western Canada.

[*Translation*]

From the Montreal Economic Institute, we welcome once again Renaud Brossard, vice-president, communications, and Gabriel Giguère, senior policy analyst.

From the International Aeronautics and Civil Aviation Observatory at the Université du Québec à Montréal, we have Mehran Ebrahimi, professor and director of research.

I'll remind participants of a few points. Before speaking, please wait until I recognize you by name. For those participating by video conference, click on the microphone icon to activate your mike. Please mute yourself when you're not speaking.

Those on Zoom requiring interpretation, at the bottom of your screen, you have the choice of floor, English or French. Those in the room can use the earpiece and select the desired channel.

I want to remind the witnesses that members of the committee can ask their questions in French or English. If you need interpretation, take a moment now to prepare and select the listening channel you'll need in advance so we can make the most of the time set aside for questions.

We'll begin with the witnesses' opening statements.

Witnesses, you will have five minutes each.

We'll start with the Canadian Federation of Agriculture.

The floor is yours.

• (1035)

**Stéphanie Levasseur (Second Vice-President, Canadian Federation of Agriculture):** Thank you very much.

Good morning, everyone.

Thank you for the opportunity to speak today.

My name is Stéphanie Levasseur, I am the vice-president of the Canadian Federation of Agriculture, or CFA. I'm also an apple producer in Frelighsburg, in southern Quebec.

As you know, the CFA is Canada's largest general farm organization. We represent over 190,000 Canadian farmers and farm families.

As you also know, agriculture does not operate in a vacuum, so decisions made across multiple departments, for example regarding health, the environment, trade or financial issues, directly affect the competitiveness, resilience and viability of Canadian farms. A whole-of-government coordinated approach is essential to preserving the vitality of our food system and our competitiveness in global markets. Fundamentally, food security depends on the agricultural sector's productivity and economic viability.

For years, Canadian producers have been calling for regulatory mandates that explicitly recognize the importance of protecting not only the health of Canadians and the environment, but also our economic viability, competitiveness and access to affordable food. In this context, we welcome and support the recognition of economic and food security with the proposed amendments to the Pest Control Products Act and the Canadian Food Inspection Agency Act in Bill C-30. The effectiveness of these amendments will ultimately depend on their effective implementation, which in turn depends, among other things, on decisions remaining science-based.

We also advocate for continued collaboration with industry and agricultural sector stakeholders to ensure these considerations are truly integrated in day-to-day regulatory decision-making, rather than just remaining overarching objectives.

From the CFA's perspective, one way to achieve this is through a more balanced, risk-based regulatory approach. Effective regulation should focus on managing risks rather than systematically seeking to eliminate them through disproportionate means or without considering the actual terms of use. Excessive caution or zero tolerance for risks can have adverse effects. It can delay approval, restrict access to essential tools and reduce productivity without actually improving safety. With rising costs, climate-related challenges and global competition, farmers need access to efficient products to protect their crops and care for their animals.

At the same time, we want to be clear about what these legislative changes shouldn't do. They shouldn't add new layers of bureaucracy, extend already lengthy approval times, or impose additional requirements and uncertainties on registrants or producers, nor should they require regulators to undertake extensive independent economic analysis, as doing so risks slowing down decision-making processes further.

Resources are also a major challenge for both the pesticide regulatory directorate and the Canadian Food Inspection Agency. Sufficient resources are critical to maintain inspection capabilities, address animal and plant health risks and ensure Canada is aligned with key trading partners. To maintain its reputation as a reliable supplier of safe, high-quality food, Canada needs a well-oiled regulatory system. Having more predictable and timely regulatory decisions would allow producers to plan confidently, invest in innovations and remain competitive in a rapidly changing global market.

In closing, we look forward to working with parliamentarians and regulators to ensure these changes are implemented in a way that strengthens Canada's agricultural sector without weakening public confidence in our regulatory system.

I look forward to your questions.

Thank you very much.

• (1040)

**The Chair:** Thank you, Ms. Levasseur.

[English]

We will continue now with Mr. Olsen from the Labourers' International Union of North America.

You have five minutes.

**Eric Olsen (Political Director - Western Canada, Labourers International Union of North America):** Madam Chair and members of the committee, thank you for inviting LiUNA Western Canada to appear before you today.

My name is Eric Olsen. I'm the political director with the LiUNA Western Canada subregion.

For those of you who may be unfamiliar with us, we are the Labourers' International Union of North America. We are the largest private sector construction union in North America. We have over 500,000 members and more than 140,000 in Canada. Our western Canada subregion has approximately 20,000 members in four locals servicing the four western provinces and the north with a proud 100-year history of building some of the most important and vital infrastructure in the country.

A few of the notable projects our members have built recently in western Canada are the Trans Mountain pipeline, the Keeeyask dam, LNG Canada and the Site C dam. All of these major construction projects require skilled labour from across Canada.

Labour mobility will be a key element as Canada builds major energy, transmission, port, road, rail, mining and defence-related infrastructure throughout western Canada and the north in the coming years. Our highly skilled, experienced members transfer easily between locals in order to deliver the critical labour that will be needed on specific projects.

At times, this comes at a cost to the member. LiUNA Western Canada applauds and supports the changes to the labour mobility tax credit contained in this spring economic update. We urge this committee and all MPs to support moving forward with the implementation of the provisions designed to support the building trades members who build this country.

Thank you.

**The Chair:** Thank you very much, Mr. Olsen.

[Translation]

I now give the floor to the representatives of the Montreal Economic Institute.

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

**Renaud Brossard (Vice-President, Communications, Montreal Economic Institute):** Thank you very much.

Good morning, everyone.

I would first like to thank you, on behalf of myself and my colleague Gabriel Giguère, for inviting us to appear before you today.

For those who aren't familiar with the Montreal Economic Institute, or MEI, I'd say we're an independent think tank with offices in Montreal, Ottawa and Calgary. The institute has been involved in Canadian public debate since 1998 through its research and media interventions. One of the key topics we're looking at is the sound management of public finances. That's what we're here to talk about today.

We're concerned about the Canadian fiscal path of the past decade. Each of the last 10 fiscal years has ended in a deficit. A deficit is projected for the current fiscal year, and we still don't see a balanced budget on the horizon. If nothing changes, the federal deficit will reach \$117 billion in 2035, nearly twice what it is today. That's not good fiscal management.

Despite the federal government's predicted unending deficits, new programs are still being announced, as though we're wallowing in surpluses. The best example is probably the creation of the Canada Strong Fund announced by the Prime Minister the day before the tabling of this economic update.

The model most often cited when we talk about sovereign funds is that of Norway, specifically its Government Pension Fund Global, whose assets now exceed 20 trillion Norwegian kroner, or \$3.5 trillion Canadian. I would point out that we're talking about *billions* in French, which is trillions in English.

The situations in Canada and Norway are quite different. While Norway has run only one deficit since the beginning of the century—at the height of the pandemic, in 2020—Canada ran more deficits than ever before, and still has no realistic plan to return to balanced budgets. In other words, every dollar Ottawa invests in this new fund won't come from a surplus generated through sound management, but rather from borrowing at high cost in debt markets.

• (1045)

Because of its regulatory framework, the Norwegian sovereign fund is not allowed to invest its money in Norway to avoid overheating its economy. This also limits the possibility of political interference in the allocation of funds.

The fund put forward by the current government proposes instead to allocate funds exclusively to Canada in a handful of selected sectors, when it needs to be a sovereign fund like Norway's. Instead, the federal government is proposing to create yet another business support fund, whose only innovation is to allow individuals to put their money there, if they believe public servants and

oversight bodies are better than them at managing their money. Looking at the various projects subsidized by the various levels of government, I doubt that.

While the federal government can play a role in driving our economic prosperity, it is not well equipped to play a financial role, nor should it play such a role. Individuals and institutional investors who risk their own money are in a much better position to do that.

What the government is fairly well equipped to do, and where it's appropriately engaged, is to create an environment conducive to growth and investment. It should review the environment and the tax and regulatory costs it imposes on all Canadian families, rather than trying to select a handful of businesses or winning or losing sectors.

Unfortunately, by proposing a debt-financed fund managed by public servants, the government seems to persist in a top-down approach that has cost Canada a lot of money, with very little to show for it in recent years.

Thank you for your time and attention.

**The Chair:** Thank you, Mr. Brossard.

We're still waiting for Mr. Ebrahimi. We'll see if he can join us later.

We'll begin the rounds of questions with committee members.

[English]

We will begin now with Ms. Cobena for six minutes, please.

**Sandra Cobena:** Thank you, Chair.

Thank you to all the witnesses.

I'd like to start with Mr. Brossard.

You noted in your opening statement that a lot of your analysis focuses around sound management of public finances. I'm sure that when the Prime Minister promised to spend less and invest more, this was a topic of interest for you.

In this morning's PBO report, it is confirmed that the government operational costs were actually revised up \$18 billion over the last four years to \$142 billion. What do you think this means for Canadians more broadly? Also, do you think this meets the Prime Minister's definition of spending less and investing more?

**Renaud Brossard:** Thank you so much for the question.

I would say that if operational spending is going up, it is not investment. It's spending more, and we're not necessarily seeing more investment out of this. Unfortunately, this has been the trend for a long time with the federal government.

We've seen massive increases in hiring. We've seen that there's also a lot more money going towards the public service. Unfortunately, Canadians are not seeing results from that, whether it's when you show up at the passport office and it takes so very long and is so very hard to get a passport, or just in terms of everyday services that we can easily rely on. They're seeing an increase in cost, but they're not seeing that translate into a better quality of services, unfortunately.

