HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

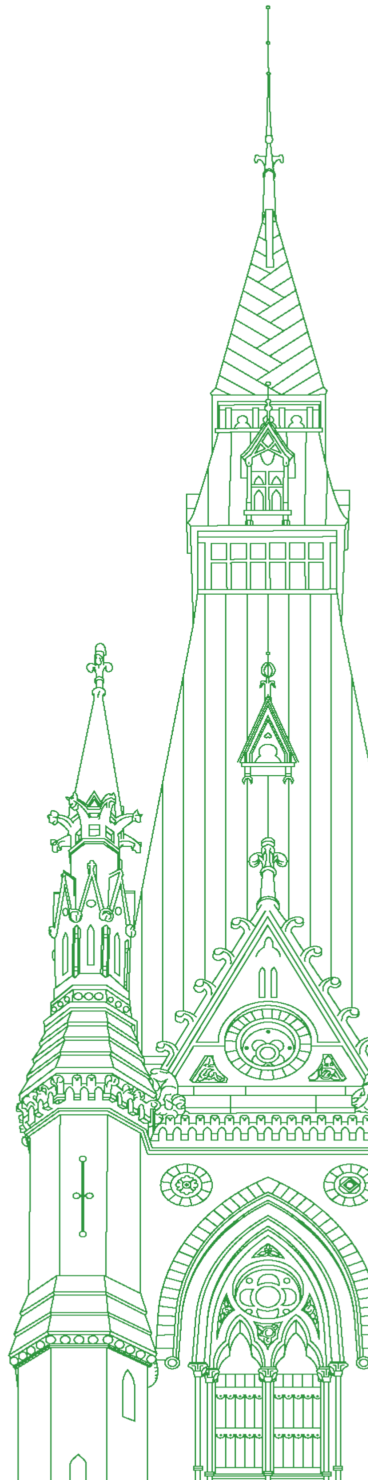
43rd PARLIAMENT, 2nd SESSION

Standing Committee on Finance

EVIDENCE

NUMBER 030

Thursday, March 25, 2021



Chair: The Honourable Wayne Easter

Standing Committee on Finance

Thursday, March 25, 2021

● (1530)

[*English*]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): We'll call the meeting to order.

Welcome to meeting number 30 of the House of Commons Standing Committee on Finance. Pursuant to the committee's motion adopted on Friday, February 5, 2021, the committee is meeting to study all aspects of COVID-19 spending and programs.

Today's meeting is taking place in a hybrid format, pursuant to the House order of January 25, 2021. Therefore, members are attending in person in the room and remotely using the Zoom application. The proceedings will be made available via the House of Commons website. So that you're aware, the webcast will always show the person speaking rather than the entirety of the committee.

In order to save time, we'll forgo the rest of the formalities.

I want to welcome the witnesses.

Thank you for appearing and going through the procedures of this new way we seem to be having to do things. We have six witnesses, or six associations, during these 90 minutes. If you could hold your remarks to about five minutes, it will mean a fair bit more time for questions.

We'll start, then, with Mr. Juneau, chief executive officer of the association of ski resorts in Quebec, and Jean-Michel Ryan, chairman of the board and chief executive officer of Mount Sutton.

Go ahead, Mr. Juneau.

[*Translation*]

Mr. Yves Juneau (Chief Executive Director, Association des stations de ski du Québec): Mr. Chair, members of the Standing Committee on Finance, good afternoon.

My name is Yves Juneau, and I am accompanied by Jean-Michel Ryan. We thank you for having us here today. We understand that the purpose of the meeting is to discuss with you assistance measures put in place by the Government of Canada to help businesses weather the COVID-19 crisis. We will use this opportunity to make recommendations for the future. Of course, we're still in a pandemic.

I would like to point out that we've provided the clerk with a reference document, which can be sent to you once the translation is completed.

Since it's such a nice day today, we're going to cool you down a little by talking about snow. We know there are beautiful ski resorts in Mr. Ste-Marie's riding. I'm pleased to point that out.

Skiing has been in the DNA of Canadians and Quebeckers for 100 years. We represent 75 ski resorts in Quebec. This activity generates $800 million in economic spinoffs annually and over 33,000 jobs. It's the province's primary winter tourism activity.

Fortunately for us, the Government of Quebec authorized ski resorts to operate this winter with very strict restrictions, but we are extremely grateful for the fact that we were able to welcome skiers on our slopes. If not for COVID-19, the downhill ski industry contributes $863 million to Quebec's economy, representing 8.6% of the province's tourism GDP.

