TRANSFORMING NATIONAL DEFENCE

Our government provided the **largest pay rise in a generation** for CAF members and saw recruitment at a 30 year high. We also launched the **Defence Investment Agency**, including over half a trillion dollars in investments to:

- SUPPORT **125,000 HIGH PAYING CAREERS**
- INCREASE DEFENCE EXPORTS BY **50%**
- BOOST SHARE OF DEFENCE ACQUISITIONS AWARDED TO CANADIAN FIRMS BY **70%**
- GROW CANADIAN DEFENCE INDUSTRY REVENUES BY **240%**

Last June, we promised to achieve NATO's 2% target this year — **and in March, we delivered.**

CLIMATE COMPETITIVENESS

We are **protecting and conserving Canada's natural environment** for future generations while growing our economy. Our plan is to conserve 30% of lands and waters by 2030. The SEU also provides over **$160 million** to continue protecting Canada's whales and their habitat.

COMBATTING CRIME

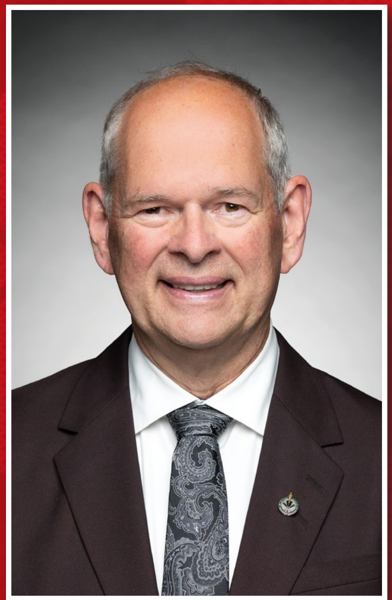
Keeping Canadians safe means taking serious action against crime, fraud, and hate-motivated violence. Our government is strengthening law enforcement, improving community safety, and giving police and border agencies the tools they need to fight crime and protect Canadians. So far, we have:

- Created Canada's first federal **Financial Crimes Agency** and launched a government-wide National Anti-Fraud Strategy to crack down on fraud, money laundering, and organized financial crime.
- Increased funding for the **Canada Community Security Program** to help religious, ethnic, and marginalized communities upgrade security in response to rising hate-motivated incidents.
- Introduced **tougher bail and sentencing reforms** targeting violent repeat offenders, organized crime, home invasions, and auto theft rings.
- Invested $1.8 billion to **expand RCMP federal policing** capacity, including new officers focused on online fraud, child exploitation, and organized crime.
- Strengthened **border security measures** to combat illicit drug trafficking, weapons smuggling, and the export of stolen vehicles by organized crime networks.
- Introduced **stronger protections against online exploitation** and deepfake abuse, including tougher penalties for non-consensual intimate images and online child luring.

CANADA'S STRONG FISCAL POSITION

Our government's economic plan is **working**. In addition to a deficit that is $11 billion lower than projected in Budget 2025, Canada has the:

- **STRONGEST** CREDIT RATING IN THE WORLD.
- **MOST COMPETITIVE** LONG-TERM INTEREST RATES IN THE G7.
- **SECOND FASTEST** GROWING ECONOMY IN THE G7.
- **LOWEST** NET DEBT-TO-GDP IN THE G7.



ERNIE KLASSEN

Member of Parliament **South Surrey–White Rock**

CONSTITUENCY
135-1959 152nd Street
Surrey, BC
V4A 9E3
604-678-0220

OTTAWA
Suite 400
Justice Building
Ottawa, ON K1A 0A6
613-947-4497

WEB & SOCIAL
Ernie.Klassen@parl.gc.ca
www.ErnieKlassen.ca
ErnieKlassenWR
ErnieKlassenMP

Dear Friends & Neighbours,

Over the past year, Canadians have navigated a rapidly changing and increasingly fragmented world.