**Sandra Cobena:** The report this morning also noted that there's a less than 1% chance of the government meeting the new fiscal anchor, which is a declining deficit-to-GDP ratio. Of course, this is after the fact that they chose to give up the last fiscal anchor. What message do you think this sends Canadians and investors?

**Renaud Brossard:** Thank you for the question.

I think it sends the wrong message. We've been promised sound fiscal management by this government. We've been promised sound fiscal management for the past 10 years, and we have yet to see it.

At the MEI, we looked into modelling what was going to come, not just until 2030—there's some modelling in the finance department on that—but what was going to happen after 2030. Are we going to be on track to get back to balance?

Unfortunately, when we looked at the pace at which spending is increasing and at all the planned increases that have been promised by this government, the deficit is going to increase to \$117 billion in 2035 if nothing gets done. That's about twice as much as what it is today. This is not prudent fiscal management, and it is unfortunately going to keep costing future generations of Canadians even more money in debt interest payments every single year.

• (1050)

**Sandra Cobena:** Also, of course, this is a big deal, because Canadians pay a lot of taxes. They pay taxes when they earn a paycheque, when they buy a house, when they own property, when they spend money and even when they die. For Canadians, there is no chance to avoid the taxman, and they're paying a lot of taxes. Now, they're seeing their government giving away their taxes and not managing these taxes responsibly. It's difficult to see, particularly in the context of the affordability challenges we have. Now we're in a recession, so we're not seeing any results from any government policies.

What do you think about the state of the Canadian economy right now?

**Renaud Brossard:** Yes, we are in a recession. The definition is really clear—we've had two consecutive quarters with negative growth. It's a textbook definition that unfortunately fits that.

What's more worrying than the last six months is what has been happening over the past 10 years. We see that we've had very low growth when we look at our GDP per capita. What does this mean? It means that Canadians' standard of living is not going up—or it's going up very slowly, stagnating—whereas some of our other peers in advanced nations are seeing theirs go up. It means that Canadians are unfortunately having a little bit more trouble balancing their budgets at the end of the month, simply because they don't have more funds. They don't have more money to spend on the everyday goods they need.

Just in the last five years, when we adjust for inflation, the growth in GDP per capita, or the economic pie per person, has only been up 3.5%. That is abysmally low. That's why we would like to see this government work to reverse this. Unfortunately, creating a new government fund to try to direct subsidies to specific industries is not the way to do that.

**Sandra Cobena:** On that topic, we just had the finance minister here at committee, and I asked several questions around the fund, because there are details that are still not clear. You did an in-depth analysis in your opening statement in terms of the issues and the differences between this fund and Norway's. We just found out that the interest on the debt—the \$25 billion of debt that this government is going to take on to seed this fund—will be \$750 million per year. That doesn't include the cost of the bureaucracy, of course. It doesn't include the executive salaries that we have seen inflated in other bureaucracies.

Are you concerned with the lack of transparency with this fund that we've heard about so far from this government and the finance minister, who refused to answer questions?

**The Chair:** You have 10 seconds for a response.

**Renaud Brossard:** Absolutely, we are concerned. The cost of interest—that's assuming 3% interest and \$750 million—is about what 106,000 Canadian taxpayers pay in taxes every year—

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

Thank you, Ms. Cobena.

[*Translation*]

Professor Ebrahimi is now online.

Professor Ebrahimi, I will give you five minutes for your opening remarks before we continue the question period with the committee members.

The floor is yours.

**Mehran Ebrahimi (Professor and Director of Research, Université du Québec à Montréal, International Aeronautics and Civil Aviation Observatory):** Thank you, Madam Chair.

Thank you for the opportunity to participate in this meeting.

I'm here as an expert in aviation and aeronautics and in all matters related to airport management. It is in this capacity that I am speaking today.

My primary objective is to make the honourable members of the committee aware that, in Canada, there is unfortunately a significant shortfall in the airport management system, despite the fact that we have a very good aeronautical system, that we are excellent aircraft manufacturers, that we have excellent airlines and that all the international aviation institutions are based here in Canada. This creates problems in terms of attracting tourists to the country as a whole and in terms of the smooth flow of passengers. This also poses a problem for scientific exchanges, scientists and committees. Finally, the fact that our airports are inadequate or dysfunctional causes other supply chain issues.

For several years now, there has been indecision regarding the governance model for airports in Canada, and so far, we have largely maintained the status quo. This is starting to pose an economic problem.

The idea is also to ask ourselves what role, collectively, as a nation, we want to assign to airports. That's more or less the point I wanted to make. The status quo is very damaging to the country. The question we must ask ourselves is this: What do we want to do with our airports? There's no strategy in this regard. The issue isn't limited to deciding whether we want a private or public entity. These days, there's talk of privatizing airports. This is an important issue. First and foremost, we need to know the purpose behind this and what we're aiming to achieve.

Does the way we view airports, as large-scale infrastructure projects that play a key role in economic development, require us to have a debate on this issue? The questions that will arise as a result are as follows: Are they private or public? Are they public in terms of governance? What about private operators? All of these elements can be on the table. We can be creative, but for now, the status quo is preventing us from moving forward.

We simply view airports as entities that generate revenue for the government. I have no problem with that, since it's a very good thing. We must also think of airports as drivers of economic development. From there, we can consider private or public models, or partnerships, as I mentioned earlier. The crux of my remarks relates to this. We cannot maintain the status quo. If we continue to approach airports in the same way—that is to say, if we lack a strategy or overarching direction for our airports—whether they're publicly or privately owned won't make much of a difference. The same problem will arise, but it will take a different form.

I urge the committee members to consider this crucial issue, which today is becoming an obstacle to economic development, at least in the aviation sector. Let me remind you that we're talking about several hundred thousand people and an increase of several tens of billions of dollars in gross domestic product.

I'll leave it there. I look forward to your questions.

● (1055)

**The Chair:** Thank you, Professor Ebrahimi.

We'll now go to questions from members.

Mr. Leitão, you have the floor for six minutes.

**Carlos Leitão:** Thank you very much, Madam Chair.

Good morning, distinguished witnesses, and thank you for being here.

Since we are hearing from several groups of witnesses and my speaking time is limited, I'll try to go quickly. If I don't have time to address each of you directly, please accept my apologies in advance. That said, I'm pleased that you are all here.

[English]

I'll start with you, Mr. Olsen, from LiUNA. I want to tell you that I know your colleagues, particularly the ones in the Toronto area. A significant proportion of their members are actually folks of Portuguese origin. I'm well aware of the work that LiUNA does, and that work is hugely important.

You mentioned the labour mobility tax credit. Yes, we also think it's a hugely important point, but I would like to discuss with you, or ask if you have any ideas—I'm sure you do—on the labour training side. The unions in general, and particularly LiUNA, have in-house training programs, which I think are quite successful.

Perhaps you could tell us a little bit about that.

● (1100)

**Eric Olsen:** Certainly, yes.

We have training centres right across western Canada. I deal with western Canada, so I can't speak about the east. Each local in the four provinces has training centres. We offer a variety of training, from basic labour-related training right through to Red Seal. We are mobile with training. We go out and work with indigenous groups and other groups across the west. It's a major part of what we do and how we get our members to have the skills they need to build these projects.

**Carlos Leitão:** I was going to mention the first nations, because we do have—as you pointed out—several major projects under way in western Canada. One of the deciding factors, or one of the conditions—I should say—is the involvement of and benefits to first nations. One way to make sure that those benefits flow through is employment opportunities. To have employment opportunities, of course, they need training. I commend the work that LiUNA does in that.

Again, on the legislative side, we have this tax credit as well as other measures to fund skills training, which I think are useful.

[Translation]

Ms. Levasseur, I'll continue with you.

Of course, agriculture is an extremely important sector. You said that the regulatory approach you're suggesting is a risk management approach rather than a very strict one.

Could you tell us a little more about that?

How might we go about suggesting that?

What legislative changes could be made to ensure that risk management is taken into account?

**Stéphanie Levasseur:** We all know that there's no such thing as zero risk. So trying to regulate based on zero risk is a bit of a catch-22. In agriculture, we need agility. We need access to new tools. Since it's a very small market, it's less attractive to companies trying to get products approved.

We have a very cumbersome regulatory system. This morning, Mr. Champagne boasted about certain data he had seen in the OECD reports. One of the less flattering statistics is that Canada ranks 32nd out of 43 countries in terms of bureaucracy and the regulatory system. So the changes to the mission proposed here might help improve this ranking and provide access to all the tools needed for the farming sector to be more competitive in today's market.

Mr. Berrigan, would you like to add anything?

[*English*]

**Brodie Berrigan (Senior Director, Government Relations and Farm Policy, Canadian Federation of Agriculture):** Very quickly, with respect to specific legislative changes, the provisions outlined in division 7 and division 8 would recognize economic and food security interests in the mandates of the pesticides regulatory directorate and the CFIA, and will go a long way toward accomplishing this objective. Implementation will be key, as Madame Levasseur said in her introductory remarks.

We do hope that PRD and CFIA will be open to further consultation and discussions with industry on how we can operationalize this new mandate that's outlined in the legislation.

Thank you.

[*Translation*]

**The Chair:** Thank you, Mr. Leitão. That concludes your speaking time.

**Carlos Leitão:** All right. Thank you very much.

**The Chair:** Before giving the floor to Mrs. DeBellefeuille, I'd like to ask Professor Ebrahimi to raise his microphone slightly so that the interpreters can hear him clearly.