As members of Parliament, you will surely be interested to know that there are 236 ski resorts in Canada. They are in every province, in your province, in Prince Edward Island, Mr. Chair, and in the Yukon. Unfortunately, the Northwest Territories doesn't have one yet, but we're working on it.

This year, the financial situation of ski resorts has weakened by the pandemic. As such, the measures put in place by the Government of Canada have been beneficial overall. That said, a closer look at these measures reveals some shortcomings. The most beneficial measure for tourism and skiing during the crisis was undoubtedly the Canada emergency wage subsidy, or CEWS, and we thank the government for that.

As a result of the restrictions imposed by COVID-19, the CEWS helped to offset the industry's financial losses and keep key people employed as early as last spring. However, we regret that ski resorts that are affiliated with a municipality and are required to be profitable from own-source revenues generated by the centre are not eligible for this measure. Of course, when we think of skiing, we think of Whistler, Blue Mountain, Ontario, Lake Louise, Alberta. Here in Quebec, Tremblant comes to mind, but most ski resorts in Canada are small resorts that offer winter activities to local and regional clientele.

In Quebec, for instance, eight major resorts generated revenues of $213 million last year. Furthermore, the 36 resorts in the so-called “small category” shared total revenues of $13 million, or only 4% of the industry's total revenues last season.

Here's the issue with respect to the CEWS. Many regional ski resorts are not-for-profit organizations, such as Mont-Orford or Val d'Irène, that have varying degrees of ties to municipalities or RCMs. Consulting firms informed the resorts that their ties to their municipality, however weak they may be, jeopardized their eligibility for the CEWS.

In this context, we would obviously like to see the measure made available to all ski resorts, and we are counting on the Standing Committee on Finance to ensure that this eligibility is broadened and that the difficulty posed by the restriction on public enterprises is understood. That isn't the case for ski resorts that are affiliated with an RCM or municipality, as I just said.

I'd also like to talk about the federal government's very beneficial subsidy program to help businesses adapt to health security standards. In Quebec, there was a $7 million envelope. Unfortunately, major resorts such as Tremblant and Bromont didn't qualify because of the sales they had generated before the crisis. From our perspective, the program should be available to all tourism businesses.

● (1535)

There are also, of course, all the loan and loan guarantee measures. The only thing we'd like to point out is that companies don't want to take on more debt and therefore prefer direct assistance. For this reason, the Canada emergency wage subsidy is the best measure. So it should be expanded and maintained after June, to ensure fairness and not jeopardize the survival of ski resorts. Those are some of the findings.

I'll continue with the recommendations.

We just talked about the emergency wage subsidy. In terms of promotion efforts, we hope that the economic and tourism recovery won't be achieved solely through the traditional big city establishments.

Hon. members, you know what I'm talking about. You represent regions and rural areas. These areas, especially mountain communities, have large areas that encourage a safe resumption of tourism activity.

[*English*]

The federal government should invest in diverse experiences to build back better and to entice visitors to move outside packed cities into rural areas.

[*Translation*]

We invite you to consider programs such as PAFIRS, the Programme d'aide financière aux infrastructures récréatives et sportives, which was set up in Quebec.

Unfortunately, the government excluded ski resorts. Cross-country ski areas and snowmobile clubs received government support, but there was no federal government support for downhill skiing in Quebec.

We need this support, among other things, for climate change adaptation. I'm sure Ms. May is receptive to that concern. The ski industry has the opportunity to invest in new technologies and innovative solutions, including snowmaking. Given the costs of these new technologies, we hope to be able to count on assistance to modernize our equipment and therefore contribute to a greener, more sustainable economy.

In closing, we would be pleased to provide you with the data you need for your work. We hope to be able to count on your support to sustain tourism development in rural areas.

Thank you for your attention.

● (1540)

[*English*]

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

We do appreciate anyone who offers recommendations, because that on-the-ground experience usually tells us where it's at, and that we need to know.

Now we'll turn to the Canadian Manufacturers & Exporters, to Mathew Wilson, senior vice-president, policy and government relations.

Mr. Wilson, go ahead.

Mr. Mathew Wilson (Senior Vice-President, Policy and Government Relations, Canadian Manufacturers & Exporters): Thank you, Mr. Chair.

Good afternoon. Thank you for inviting me to participate in today's discussion. It's my pleasure to be here on behalf of Canada's 90,000 manufacturers and exporters to discuss federal government support programs on COVID-19 and to outline the need for a strong response to grow the economy moving forward.