In response, our government is focused on what we can control: **building a stronger, independent, and more resilient economy**. We are moving with speed and ambition to diversify Canada's trade, build major infrastructure, homes, and industry, and support Canadians by making life more affordable.

Budget 2025 set the plan to build Canada strong, and the **Spring Economic Update 2026 outlines measurable progress**, including concrete savings for taxpayers and a deficit more than $11 billion lower than projected. The Spring Economic Update 2026 drives this mission forward and introduces new measures to ensure all Canadians can participate in building Canada strong and share in our success. The Update also provides a clear accounting of Canada's economic performance to reduce uncertainty, support business confidence, help Canadians plan, and further our core missions:

- ✔ Build the major, nation-building infrastructure that transforms and connects our economy.
- ✔ Empower Canadians by lowering costs on everyday essentials to help you get ahead.
- ✔ Protect our communities, our sovereignty, our borders, and our way of life.

Our government is building a Canada that is not just strong, but good; not just prosperous, but fair. A Canada that is not just for some, most of the time, but for all, at all times.

Ernie Klassen
MEMBER OF PARLIAMENT
SOUTH SURREY–WHITE ROCK

MAKING LIFE **MORE AFFORDABLE** FOR CANADIANS

We're relentlessly focused on making life more affordable for Canadians. A typical family of four will **save upwards of $20,000** through our key affordability measures:

- **With our middle class tax cut**, 22 million Canadians are keeping more of what they earn.
- **More than 12 million Canadians** have more support to buy groceries and essentials with the *Canada Groceries and Essentials Benefit.*
- **Expanded dental care and pharmacare coverage** helps millions of Canadians save on essential medications, dental visits, and other health care costs.
- **Paused the Fuel Excise Tax,** saving Canadians up to 10¢/L on gas and 4¢/L on diesel.
- **Launched Automatic Federal Benefits** so 5.5 million low-income Canadians automatically receive the benefits they qualify for by the 2028 tax year.

BUILDING MORE HOMES AND LOWERING HOUSING COSTS

- **We eliminated the GST for first-time homebuyers** on new homes below $1 million for first-time home buyers, with additional relief on homes up to $1.5 million.
- **Launched Build Canada Homes**, backed by over $25 billion in financing, to accelerate affordable home construction and support innovative Canadian homebuilding technologies.
- **Expanded the Apartment Construction Loan Program** with an additional $15 billion, bringing total support to over $55 billion to help build more rental housing across Canada.

THE CANADA STRONG FUND

As Canada's first, national sovereign wealth fund, this will give all Canadians a direct stake in building Canada strong. We're investing **$25 billion** in major Canadian projects in:

ENERGY · MINING · TECH · INFRASTRUCTURE · AGRICULTURE

TEAM CANADA STRONG

Canada will launch a new initiative to train and hire up to **100,000** skilled trades workers.

We will invest **$6 billion** over 5 years on this plan. This will help:

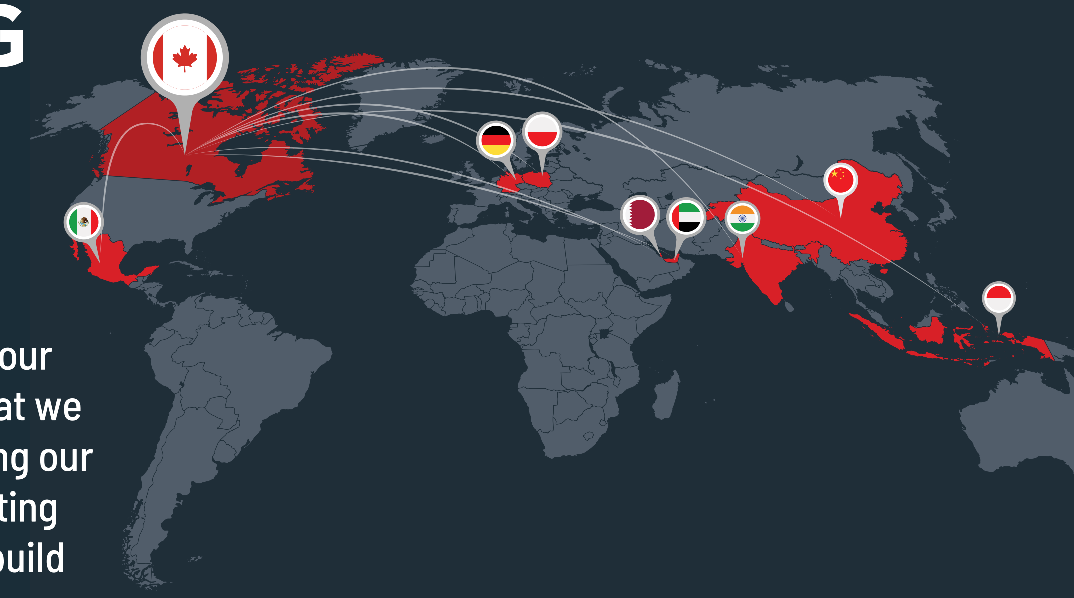
- **Young people find training and jobs in the trades.**
- **Build more homes and major infrastructure projects.**
- **Support built-in-Canada defence projects.**