Mrs. DeBellefeuille, you have the floor for six minutes.

• (1105)

**Claude DeBellefeuille (Beauharnois—Salaberry—Soulanges—Huntingdon, BQ):** Thank you very much, Madam Chair.

I'd like to thank all the witnesses for being with us.

My questions are for Professor Ebrahimi.

We know that, in unstable economic situations—given the tensions we're currently experiencing, certain lobby groups often try to

convince the government that the key to success, the silver bullet, is the privatization of sectors that are in the public domain, that is to say, under government control.

That brings me to a question for you. Let's play a little game together, if you'd like.

Would you say that airports should be viewed as a cash cow or as a driver of economic development?

**Mehran Ebrahimi:** They should definitely be viewed as a driver of economic development. In every country, airports are considered a driver of economic development, whether they are privately or publicly owned.

We have made very significant gains thanks to airports' contribution to the economic fabric. That's been proven, regardless of what ideology one subscribes to. There are figures and facts to back it up. When we build a highway—at least here—we don't charge people to use it. It's public infrastructure, but it contributes to economic development. People travel, goods are transported and the economy flows. We must also view airports in this light.

**Claude DeBellefeuille:** Discussions are currently under way. It's believed that the government might, in essence, be tempted to privatize certain airports. I spoke with my colleague from the riding of Côte-Nord—Kawawachikamach—Nitassinan, and she told me, of course, that the Côte-Nord and remote regions, which are already underserved by public airports, don't view this favourably.

Do you think that, right now, as we speak, we're doing the right thing by seeking to privatize airports?

**Mehran Ebrahimi:** If we look at the global rankings today, we see that the three largest and best airports in the world that have been categorized are public airports.

First, the claim that privatization is the solution doesn't hold up.

Second, we've seen cases in certain countries, such as Australia and Norway, where small airports and regional areas are not necessarily the focus of privatization advocates when this approach is pursued. In fact, that is not where they will look to generate significant revenue or profits.

When something is privatized, it is generally done with the aim of generating added value. That's not possible in those regions. The airport must be viewed as a link to the rest of the country. The airport must serve as a catalyst for economic development so that people—businesspeople, passengers and tourists—can travel freely around regardless of a region's characteristics.

Once again, whether we keep it private or public, the question is what we want to do with our airports and what status we want to grant them. We can then find solutions, whether they involve private or public airports. All of these issues can be addressed.

However, the government cannot claim, under the pretext of privatization, that it is leaving this to the private sector and withdrawing. In countries where this has been done, it was later regretted. There's been a deterioration of services in the regions served. Ultimately, it ended up costing more than the previous status quo.

**Claude DeBellefeuille:** Basically, what you're telling us, Professor Ebrahimi, is that a decision is being made through Bill C-30 to change the mission of the Canadian Food Inspection Agency. This requires careful consideration, but you're telling us that we need to be cautious and that there's no question of privatizing immediately without first thinking through what we actually want.

What is the mission of our airport infrastructure? Basically, the government has a role to play in this infrastructure.

Are we putting the cart before the horse to possibly make things easier down the road?

Should we give in to private sector lobbyists, who are currently taking advantage of the economic instability?

**Mehran Ebrahimi:** Absolutely.

I often quote the saying, “no wind is favourable to a ship without a destination”. With that in mind, I wonder what direction we want to take with airports. When we build an airport, a highway or a major infrastructure project, what's the purpose behind it?

For several decades now, at least since the 1980s, the prevailing view has been that airports are a way to generate lease revenue and takeoff and landing fees, thereby filling the government's coffers.

I have no problem with that; it's legitimate. The question is whether these facilities are fulfilling their mission or not. Once again, as for the idea of selling them, I'm not opposed to privatization. There are private airports that operate very well, such as Paris—Charles-de-Gaulle Airport in Paris. These airports are private entities, but the government keeps a very close eye on them to ensure that the airport fulfills its original mission.

As far as we're concerned, we haven't defined a mission for our airports. Whether they're private or public doesn't matter—we don't know what's expected of them, aside from making money. That's all well and good, but what else?

So if we move forward—and this issue isn't clear—if they're privatized, it will be people who are just making money for their own benefit. If they remain private, those people will line their own pockets. However, deep down, we're forgetting the airport's primary mission: to serve as a driver of economic development.

• (1110)

**Claude DeBellefeuille:** What you're saying is clear, Professor. There's basically no real thought behind it. Privatization is seen as a magic solution that would free up funds for the government to finance other projects.

So, based on your expertise, you are warning us about this.

**The Chair:** Thank you, Mrs. DeBellefeuille.

**Mehran Ebrahimi:** Absolutely.

**The Chair:** Thank you.

[English]

We're going to continue now with Mr. Kelly for five minutes.

**Pat Kelly:** Thank you to the Montreal Economic Institute. You have testified about the frightening trajectory of the federal government's budget horizon here and the direction they're going.

We had earlier testimony today from other witnesses who are calling on the government to at least have a plan and to table some kind of—long-term, if it must be—plan toward a balanced budget and to more disciplined budgeting. The minister, subsequent to that, dismissed all of our questions around that issue. He appears to really hold in contempt anyone who would mention a balanced budget or remind him that in 2015—11 years ago—they promised to deliver one.

Could you expand on your comment around the government budgeting? You said that the country is swimming in surpluses. What would a disciplined budget look like?

**Renaud Brossard:** Thank you so much for the question.

The first part of budget discipline would be to undo a lot of the mistakes of the last 10 years. The unprecedented growth in the size of Canada's bureaucracy has been detrimental not just to the state of our finances but also to the state of our economy. If you put in more bureaucrats and more regulators, they're not necessarily going to do better bureaucracy or regulate better. They're going to regulate more and add bureaucratic layers. That's what we've seen happening in this country for a long time.

The first part of any plan to get back to balance should be to slim down the size of bureaucracy quite aggressively and see if we can use some of those new technologies, such as AI, to progressively reduce the need for as many bureaucrats as we have now.

Of course, the other thing we need to look into is not putting in new spending but rather doing a total program review. This asks not just if there is a benefit to what we're doing, but also if this is an appropriate role for the federal government. We've seen the federal government expand into many areas of provincial jurisdiction, where not only it is not doing better, but it's also harming our federal finances.

**Pat Kelly:** Okay. Thanks.

There's bloated public service, intrusion into areas of provincial jurisdiction and excessive regulation. What about corporate welfare and the government's industrial policy?

**Renaud Brossard:** I'm glad you asked. I come from a province that tried to master industrial policy as a way to promote economic growth. When we look at what was promised to be a sovereign wealth fund, I can't help but see another Investissement Québec, but this one with supposedly some participation from taxpayers.

I can tell you that if subsidies were a good tool for economic development, we'd know it in Quebec. Quebec would be the most wealthy province in the nation. Unfortunately, that is simply not the case. If Quebec has had growth in recent years, it is thanks to the genius of its entrepreneurs. It's the same with Canada, by the way. It is not thanks to government subsidies and industrial policy.

**Pat Kelly:** Okay. Thanks.

To go back to your projection of a \$117-billion deficit by 2035, can you talk about some of the consequences of this kind of deficit? We're eventually going to be on a treadmill that we can't get off if we don't do something soon. I don't want to anticipate your answer, but is that a concern that you have?

• (1115)

**Renaud Brossard:** It is certainly a concern that we have. The current federal deficit is \$65 billion. If we keep spending the way we're spending, it will be \$117 billion in 2035. Part of that is that every time we spend more than what our revenues bring in, that goes into debt. Unfortunately, debt is a very expensive thing. It means we have more interest payments to pay.

We found that the net debt in Canada would go up from about \$1.5 trillion right now to about \$2.4 trillion in 2035 if nothing changes. That means more interest payments on the debt, more taxpayers' money going only to service that debt and less money available for services or to cut Canadians' taxes.

**Pat Kelly:** You will note that we're already where the cost of debt service exceeds health transfers, national defence and virtually every other government program, other than OAS, I think. Do you have any comment on that?

**The Chair:** Be very quick.

**Renaud Brossard:** It's actually one of the areas where we're seeing significant cost pressure towards 2035. Three things are going to grow massively. These are military spending, transfers to seniors and then interest payments on the debt. These are some of the cost drivers that—

**The Chair:** Thank you very much, Mr. Brossard.

Thank you, Mr. Kelly.

We'll continue now with Mr. Turnbull for five minutes.

**Ryan Turnbull:** Thanks, Chair.

Thanks to all the witnesses for being here today.

This is a very important conversation. I know that the spring economic update implementation act has lots in it that's interesting. I'm particularly focused on all of the infrastructure, housing and defence capabilities we're building across the country.

I come from the Durham region, just outside of Toronto, where we've announced a major project of the first of four small modular reactors at Darlington. It's great news, because it comes with 18,000 construction jobs. I really value the work of our tradespeople. At one time, I was a stonemason. I was never Red Seal certified, but I did that for nine years to put myself through university. I really value the hard work of the men and women across the country who will help us build up the country in ways that we really need right now. The government has really made this a priority.

We've heard from members opposite in opposition parties who don't like it when governments are in situations where we need to stimulate investment in the economy and we need to add certainty when there is this cloud of uncertainty that's not within our control. We've chosen to do what the International Monetary Fund has actually recommended, which is that Canada use its fiscal capacity to stimulate growth strategically in industries where we have a strategic advantage and where we know it aligns with what the general public wants to see. Then there are the jobs it creates—the livelihoods, the careers, the good-paying jobs, the good-paying union jobs.