Without doubt, COVID-19 has been one of the biggest challenges our country and our sector have ever faced. Within this response, there have been challenges, most notably and most recently with the pace and availability of testing and vaccinations. However, when examining the spending and program response of governments, CME and our members believe the response has been generally excellent throughout. In fact, in a recent survey roughly two-thirds of respondents rated federal and provincial government actions as good to excellent. We believe the reason for this high level of support is simple: It's the federal wage subsidy program.

Fortunately for our sector and the economy as a whole, Canadian manufacturers kept operating throughout the past year. In fact, as an essential industry we were not only relied on to produce goods that Canadians need every day; we also played our part in the effort to equip our doctors and nurses with the tools to fight COVID-19. Thousands of companies responded to the call to produce PPE, medicines and other goods that Canadians needed. Such a mobilization of Canada's industrial capacity had not been seen since the Second World War.

Today, with the efforts of the sector and support from government, manufacturing has seen employment levels and output rebound to pre-COVID levels. These outcomes were possible only because of the various COVID-19 business assistance programs, in particular the Canadian emergency wage subsidy. In fact, based on our survey, 53% of manufacturers used the wage subsidy at some point. Government data itself shows that the sector was the single largest user of the program.

The reason for this is simple. Because we had to keep operating during the pandemic, we needed the money to plug gaps that were being caused by precipitous declines in sales and lowered levels of productivity to operate safely. Other programs were also necessary to help manufacturers tackle cash flow and other problems caused by the pandemic, including the rent subsidy program, tax deferrals and extended work-sharing programs.

At the same time, we fully understand the tremendous cost of these programs and the need for oversight on spending, and we believe these programs must come to an end. But given that economic conditions are likely to remain soft, at best, for the first half of this year, we believe many of these programs must continue well into 2021 to provide ongoing stability where needed. That might be the most important part of this conversation. We need to create the conditions for economic growth and prosperity so that we can emerge stronger from this crisis.

Now is not the time for austerity. Turning off assistance programs while the recovery remains fragile risks inflicting harm on the economy that will undermine growth prospects moving forward. Rather, Canada needs to implement an aggressive economic growth strategy that will kick-start the economy to reduce the country's fiscal challenges. This must start in the upcoming federal budget.

CME has called for the government to introduce a Canadian industrial strategy for the 21st century. The pandemic has shown how critical it is to have a world-class, technologically driven, resilient and innovative manufacturing sector. We cannot lose sight of this. We must work together to build it and overcome the challenges that predate the pandemic.

The 21st century industrial strategy should focus on and support concrete measures that will lead to long-term growth and prosperity for Canada. First, it must aim to reverse decades of underinvestment in technology and productive capacity that has seen Canada fall far behind our international competition. Second, it must address chronic skills and labour shortages. Third, it must focus on the commercialization and scale-up of new products and technologies. CME presented our ideas on specifically how to address these issues previously before this committee, and I would be pleased to answer any specific questions on them going forward.

In conclusion, CME strongly supports Canada's efforts to date on COVID-19. While we should review the effectiveness of these programs and look to make improvements, now is not the time to stop the support, as full economic recovery remains a ways away. The focus must now begin on creating growth plans, especially a modern industrial strategy, that will drive prosperity for all Canadians.

Thank you again, Mr. Chair. I look forward to the discussion.

● (1545)

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

We will turn now to William Ross, coordination officer for Failure of Tax Havens. That's what I have, but I'm not sure I got the translation right.

We'll let you explain it, Mr. Ross. Go ahead.

[*Translation*]

Mr. William Ross (Co-ordination Officer, Collectif Échec aux paradis fiscaux): Good afternoon, my name is William Ross.

Mr. Chair, members of the Standing Committee on Finance, good afternoon. I am the co-ordination officer of the Collectif Échec aux paradis fiscaux, which represents more than 1.7 million members from unions and civil society in Quebec.

As part of the consultations of the Standing Committee on Finance, the collectif has been exploring a way to increase government revenues. Given the current emergency, we believe the government has the legitimacy and public support to deliver on two key promises in its own 2019 election platform: ending the use of tax havens and imposing a tax on web giants. We don't rule out the use of a wealth tax, but that will require creating guarantees that these wealthy individuals won't be able to take advantage of existing tax loopholes.

According to the Office of the Parliamentary Budget Officer, Canada estimates that between $19 billion and $26 billion are lost each year because of unpaid taxes, tax evasion and tax avoidance. The Tax Justice Network also estimates, according to the latest figures released last week, that Canada loses $5.75 billion annually because of illicit international flows, representing 20% to 25% of the Canadian tax gap.