UPDATE ON MAJOR PROJECTS

For too long, nation-building infrastructure has been bogged down in red tape. **Our government changed that.** We are streamlining approvals, cutting unnecessary delays, and making it easier to get major projects built faster across Canada:

- **Passed the One Canadian Economy Act** to fast-track major projects across Canada.
- **Launched the Major Projects Office** to accelerate approvals and coordinate reviews for 15 priority projects.
- **Achieved $125 billion in investment** in just half a year, supporting more than 60,000 jobs.
- **Streamlined permitting processes** to get critical infrastructure projects moving faster while maintaining environmental oversight.

EXPANDING CANADA'S TRADE PARTNERS



As the global economy shifts, our government is focused on what we can control: we are diversifying our trade partnerships and attracting massive new investments to build a stronger, more sustainable, more resilient economy.

Mexico: The Canada-Mexico Action Plan increases our collaboration with Mexico on key areas such as developing new ports, infrastructure, and more trade opportunities on energy and critical minerals.

Germany: Increasing cooperation with Germany on critical mineral supply chains, electric vehicles and energy, notably discussing the deeper bilateral collaboration on the supply of LNG to German buyers.

Poland: Enhancing our economic partnership with Poland by focusing on energy, natural resources, defence, aviation, and trade-related cooperation.

Qatar: Qatar and Canada have agreed to conclude negotiations on a Foreign Investment Promotion and Protection Agreement by summer 2026, which opens investment from an economy worth $290 billion in Canadian sectors such as aerospace, advanced manufacturing, agriculture, and agri-food.

UAE: Prime Minister Carney secured a historic $70 billion investment commitment from the United Arab Emirates, supporting jobs and long-term growth across Canada.

India: Canada is negotiating a CEPA which will help more than double two-way trade between Canada and India to $70 billion by 2030 along with free trade negotiations.

China: Unlocking nearly $7 billion in export markets for Canadian workers and businesses by increasing two-way investment in clean energy and technology, electric vehicles, agri-food, wood products, and other sectors.

Indonesia: The new Canada-Indonesia Comprehensive Economic Partnership Agreement (CEPA) will reduce or remove tariffs on Canadian exports such as wheat, potash, wood, and soybeans - making them far more competitive in Indonesia, which is projected to become a top five global economy by 2050.

MERCOSUR Pact: Restarting trade negotiations with MERCOSUR, a market representing a GDP of more than $4 trillion and 260 million consumers.

EU/SAFE: Canada's participation in Security Action for Europe (SAFE) through the Canada-EU SAFE agreement makes Canada the first non-EU member to participate, unlocking billions of dollars in potential defence export opportunities for Canadian businesses and suppliers.

ASEAN: Canada is negotiating a free trade agreement with the Association of Southeast Asian Nations (ASEAN), and is planning to conclude it in 2026.