I want to ask Mr. Olsen from LiUNA about the labour mobility tax deduction and the major investments in skilled trades that are in the spring economic update and that I think are so valuable. I have Durham College in my riding as well. They have a skilled trades innovation centre and a training centre. They just added 650 new spots for skilled trades trainees. I'm very proud of our region and proud to see many more young people get opportunities in the skilled trades.

Mr. Olsen, maybe I'll hand it to you for some comments.

**Eric Olsen:** Thank you very much.

Whether these projects are private sector or public sector, it really doesn't matter. These projects will require thousands and thousands of tradespeople to build them. In the public sphere, there's always talk of a shortage of skilled labour. We can see this coming. People my age are aging out of the work, so we do need to train. We need to get as many apprentices on these jobs as possible. Our position is that project labour agreements with built-in standards for the number of apprentices, the number of indigenous people and under-represented groups, etc., will help get that skilled labour up to the point where we need it.

You mentioned your experience. I have lots of experience working on these projects. Prior to this job I'm in now, I was 10 years working in camps on major projects. The turnover rate and the number of people required to build these is monstrous. You're a 4,000-person camp, and you might have 6,000 or 8,000 people working on each project.

It's really important—the amount of money that has been put forward for training. It's helping all of our building trades expand their training capability and fulfill the mandate of building this country.

• (1120)

**Ryan Turnbull:** Thank you, sir. I really appreciate that response.

Do you think we got it right in terms of the design and the way we structured the apprenticeship grants, the hiring incentive for SMEs and then the completion bonus? When I think back to when I was a young person doing stonemasonry, if I had the opportunity to have a bit of a wage bump, train on the job and take an apprenticeship, I might have actually gone through the Red Seal certification process.

Can you speak to whether you think we got that right?

**The Chair:** I apologize. We don't have time for a response.

Thank you.

We'll continue with Madame DeBellefeuille.

[*Translation*]

**Claude DeBellefeuille:** Thank you very much, Madam Chair.

Ms. Levasseur, I'd like to address you briefly. I have two and a half minutes to tell you that I'm a little concerned about the change in the Canadian Food Inspection Agency's mission. I'm afraid that with this change, we're heading toward lower standards rather than higher ones.

As the member of Parliament for a riding representing an agricultural region, I know that produce growers, for example, compete with Mexico, the United States, Chile and Peru. These countries use pesticides that are banned here in Canada. Local produce growers therefore find themselves competing on a totally unfair playing field with countries that use pesticides not approved here, but whose products end up on our shelves anyway.

Agricultural producers are therefore calling for uniform standards. There must be reciprocity in our trade agreement negotiations. It's not right that I can buy a bell pepper from Florida in the United States when I know that in Sherrington or Saint-Michel, two municipalities located a few kilometres away from my home, major Quebec producers grow them, but they can't compete with Florida producers at the same price. This concerns me.

I'm also concerned that Quebec inventors of organic pest control methods, or even methods that harness nature, face significant difficulties getting their inventions recognized, even though they are less polluting and less hazardous to health. They are having trouble making their way, getting recognized by Health Canada and getting their products approved.

The changes related to the Canadian Food Inspection Agency will help these people find their way. They're not only looking for ways to be competitive, but also to ensure health, safety and good productivity by using less toxic products.

That said, Ms. Levasseur, I get the impression that the changes made to the agency will serve the interests of the major pesticide lobbies and that they have won the battle. So, if we face a challenge, we'll allow products to be registered quickly, without ensuring health and safety. I'm afraid that the agricultural community is going along with this.

I understood that you weren't necessarily opposed to this, and that worries me.

**The Chair:** Excuse me, Ms. Lavasseur, your time is up.

That concludes the question period. On behalf of the committee, I'd like to thank all of today's witnesses.

We will suspend for five minutes to welcome the Minister of Transport.

Thank you.

• (1125) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1130)

[*English*]

**The Chair:** We are going to resume our meeting. Colleagues, please take your seats.

Welcome back for our fourth hour today on Bill C-30.

I would like to take a moment to welcome the Honourable Steven MacKinnon, the Minister of Transport. He is joined by the deputy minister, Michael Vandergrift, and the assistant deputy minister, Serge Bijimine.

Minister, you have five minutes for your opening remarks.

[*Translation*]

**Hon. Steven MacKinnon (Minister of Transport):** Thank you, Madam Chair. I also want to thank all the members of the committee.

Thank you for inviting me here today to provide an overview of a key measure contained in Bill C-30, an act to implement certain provisions of the spring economic update tabled in Parliament on April 28, 2026, specifically, the airport information provision.

As you know, Canada's airports are central to our economy, connectivity and the daily lives of Canadians. They are managed by a range of organizations, including not-for-profit corporations and other levels of government. However, to develop effective policies and support the growth of our economy, we need to improve our access to information held by airport owners, operators and related organizations. Access remains limited at present for the federal government, including myself, as Minister of Transport. Bill C-30 proposes a measure that will close this gap.

[English]

The Minister of Transport would be able to require airport owners, operators and others whose activities could affect airport value to provide information when needed. The sharing of relevant airport information will help improve our understanding of the sector and support evidence-based decision-making. This information could help us identify potential adjustments to the existing model that could attract more private investment. This initiative is crucial to advancing goals that matter to Canadians such as affordability, enhanced economic development and an improved passenger experience.

[Translation]

I want to emphasize that collaboration remains the cornerstone of our approach. We will continue to work closely with airport authorities to gather information on a voluntary basis and maintain an open dialogue with the sector.

[English]

This measure will also position the Government of Canada to advance policy development in other areas, such as improving air travel affordability, expanding regional connectivity and responding effectively to operational challenges.

Ultimately, the measure would further enable Transport Canada to carry out its mandate to build a more secure and reliable aviation transportation system. We will use the ability to request information only when needed so that we can keep Canada's transportation system strong and able to meet the needs of Canadians.

[Translation]

In closing, Madam Chair, this measure reflects our commitment to evidence-based decision making. It will help make sure that Canada's airports remain strong economic levers. The information we gather will help us better understand how different airport ownership models impact the air sector.

[English]

They will help guide our decisions and priorities to support economic growth, encourage investment and create more opportunities for both the industry and Canadians.

Thank you very much.

**The Chair:** Thank you, Minister. That was short and concise, which is much appreciated.

We will begin with Mr. Albas for six minutes.

**Dan Albas (Okanagan Lake West—South Kelowna, CPC):** Thank you, Madam Chair.

Thank you, Minister, deputy minister and officials, for making yourselves available to discuss this important piece of legislation.

Minister, this casts a wide net across all airports. What should airports be concerned about in terms of the new requirements?

• (1135)

**Hon. Steven MacKinnon:** I don't think they should be concerned at all. In fact, what we're seeing is a good deal of co-operation between airport authorities. The deputy minister just met with

the airports council, and we're seeing voluntary compliance with information requests.

**Dan Albas:** If you are seeking voluntary information, why are you legislating it?

**Hon. Steven MacKinnon:** Well, there's a chicken, and there's an egg. We want to ensure that we can run a process that is uniform, where we are able to access information as required but only when required. We want to have the ability—quite frankly, it surprised me, as Minister of Transport, that we did not already have it—to secure operational data from airport authorities.

**Dan Albas:** First of all, Minister, your department is a bit of a mess right now when it comes to aviation. We saw, in the *W5* exposé on Pearson, what's happened. There is a sudden requirement for small airports such as those at Castlegar or Comox to comply and send you information.

Are you actually going to be looking at these things, or is this about something else? Is it about the valorization of certain airports, and you're using this catch-all mechanism to basically require information from the major airports so that you can, so-called, asset recycle them?

**Hon. Steven MacKinnon:** We're looking for operational data that, frankly, I believe the Government of Canada should be in possession of in any event. You referenced security issues. That would be a relevant area of study and examination in terms of operational data. We have some. We don't have all, but I do want to reassure those in Castlegar and Comox that we have made no request for their data as yet.

**Dan Albas:** Again, you cast a net on all airports. Are you asking for all airports to comply or not?

**Hon. Steven MacKinnon:** We don't want to legislate this piecemeal. We'll have this provision that will allow the transport minister to make an information request. That again is something that I believe should be *de rigueur*. It should be normal in any event.

To reiterate, I was surprised that we did not have ready access to this data. I suspect there will be a high degree of voluntary compliance.

**Dan Albas:** Speaking of data, are you going to be seeking information around airport improvement fees and their debt levels? Right now, it seems to me, Minister, that it's awfully strange that you're more interested in looking at the valorization of these assets for other means, rather than fixing the problems in Canadian airports, such as CBSA computer shortages and NavCan labour shortages.

Also, we have the issue of airport baggage screening and non-passenger screening requirements, which are your direct responsibility, Minister.

**Hon. Steven MacKinnon:** There is no hierarchy of issues to resolve and we are able to deal with all of those issues in parallel.

We can drill down into any one of them if you wish.

**Dan Albas:** Let's start with that.

What are you doing right now in regard to Pearson's screening requirements? It's Transport Canada that has the lead on that. How is it that people right now are being detained, arrested and then caught up in CBSA's system forevermore for something they didn't do? It is your responsibility to make sure bad people can't get those jobs and then stay in those jobs.