At a time when Canada and the world are facing an unprecedented crisis and the public deficit is at an all-time high, it is more than necessary for Canada to make it a priority to fight tax fraud before considering charging taxpayers or cutting programs and services to our already hard-pressed communities. However, the health crisis has highlighted some clear vulnerabilities in Canada's tax transparency and justice policies.

Members will recall that in May 2020, Canadians asked the government to follow Denmark's example by not injecting public funds into companies that use tax havens in their tax strategies. The government couldn't listen to that recommendation. How could it have, since we don't have the proper tools in Canada to know who is using shell companies and for what purpose? We believe it's imperative that the government establish a registry of actual beneficiaries. Innovation, Science and Economic Development Canada held consultations on this issue last year. Unfortunately, nothing has been done since then. To prevent the government from injecting public funds into companies that do not comply with our own tax laws, it's imperative that we have the means to properly map company structures and establish the identity of individuals who benefit from public assistance programs.

Members will also understand that 2020 was an opportunity for an unprecedented expansion of the digital economy. As such, the government's broken promise to introduce a tax on the digital economy and diverted profits by April 1, 2020, was an incredible missed opportunity to ensure that Amazon and similar companies pay their fair share and contribute adequately to the Canadian economy, particularly in times of crisis.

The repeated failure of the OECD negotiations is really the last straw. So we are asking that Canada implement such a tax without delay, in order to recover the lost money.

With regard to foreign direct investment in tax havens, an already well-known trend continued in 2020. In fact, foreign direct investment increased by 3% last year, for a total of 135% over the past decade. Canadians continued to put money into the 12 most influential tax havens. In total, according to Canadians for Tax Fairness, $380 billion is being taken off the tax rolls and allowed to enter the country with impunity. We believe it is absolutely essential that the government curb double non-taxation practices and review its international tax policies and its participation in certain existing tax treaties.

In conclusion, the Collectif Échec aux paradis fiscaux remains convinced that the best thing to come out of the current crisis would be a Canadian economy driven by a desire for tax justice, which would put an end to the harmful practices that have been put in place over the years. This is an opportunity for the government to have all the levers in place to create that change. We encourage the government to act responsibly. As such, I will provide the clerk with a brief of our 12 recommendations, as we have already submitted them during the pre-budget consultations.

Thank you very much.

● (1550)

[*English*]

The Chair: Thank you for that, Mr. Ross.

We'll turn, then, to First West Credit Union, with Mr. Gross, president of Island Savings; and Ms. Besse, chief credit officer.

Ms. Besse, go ahead.

Ms. Shelley Besse (Chief Credit Officer, First West Credit Union): Thank you, Mr. Chair and committee, for having us here today to speak on behalf of First West Credit Union and our efforts to support our members through COVID-19.

As you've heard, my name is Shelley Besse and I'm the chief credit officer. With me is Kendall Gross. Kendall is the president of our Island Savings division.

I'll share some remarks, and then we'll both be available to answer any questions the committee might have.

First West is British Columbia's third-largest credit union, with more than $14 billion in assets, 250,000 members and approximately 1,250 employees, operating under the trade names Envision Financial, Valley First, Island Savings and Enderby & District. We are provincially regulated but are in the process of becoming a federally regulated credit union.

As part of our federal journey, we already had efforts under way to build up liquidity, increase capital, improve our operational processes and invest in digital technologies. This positioned First West well as we entered into the pandemic. This work, combined with our commitment to provide advice-driven conversations to our members, meant that we could be proactive at a time when our members needed us most.

We knew the impacts of the pandemic would be felt by our members immediately and we wanted to be there to help. To do this, we compiled and analyzed data to assess who might be most in need of support and created what we call internally the “COVID index”. Using this insight and other information, we proactively called thousands of members to offer assistance and ongoing check-ins following the first tranche of support. Through our approach, we provided members with payment deferrals in three-month increments, instead of six at the start, and advice on an individual case-by-case basis.

At the height of the pandemic, approximately 15% of our retail loan portfolio was in deferred status. Today, I am pleased to share that it is 0.02%. We attribute this success to our approach. In fact, recent reports by Canada Guaranty noted that institutions that provided incremental and shorter deferral periods saw members resume payments faster, which ultimately is a good thing for members.

How are our members doing today? In December, we reached out to several of our members whom we identified as most vulnerable, and we were thrilled to hear that 79% said they did not need further assistance.