**Hon. Steven MacKinnon:** There's a lot in that question.

CBSA, of course, reports to the Minister of Public Safety, with whom I work, obviously, very closely. The fact is that we revoke these credentials regularly. We have a constant system of ongoing revocation of credentials. We take this very seriously.

As you know, the system that we implement requires us to assess the risk to aviation safety. I've asked my officials to examine whether that is an appropriate test, but I would point out that, substantially, many of the people who were the objects of interest in the recent television report all had their credentials revoked.

**Dan Albas:** Minister, this is the first time you've publicly spoken about this. You are the minister responsible. What one concrete measure have you done beyond talking to your officials and saying that you can do everything at the same time?

As far as I can see, Minister, you are a part-time transport minister and a full-time House leader.

• (1140)

**Hon. Steven MacKinnon:** Don't tell my wife that. She has noted that we spend a lot more—

**Dan Albas:** Minister, I'd like you to actually.... This is serious. Be serious.

**Hon. Steven MacKinnon:** Well, it's not serious to call me a "part-time transport minister". That's the part that's unserious.

The fact is that we have gone very deep in looking at this system. This is a system that has been built up over—

**Dan Albas:** Give one concrete measure, please, Minister, beyond talking to your officials.

**Hon. Steven MacKinnon:** We're not going to do something where we haven't considered all of these very intricate and delicate interconnected systems. We are not going to do anything rash, but I can tell you that in federal transportation infrastructure, security is something that preoccupies me and that I spend a lot of time dealing with.

**The Chair:** Thank you, Minister. That concludes the time for this round.

[*Translation*]

Mr. Lavoie, you now have the floor for six minutes.

**Steeve Lavoie (Beauport—Limoilou, Lib.):** Thank you, Madam Chair.

Minister, thank you for joining us for the next full hour. I'm very pleased that you're here.

Last November, you came to Quebec City to visit our port and our airport. It had been more than 10 years since a minister of transport had visited the port. That shows the importance you attach to these facilities, which are important in Quebec. I'd like to take the opportunity to remind you of the importance of the Quebec City airport for Quebec and, above all, for the Beauport—Limoilou riding. That airport is making record profits. Its growth is incredible.

The port is also important. We learned this week that certain infrastructure will be rehabilitated and that there will be projects for the supply chain and the tramway. We have big plans for the tramway, as well as for all the rail facilities that will come with high-speed rail, or HSR. For the people of Quebec City, Quebec City isn't only a point of departure, but also a point of arrival. That makes it very important for the people of Quebec City. Thank you for taking the time to come visit us. It means a lot to people.

Let us go back to the Quebec City airport. In May 2026, less than a month ago, it announced that it had truly returned to record passenger levels. According to data from 2019—before the pandemic—the record number was 1.7 million passengers. However, the airport has reached 1.8 million passengers. It's growing.

One of the measures in the economic update is the review of Canadian airport infrastructure. What economic benefits does the government hope to gain from this review, particularly for growing airports, such as the one in Quebec City?

**Hon. Steven MacKinnon:** Thank you very much.

I think we see the importance of mobility itself, as well as the opportunities that mobility and transportation offer for employment and economic growth. We know that economic growth follows the development of modes of transportation.

What impressed me the most at Jean-Lesage International Airport in Quebec City was people's vision for investing in projects, sometimes small projects. I often emphasize this in my discussions with local authorities. We can sometimes invest a little bit to achieve big gains.

Their vision also included the possibility of adding a new gate. Adding a single gate can make it possible to accommodate a different type of aircraft, a new route and a new airline. I was struck and impressed by the vision of sustainable growth that local managers in Quebec City were taking about.

**Steeve Lavoie:** You're talking about vision, and, funnily enough, you're talking about small gestures, but the Quebec City airport prides itself on being the largest of Canada's small airports.

The airport's president and CEO, Stéphane Poirier, is doing an extraordinary job. I don't know if he's following our proceedings right now, but let us assume he is. If we were to look ahead 10 or 20 years, what would you like to see for a piece of regional infrastructure so important for Quebec City and its development?

If we look at all the infrastructure, whether it's the HSR or the tramway, we realize that in Quebec City, we're lucky. We have a port, an airport, rail infrastructure and highways; in short, we have everything needed to succeed.

Where do you see an airport like the one in Quebec City in your vision for the next 10 or 20 years?

**Hon. Steven MacKinnon:** Indeed, we can see the opportunities offered by the development of transport, or at least the objective of projects such as the public transit project.

I would say that, in Quebec City, intermodality is going to be the key. When we develop the Alto high-speed rail, we'll run it through Quebec City. It will connect not only to the public transit system, but also to the existing rail system, the airport facilities and the highways, as you also mentioned, which are an integral part of the system.

I think we're going to have something very interesting, not only for the people of Quebec City, but also for those in the surrounding regions, such as eastern Quebec and the Lower St. Lawrence, Charlevoix and so on. Tourism and business opportunities will be easier to develop. It's also possible to imagine that—I know this is a sensitive subject—people could one day leave Quebec City at 5 p.m. to go to the Bell Centre and come back the same evening.

Another thought is that if someone lives in Trois-Rivières, they'll be able to take a flight from Quebec City very early in the morning to a sun destination. People will also be able to get on a high-speed train and arrive at the airport shortly afterward to catch their flights. That will be a game changer for the people in Quebec City and Quebec.

• (1145)

**Steeve Lavoie:** Absolutely.

Having worked with business people for the past 25 years, I know this is what they need. If we want to develop Quebec City, we have to attract investments to Quebec City. We want to bring in workers and industrial parks. If we want to bring in buses, we need to get a tramway that connects to the bus network. I really like your vision for intermodality.

In the economic update, the government also mentioned the economic potential of airport lands. Quebec City has a lot of land. This has been under discussion for a long time. When I was at the Chambre de commerce et d'industrie de Québec, this was something that Quebec had in its vision. It was wondering how to develop that, because that land is unused.

What is your long-term vision for airport lands? Take Quebec City, for example.

**The Chair:** Excuse me, Mr. Lavoie, that concludes your time.

**Steeve Lavoie:** Thank you.

**The Chair:** Mrs. DeBellefeuille, you have the floor for six minutes.

**Claude DeBellefeuille:** Thank you very much, Madam Chair.

Welcome, Minister. It's a pleasure to be here today to benefit from your presence.

I don't know if you and your team had the opportunity to listen to Professor Ebrahimi's testimony on the issue of airports. He wonders whether it should be a cash cow or more of a lever for economic development. I think you know him, this professor. He's quite well known in Quebec, in Canada and abroad for his research findings. He wasn't against privatizing airports. He said that there was some thought needed beforehand. He felt that the government hadn't done that. Before privatizing them, it might be better to have an idea of the direction we want our airports to take.

In my colleague's riding of Côte-Nord—Kawawachikamach—Nitassinan, there are many concerns about moving forward with privatization without really thinking beforehand about what we want. I don't know if you have seen that in the press review. The region already isn't served very well. People on the Côte-Nord and elsewhere have expressed a lot of concerns.

Why do you want to privatize the airports?

Do you think the private sector, whose goal is to make money, will manage the airports better?

**Hon. Steven MacKinnon:** I think we owe it to ourselves to go through the process. Even at this very preliminary stage, it's clear to me that these are all infrastructures for which we'll have to study tailor-made solutions. There's no—

**Claude DeBellefeuille:** There's no common strategy for all the infrastructure.

Is that right?

**Hon. Steven MacKinnon:** The stage of development, the debt, the housing stock, the revenues or the revenue sources of the various airports are all different. That means we'll have to study them one by one and propose solutions.

We're at a very preliminary stage, and if it can reassure the people in the Côte-Nord area, as well as those in Castlegar and Comox, before we start a dialogue with those regions, we'll have to go through inevitably busier airports.

• (1150)

**Claude DeBellefeuille:** Professor Ebrahimi also told us that the most lucrative airports, the ones that perform the best across the board, are public airports. That makes it reassuring to hear you say that private airports aren't the cure-all. They won't solve every problem, because we know that there are public airports elsewhere in the world, and they're the best.

That said, I would like to move on to intermodality. You know how attached I am to the maritime sector. Your government has announced a program that's going to fund 50% of the cost of transporting Canadian steel by rail. I was surprised. I asked you about this in the House, and I know that you're currently thinking about a solution. In fact, this puts the maritime sector at a disadvantage.

As you know, there are currently 122 Canadian vessels transporting steel, and their owners are confused as to why they would be disadvantaged because rail gets 50% funding. We're more of the belief, Minister, that if you want to help steel transportation, which is a good thing, maybe you should let the customer choose their mode of transportation.

Is the program in effect? Has the money started to be paid to the rail industry?

When I talk about the rail sector, I'm talking about Canadian National Railway or Canadian Pacific Railway. I don't think these companies need financial assistance.

**Hon. Steven MacKinnon:** Indeed, I would like the choice to be neutral, meaning that people can choose their mode of transportation. Obviously, there are well-beaten paths, even if it's by sea. Steel mills should make their own choices. My goal is for the choice of mode of transportation to stay neutral.

It's more complicated to implement a program like this than one would think, even for rail. We're laying the foundation for a system that would ensure neutrality in terms of choice.

**Claude DeBellefeuille:** Thank you for your very transparent answer. It's important for the maritime sector, which is a very important regional economic driver.

That leads me to my final question. Perhaps you can clarify your answer on my next turn.

I will soon be formally asking you to support a pilot project and sponsor it regarding the clearance of approximately 1,000 containers at the Port of Valleyfield.

As you know, the Port of Valleyfield is very close to my heart. It's a regional economic driver. I have had discussions with the Canada Border Services Agency. They really encouraged me to ask you to issue a ministerial directive for the agency to explore the possibility of a pilot project. The idea is to set up innovative models, including customs clearance pricing. We could do a public-private partnership.

I know that you're quite open to innovation. Would you be willing to discuss setting up a pilot project?

**The Chair:** Please give a brief answer, in 10 seconds.

**Hon. Steven MacKinnon:** I would be very pleased to receive any business plan that could help develop a smoother transportation system in Canada.

**The Chair:** Thank you, Minister.

Thank you, Mrs. DeBellefeuille.

[*English*]

We'll continue now with Mr. Hallan for five minutes.

**Jasraj Hallan:** Thank you, Chair.

Minister, thank you for being here.

My first question is this: Can you tell us how many metres of track have been laid for the Alto project?

**Hon. Steven MacKinnon:** None.

**Jasraj Hallan:** Then can you tell us why \$3 million in bonuses has been given out?

**Hon. Steven MacKinnon:** It is a Crown corporation. They follow the Treasury Board guidelines for performance management, and they have independence in terms of—

**Jasraj Hallan:** Can you tell us which performances have been met so far?

**Hon. Steven MacKinnon:** There are indeed phases and stages to this project. While I'm not—

**Jasraj Hallan:** Can you table with the committee which performances met the guidelines and exactly how much money went to which executives for meeting those guidelines?

**Hon. Steven MacKinnon:** I'll return and happily supply you with whatever is possible to bring to the committee.

**Jasraj Hallan:** We appreciate that you confirmed this.

Minister, can you confirm that the Alto project won't go a dollar over \$90 billion?

**Hon. Steven MacKinnon:** I can confirm that there's a lot of engineering left to do.

The interesting thing about cost estimates—as you know, colleague—is that people want to know what things cost before they are designed. I think people intuitively know this: When you talk about building a house, that house can take many forms and contain many things. Until we have a final route and a final budget—

• (1155)

**Jasraj Hallan:** Minister, I was a home builder in my previous life, and we never went over budget because it was the responsible thing to do—unlike your government, which has a track record of breaking every single budget. In fact, the PBO, this morning, had a scathing report. That's why I think it's important for taxpayers to know this as the Liberals are laughing about it. They need to know you guys budgeted \$90 billion and won't go one dollar over.

Can you confirm it won't go over \$90 billion, yes or no?

**Hon. Steven MacKinnon:** I can confirm that as the cost estimates for the project continue to evolve while we choose the final alignment and do the final engineering on it.... We'll supply all those cost estimates, yes.

**Jasraj Hallan:** I'll take that to mean, "It will go over, for sure."

Can you table, once that cost estimate is done, how much you're going to be giving in bonuses? Can you confirm that?

**Hon. Steven MacKinnon:** I can confirm that whatever compensation arrangements Treasury Board prescribes, governs and puts in place will be rigidly followed. We will ensure that all—

**Jasraj Hallan:** I'm sure there will be bonuses.

**Hon. Steven MacKinnon:** We will ensure that pay linked to performance is only paid when performance has been achieved.

**Jasraj Hallan:** Minister, I'll have to move on since you're not answering.

In the spring economic statement, you guys talk about economic growth.

Do you agree with Statistics Canada's Friday report that Canada has had two consecutive quarters of GDP decline? Give me yes or no.

**Hon. Steven MacKinnon:** I will allow those who analyze such matters to analyze them.

Here's what I can tell you. We are seeing a very promising horizon of transportation and infrastructure projects in Canada. That would include high-speed rail—

**Jasraj Hallan:** Minister, the reason for my question—

**Hon. Steven MacKinnon:** —and all of these things will yield economic growth. I'm very focused on leading indicators—

**Jasraj Hallan:** You said economic growth, but the PBO, in their new report, is actually saying the opposite.

In fact, we have been hearing from you for a year that Canada would be the strongest economy in the G7. In three out of the last four quarters since the Prime Minister took office, the GDP has shrunk, totally debunking that claim, and now you're talking about economic growth.

Can you confirm that we're in a recession? Give me yes or no.

**Hon. Steven MacKinnon:** Mr. Hallan, I say this with great affection. You were undoubtedly a great home builder. I think we should leave the economics to the economists.

**Jasraj Hallan:** We left it to you guys, and now we're in a recession.

Are we in a recession, yes or no? Can you at least just say the word?

**Hon. Steven MacKinnon:** The country is encountering enormous headwinds from a trade war, an actual shooting war in the Middle East—

**Jasraj Hallan:** So are the other G7 countries. The rest of the G7 countries are in the exact same position as Canada.

Why is Canada the only country in the entire G20—

**Hon. Steven MacKinnon:** They aren't geographically located next to and economically intertwined with the United States of America.

**Jasraj Hallan:** Mexico shares a border with the U.S. and is more intertwined than Canada is. Why are they not in a recession?

**Hon. Steven MacKinnon:** You said the G7.

Mexico is a long way from the G7, and I prefer our economic outlook to that of Mexico.

**Jasraj Hallan:** Canadians don't, and that's why we're in a recession.

**The Chair:** Minister, we're going to have to end it there.

Thank you, Mr. Hallan.

We will continue now with five minutes from Mr. Leitão, please.

**Carlos Leitão:** Thank you, Chair.

I will share my time with my neighbour, the Parliamentary Secretary to the Minister of Finance.

[*Translation*]

Good afternoon, Minister. Welcome.

We certainly could have talked about a recession, but I won't go there.

[*English*]

I would suggest that my colleagues contact or read the reports of the C.D. Howe Institute, which is Canada's foremost authority on classifying whether or not there was a recession. Please read the C.D. Howe stuff, and they'll answer the question very directly.

[*Translation*]

I could also have talked about the Alto project, which I fully support. I really like the intermodal aspect. It's very interesting. That said, we're going to come back to Bill C-30 instead.

Our Bloc Québécois colleague told us that it was important to properly analyze the situation, to think about what we're going to do for the airports and to think about the factors that should guide this thought process.

To me, it seems that a good thought process will require information. I get the impression that that's what Bill C-30 is all about. There's a desire for the right to access that information.

Can you say a few words about that?

● (1200)

**Hon. Steven MacKinnon:** As I told my colleague earlier, I was surprised to learn that Canada's Minister of Transport didn't have quick access to this kind of data. When we asked for such data, we saw that there was fantastic co-operation from airport authorities.

However, to adopt a solid approach that uses both the belt and suspenders, we thought it would be a good idea to clarify that. The Minister of Transport is entitled to such information, if only to analyze operations and the flow of air transportation in Canada. That's why we included it in the bill.

Obviously, our intentions are just as transparent. We're looking at the possibility of privatization. Canadians are the owners of these facilities, and they have a right to potentially maximize their investments in these facilities and benefit in another way from the possible outcomes.

We're at a very preliminary stage of the review. As I said to my colleague from the Bloc Québécois, we anticipate that each facility or piece of infrastructure will have a tailored solution, since each one is unique. It will take time to analyze all the operations concerned, but we're at the very beginning of this process, and we're very eager to get started.

**Carlos Leitão:** Thank you, Minister.

I'll give the rest of my time to my dear colleague Mr. Turnbull.

[*English*]

**Ryan Turnbull:** Minister, thanks for being here and thanks for your leadership.

On Alto high-speed rail, I want you to know, as a member of Parliament who represents a riding in Durham region where eventually that high-speed rail will pass through, and someone who's lived in major cities around the world that have high-speed rail, I have heard from countless constituents of their support for this project. I want you to know that despite what we hear sometimes in the House of Commons with objections.... I understand and I'm sure you appreciate that choosing a route and understanding there's displacement that happens with these major infrastructure projects are aspects of this project that we need to be very sensitive to. I trust that you will be sensitive to those.

I want you to have an opportunity to highlight some of the robust economic benefits that will come with Alto high-speed rail.

**The Chair:** You have 30 seconds.

**Hon. Steven MacKinnon:** Thank you.

Let me say to people in the Durham region that I know how mobility, transportation, is a daily fact of life. We indeed will have an exciting, transformational project to propose to Canadians, which will change life as we know it for literally 40% of the population of this country, a corridor with new worlds of intercity travel. If you're a student, you're a tourist, you're a business person or someone who wants to go to a hockey game or a baseball game and come back the same evening, all of these doors open.

**The Chair:** Thank you, Minister. That concludes the time we have.

Thank you, Mr. Turnbull.

[*Translation*]

Mrs. DeBellefeuille, you have the floor for two and a half minutes.

**Claude DeBellefeuille:** Thank you very much, Madam Chair.

It makes me smile a bit when you talk about baseball games or hockey games.

• (1205)

**Hon. Steven MacKinnon:** We should come back to that as well.

**Claude DeBellefeuille:** As for the Quebec City facilities, I'm not sure how much it will cost. That's also somewhat the question we have to ask ourselves. Who will be able to afford to leave Quebec City in the afternoon, take the HSR and buy a ticket at the Bell Centre? Ultimately, there are also doubts about that.

Who will be able to afford the nice HSR ride? These are legitimate questions, Minister, and I don't think everyone will be able to travel from Trois-Rivières or Quebec City to go see a soccer game. Who will be able to afford it? We haven't seen the business plan yet. We don't know if the HSR will be affordable for all Quebecers.

In its budget brief, the Fédération des chambres de commerce du Québec pointed out that air service routes in the regions are lagging way behind. I'd like your comments on that.

I can bring up Côte-Nord again, and I can also talk about Abitibi. In fact, I can talk a bit about all the regions of Quebec, the ones I know best. The idea is to find out what you propose to improve availability, to improve airport services in the regions.

Right now, it's fair to say that they have been abandoned, particularly by Air Canada. If airports are privatized, we think that this may put our regions at an even greater disadvantage.

What are your thoughts on that?

**Hon. Steven MacKinnon:** Thank you for the question.

I will say that regional access to air travel is another concern of mine. It's an issue I think about often. There are new models. There are carriers, partners and code-sharing agreements with major carriers.

Some airlines find this appealing. They can make routes between small airports or small towns and major hubs profitable. In fact, getting back to Mr. Lavoie's question, this is a possibility for—

[*English*]

**Sukh Dhaliwal (Surrey Newton, Lib.):** Madam Chair, I seek unanimous consent to carry on with this meeting while the bells are ringing.

**The Chair:** Do we have unanimous consent to carry on with the meeting?

**Some hon. members:** Agreed.

**The Chair:** Thank you, Mr. Dhaliwal.

Please continue.

[*Translation*]

**Hon. Steven MacKinnon:** In fact, Quebec City could play a role, as could Montreal and the new airport—the Montreal Metropolitan Airport, or MET—in Longueuil.

That said, we are constantly conducting analyses of the regions and their access to transportation.

**The Chair:** Thank you, Minister, and Mrs. DeBellefeuille.

Time is up.

[*English*]

We'll continue now with Mr. Kelly for five minutes.

**Pat Kelly:** Thank you.

Thank you, Minister.

I, too, have questions about the affordability and viability of this project. I understand that there is no route and there is not an actual estimate yet. There are some working assumptions and working numbers. I understand your government's working number is a range of \$60 billion to \$90 billion. These things, on average, exceed these kinds of numbers by generally, I think, about 45% across the world with similar projects, so let's say the real range is maybe up to \$130 billion. Let's hope it's not higher than that.

Within these working numbers, have you given thought as to what the ticket price would have to be to cover the debt, repay the principal and cover the operating expenses?

**Hon. Steven MacKinnon:** Madame DeBellefeuille just expressed the same concern. Obviously, we will choose an operating model. I had an interesting conversation with my Spanish counterpart, and his recommendation is to make those fees as fair and as accessible as possible. Obviously, that's what we'll do.

I will say this: We continue to put in the work and do the analysis. Unfortunately, your leader did not. He came out against this project, made all kinds of assumptions—just as you just did—and expressed opposition to this very popular project, all while advocating for other pieces of infrastructure that he cannot possibly know the cost of either, like energy infrastructure.

**Pat Kelly:** If I may, then—

**Hon. Steven MacKinnon:** I'm very puzzled by the policies of the Conservative Party. When it comes to this project, you have no idea what some infrastructure costs, but you demand it. You have no idea what some other infrastructure costs, and you reject it. I don't get that approach at all.

**Pat Kelly:** You had your opening statement to make those kinds of comments.

**Hon. Steven MacKinnon:** I get to answer your questions, though.

**Pat Kelly:** No, you didn't answer my question. The only part of the answer that I heard was that you want to keep it reasonable, which is, of course, what Canadians would expect. I'm not making any assumptions that are not either—

**Hon. Steven MacKinnon:** Your leader does. That's the point.

**Pat Kelly:** This is my time. I'm going to ask a question. You can answer it.

If you are at, say, \$90 billion—and that's a reasonable starting point, as it's within the range of your government's statements already—the cost, at the rates that you borrow on \$90 billion, would be, let's call it, \$144 billion.... I'm sorry. If you had a ticket price,

that would be \$3.6 billion. If you had a ridership of 12 million per year, which is what McGill University thinks you'll have, that would be about \$300 per ticket. Is that a fair assumption?

• (1210)

**Hon. Steven MacKinnon:** No.

**Pat Kelly:** Okay. How would you get to a lower ticket price if that's your ridership and that's your purchase number?

**Hon. Steven MacKinnon:** We will work to keep fares as low as possible. This system, like European and Asian systems—

**Pat Kelly:** How low would the cost of the project have to be in order to see cost recovery, pay the principal and pay the debt? How low would you have to keep the cost to keep the ticket price reasonable?

**Hon. Steven MacKinnon:** I appreciate the skepticism, but permit me to be skeptical as well. You've already decided you're against this project. I think that Canadians will wake up more and more, and understand that the Conservative Party would end the dream of high-speed rail in Canada.

I don't go into such things with these preconceptions. We'll continue doing the analysis as the engineering progresses, as decisions are made and as we are able to invest, having a clearer picture. We will give, transparently, that information to Canadians as it becomes available.

**Pat Kelly:** Okay. Thank you.

The train system you currently run has a 50% on-time rate. It receives a two-dollar subsidy for every dollar it collects in fares. Earlier, my colleague asked about bonuses at Alto.

Can you tell me if that is meeting a performance metric, and have bonuses been paid on that performance?

**Hon. Steven MacKinnon:** As soon as I became transport minister, or very shortly thereafter, I expressed to the board and, eventually, management of Via Rail that I was not satisfied with their performance. I do understand that some performance issues are beyond their control, inasmuch as they share, with cargo railways, some of their alignment in the corridor. I understand that, in some cases, they're using extremely outdated equipment. I would note that we are procuring new equipment and new rolling stock for Via Rail outside the corridor, as we have inside the corridor. I've asked them to take a long look at these performance issues. We want people on Via Rail. It's an essential service.

**The Chair:** Thank you, Minister. That concludes the time that we have.

Thank you, Mr. Kelly.

We'll continue now with Dr. Martin for five minutes.

[*Translation*]

**Danielle Martin:** Thank you, Madam Chair.

Thank you, Minister, for appearing before the committee this afternoon.

I would like to ask you a few more questions about the data we wish to access on behalf of the Government of Canada.

[*English*]

Can you help us understand a bit more the kinds of data we need, as a government, in order to do comprehensive regional planning for growth in Canadians' transportation needs? I come from a region where a lot of people come and go, so we need to understand what the future looks like. In order to understand that, we need to have data.

Talk to me a little more about what that looks like.

**Hon. Steven MacKinnon:** That's a very important question.

[*Translation*]

Thank you for your efforts to speak French. It's nice to see a new colleague speaking the language of Molière.

[*English*]

Business development and economic development follow transport development. What you see, for example, at Pearson is a multi-modal complex that employs tens of thousands of people. We want to be able to project. It will always be at the heart of the Canadian economy. It will always be at the heart of our transportation system—rail, hopefully high-speed at some point as well, but cargo, air and other modes. Trucking is obviously an essential ingredient as well. What this performance data at Pearson will give us is a good picture of growth trends, of passenger growth.

We are seeing enormous interest from new markets in serving Pearson, in serving Toronto, from other airlines, from other national carriers and so on. This will only grow, and we want to understand and calibrate our assumptions against those of the airport authority so that we can do all of this planning and ensure that opportunity and growth will always be there for the people of, let's call it, Mississauga, but also obviously Peel and York regions.

• (1215)

**Danielle Martin:** Just building on that, I think about that surrounding infrastructure. I'm a big user of the UP Express that takes me to Pearson from very close to my home in downtown Toronto. Understanding growth then yields other information about the surrounding infrastructure that's required to serve an airport the size of Pearson.

What kind of data do we need to be able to access, and what would the provisions in Bill C-30 enable us to understand about those future needs in the surrounding infrastructure?

**Hon. Steven MacKinnon:** There are basic financial indicators, financial statements and others, but the underlying assumptions and the underlying data—passenger movements, cargo movements, assumptions around required capital spending, debt load—all help us to not only properly value that asset but also integrate that into our planning.

It's interesting that you mention UP Express. Highways will always play a role in the Canadian transportation system, but for

those who live in dense urban areas, I think the goal should always be to leave your home, start with public transit and end with public transit. It's taking that very important airport link or public transit to that airport link, getting on a plane, getting on a train and going where you want to go. Then hopefully at the other end, it's unfolding that in the same way and getting back home with your suitcase. Only having taken public transit should be our objective. I think it's something that can be realized in the GTA and all over the country in dense urban areas.

**Danielle Martin:** Maybe this is a longer conversation, but I'd be interested to know if there are categories of data or information that you feel are particularly important or where, perhaps, the excellent relationship-based voluntary compliance universe has been less effective—in order to understand why the provisions in this bill are so important.

**The Chair:** Unfortunately, you will have to answer that another time because that concludes the time that we have. You have my apologies, Minister MacKinnon.

**Hon. Steven MacKinnon:** We're at the outset of this process. It's very early, and those things will become evident as we go on.

**The Chair:** We're going to have to continue now with Ms. Cobena for five minutes.

**Sandra Cobena:** Minister, the Prime Minister, as you know, racked up about \$200,000 on inflight catering over three trips. Of course, we are now in the context of a recession where every dollar taken from taxpayers is to be respected, and they expect that.

Could you please confirm how much the food costs, on average, when the Prime Minister is travelling?

**Hon. Steven MacKinnon:** I have no idea. It's whatever the government regulations are when the Prime Minister travels, just as if we were carrying troops to a mission overseas. There are guidelines for those things. Those guidelines are rigidly followed.

**Sandra Cobena:** There is no knowledge or guidelines in terms of how much the Prime Minister and his entourage are spending on each of these trips. There are a lot of trips, and I'm sure you can understand, with an affordability crisis, this is—

**Hon. Steven MacKinnon:** Do you mean the Prime Minister travelling around the world?

**Sandra Cobena:** I am asking a question about the cost, not the travel. I'm asking about the cost, so could you—

**Hon. Steven MacKinnon:** I'm a little more focused on the revenue side. What I can say is that when the Prime Minister comes back, he always speaks to me about some possibilities for foreign investment in businesses, in technology and in innovation. I'm more keenly interested in foreign investment in infrastructure. Those efforts were rewarded—

**Sandra Cobena:** Listen, Minister, I can understand that—

**Hon. Steven MacKinnon:** I think this is an important fact for you. Those efforts were rewarded—

**Sandra Cobena:** Minister, I have a question for you—

**Hon. Steven MacKinnon:** Canada was recently named the number one destination in the world for foreign investment in our infrastructure—

**Sandra Cobena:** If I may speak, Minister—

**The Chair:** Minister and Ms. Cobena, I'm going to have to ask both of you to pause for a moment.

**Hon. Steven MacKinnon:** That was a very good achievement and I link that directly to the Prime Minister.

**The Chair:** Minister, I'm going to ask you to pause for a moment.

Ms. Cobena, please ask your question.

**Sandra Cobena:** Minister, I have five minutes to ask you questions and you're talking over me. I would like to ask you some simple questions and get some answers.

I understand your point, but what you are saying to me is that the Prime Minister needs luxury dinners and \$200,000 of spending on food for his trips to do his job. That is my question.

• (1220)

**Hon. Steven MacKinnon:** That isn't a question. That's an assertion. What I will tell you—

**Sandra Cobena:** That is a fact.

**Hon. Steven MacKinnon:** The Prime Minister follows the same rules that we would apply to anyone. In some cases those airplanes carry Canadian Forces troops abroad. I'm sure you don't think they should not be fed if travel is during a mealtime.

There are guidelines for those things. If you're interested in how these things are run, I would point you to those guidelines. Maybe you could suggest how they should be changed, if they should be changed.

**Sandra Cobena:** You can table those.

**Hon. Steven MacKinnon:** They're available to you.

**Sandra Cobena:** The question is raised because even when you compare it to your own previous prime minister, it's double the cost. That's why this is a concern.

**Hon. Steven MacKinnon:** Here's what I know. When the Prime Minister returns from a trip, even one that's as quick as this one to New York, he speaks to me of business development, of jobs for Canadians, of creating opportunity in our regions, of developing new mines and resources, and of building the country.

This Prime Minister is proving to be an incredibly effective salesperson for Canada, making us number one in many charts in terms of business and foreign investment intentions.

**Sandra Cobena:** Minister, it was—

**Hon. Steven MacKinnon:** I think Canadians are very proud of that.

**Sandra Cobena:** I have question for you—

**Hon. Steven MacKinnon:** I think they need to examine this exchange to understand whether you are against the Prime Minister travelling to secure investments for Canadians.

**Sandra Cobena:** I have a question for you, if I may.

**Hon. Steven MacKinnon:** Are they? Are you against that? It's a very simple question.

**Sandra Cobena:** I am asking the questions.

**Hon. Steven MacKinnon:** I see. Well, I think Canadians would be interested in your answer, though.

**Sandra Cobena:** If I may, Minister—

**Hon. Steven MacKinnon:** Are you against the Prime Minister—

**The Chair:** Minister, let the member ask the question.

**Sandra Cobena:** He's incredibly disrespectful.

The Prime Minister is quite wealthy—so much so that he refused to divest his stock portfolios when he became Prime Minister. Many previous prime ministers did. Could he at least put these lavish expenses for his expensive dinners on his own credit card?

You are asking Canadians to live with less. Every family is tightening its belt, except for the Prime Minister and everyone around him.

**Hon. Steven MacKinnon:** The Prime Minister was born the son of two teachers in a small place in the Northwest Territories and has demonstrated repeatedly his willingness to forgo a career in the private sector to serve Canadians. He did so in the public service. He did so at the Bank of Canada. He has had other public service opportunities. I know I am grateful that he once again chose public service as distinct from his other career opportunities.

**The Chair:** Thank you, Minister. We're going to have to conclude it there.

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

**Jake Sawatzky:** Thank you, Minister, for being here today.

I'm really excited to see our government's investments into trade infrastructure. In my own riding of New Westminster—Burnaby—Maillardville, I have a lot of trade routes that go through there. There are a lot of rail corridors and Highway 1.

I am just wondering if you could speak to the investment we're making in our rail, especially at a time when we're looking at diversifying our international trade market.

**Hon. Steven MacKinnon:** Thank you, Mr. Sawatzky. That is such a great question.

We ask a lot of the Lower Mainland. A lot of people live there. It's a very dense urban area. It serves such an important strategic purpose as a logistics hub for all Canadians. At the same time, people living in the Lower Mainland benefit from the economic activity and the jobs that this entails. We need to continue to strive to get that balance right for the quality of life of people living in your riding and in developing the opportunities and the logistical essentials that Canadians rely on.

Rail in the Lower Mainland is a bit like a plate of spaghetti. It has a lot of bottlenecks and single points of failure—things that we need to work on, you and I together, to make sure we get more fluid transportation and expand our ability to serve Canadians. Of course, we are always very mindful of the needs of the residents of the Lower Mainland. You can expect to see continued investment in small and large projects in our transport sector in the Lower Mainland. These are job-creating opportunities but also projects that need to be done with great sensitivity so that we ensure that folks continue to enjoy the incredible part of the world you live in.

• (1225)

**Jake Sawatzky:** Absolutely. I couldn't agree more. When I heard the announcement of \$33 million into the national trade corridors fund for projects in Alberta and British Columbia, I was very excited. It will definitely be benefiting my region.

Coming to metro Vancouver's transit infrastructure, the federal government was kicking in, I believe, about \$663 million in funding. We had the Mark V SkyTrain cars come in. Could you speak to the importance of having an effective public transport system, especially as densification increases?

**Hon. Steven MacKinnon:** I worked with Prime Minister Martin—no relation to our new colleague—as the Canada Line was being developed. I've followed with great interest the rise in sophistication of public transit in the Lower Mainland, in Vancouver and in surrounding cities. I am well aware that public transportation will probably always be an issue. Governments struggle to keep up with demand and with capacity constraints.

I'm very glad, as you are, obviously, that we are spending this very substantial sum of money on improvements to the system, on new buses and on electrifying and making cleaner our public transit. I've appreciated your advocacy on this to bring the very real perspective of the needs of folks perhaps outside of the dense city core who really rely on public transportation and who require us to continue investing in it. Thank you for that.

**Jake Sawatzky:** Thank you.

We've talked about rail. We've talked about public transit. In terms of marine transportation, of course, the Fraser River comes through my riding. In our last few moments here, could you speak to anything the government is doing to help marine transportation?

**Hon. Steven MacKinnon:** It's no secret that the port of Vancouver is our number one port by a long margin. We'll run up against capacity constraints for bulk materials and particularly for container traffic. This is, again, a service that the people of the Lower Main-

land of British Columbia provide to all the country. It is our principal port of entry, but it's also a principal economic engine.

We will continue to work with the Vancouver Fraser Port Authority on those capacity constraints and on projects that relieve those capacity constraints. We will do that while respecting the environment, while respecting fragile ecosystems and while respecting killer whales, notably.

**The Chair:** Thank you, Minister. That concludes the time we have.

**Jake Sawatzky:** Thank you.

**The Chair:** Thank you, Mr. Sawatzky.

[*Translation*]

We will conclude this meeting with Mrs. DeBellefeuille.

Mrs. DeBellefeuille, you have the floor for two and a half minutes.

**Claude DeBellefeuille:** I'm surprised. I didn't think I'd get a second turn. At my usual committee, I don't get a second round of questions. The Standing Committee on Finance is very generous.

Minister, I'm going to ask you a question inspired by my hope that Quebec will one day become a country.

What would you say if the Government of Quebec were to partner with the Caisse de dépôt et placement du Québec to purchase and privatize an airport?

Would you be open to considering such an offer?

**Hon. Steven MacKinnon:** I will fight for Canada and against a breakup of Canada until my dying day, so answering a hypothetical question gives me pause.

I can only say that the Caisse de dépôt et placement du Québec is a very experienced, very savvy investor. I expect that the initiative we've just embarked upon would be of interest to it.

**Claude DeBellefeuille:** My next question is about competition between private investors that will invest in high-speed rail and those you will attract to privatize airports.

Won't there be conflict between investors? Aren't you creating competition between two modes of transportation?

• (1230)

**Hon. Steven MacKinnon:** Not at all. I believe that one plus one equals much more than two.

Getting back to the answer I gave Mr. Lavoie about intermodality, I believe that transportation development drives economic development.

Furthermore, I believe these savvy investors conduct very sophisticated analyses of the situation. The Caisse de dépôt et placement du Québec is actually part of the Cadence consortium. It is one of the partners in the high-speed rail development project.

In fact, the information about economic development and the fact that transportation development stimulates employment comes from them. I, for one, firmly believe in this. [English]

**Claude DeBellefeuille:** Thank you, Minister.

**The Chair:** Thank you, Mrs. DeBellefeuille.

On behalf of the committee, I would like to thank the Minister of Transport and his staff for the time they have given us today.

Before I let you go, I've been informed by the legislative clerks that you have until 4 p.m. today to submit amendments.

With that, I'll adjourn the meeting. I look forward to seeing you on Monday.

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