At First West, we have approximately 20,000 business members. At a high, during the spring and summer of 2020, just over 24% of our business loan portfolio was in deferred status. As of March, we have no business members with a current deferral.

While I can't say it won't happen in the future, at present I am not aware of a single First West business member that has failed due to the pandemic. In fact, 69% of respondents to a survey of our membership in February said they probably or definitely had sufficient cash flow or cash reserves to operate and meet obligations over the next six months, and 85% of respondents said their business would definitely or probably survive COVID.

I'd like to take just a moment now to share our community outreach.

First West knew that British Columbians would be needing assistance more than normal, so we quickly disbursed hundreds of thousands of dollars in support of food banks via our “Feed the Valley” and “The Full Cupboard” programs, and to non-profit organizations facing economic challenges.

We recognized that many donations are made to specific events and programs, but in compliance with health orders, these events were often cancelled. Our community partners needed funding just to keep their doors open, which is why we made our funding unrestricted.

To wrap up, I want to come back to First West's pursuit of being federally regulated. We were asked to present to this committee because we embarked on a different outreach approach that has served our members well. We believe that Canadians should have a choice in their financial institution and that different approaches create better results and drive innovation.

Credit unions and the Canadian Credit Union Association played an important role during the consultations with government and its partners and in administering COVID relief programs. I thank the government and urge this committee to continue the collaboration.

We are happy to answer any questions or provide any more details on our COVID-19 response.

Thank you.

● (1555)

The Chair: Thank you very much, Ms. Besse. We appreciate very much your appearance and different ideas at different institutions proposed.

Turning, then, to the PEI Business Continuity Group, we have Kevin Murphy, chief executive officer and president of Murphy Hospitality Group.

Kevin, the floor is yours.

Mr. Kevin Murphy (Chief Executive Officer and Spokesperson, President of Murphy Hospitality Group, PEI Business Continuity Group): Thank you, Chairman Easter and finance committee members. lt is a pleasure to be here today to discuss COVID-19 and the implications it has had and is having for the tourism and hospitality industry on P.E.I., as well as in the rest of Atlantic Canada.

My name, as you know, is Kevin Murphy. I am the president and CEO of Murphy Hospitality Group, which operates 12 restaurants, three boutique hotels and a craft brewery. We have operations in Nova Scotia, New Brunswick and Prince Edward Island. Murphy Hospitality Group was supposed to celebrate its 40th anniversary in 2020, but—as you can appreciate—this was postponed due to COVID.

We are a family business that started with one restaurant in 1980. My wife Kathy and I, along with my three sons, Ben, Sam and Isaac, created this business on P.E.I. and do enjoy this beautiful quality of life.

The Business Continuity Group, which I am here representing today, was formed in March 2020 by 25 local business people on P.E.I. who were concerned about COVID-19 and what it meant to their businesses and the long-term economic sustainability of our tourism industry on P.E.I.

The group met every week for six months and then biweekly since September. We communicated and met with our provincial government and our local MPs about the situation on the ground and how it was impacting our businesses. We also provided ideas on solutions to ensure that not only would our businesses survive but our tourism industry would be vibrant and healthy when COVID passed. We believed current, accurate information was key to making prudent financial decisions, not only for businesses but for government.

What started out as a 30-day problem turned into a 180-day problem, and then into a year-long problem.

During the summer of 2020, we realized that COVID was going to have a long-lasting impact on our industry and that it would take years to get back to 2019 volumes. The reality of 2020 was that the many programs that both the provincial and federal governments implemented were lifesavers for many businesses in Atlantic Canada. We are thankful for the leadership and support that government provided for our industry.

We have learned a lot over the past 12 months, and there are a number of sectors within our industry that have been more severely impacted than others. They are, namely, transportation, hotels, amusement parks, restaurants, and festivals and events.

For example, I operate two boutique hotels in Charlottetown. The year 2020 is complete. The year-ends are done, and the subsidies have been applied. At the end of the day, each hotel lost approximately $250,000 compared to the year before. It will take years to get back to 2019 profits.

These are relatively small, 45-room properties, but the revenue was down 80%. We were basically closed from March 15 until July 15 last year. We opened with the Atlantic bubble in early July and then shut down again in November. We have not been able to have meaningful visitation to P.E.I. since then, and we are hopeful that it will reopen in April.

Traditionally on Prince Edward Island, most operators make money in the June-to-October period. During the rest of the year, they hope to break even or minimize expenses in the off season. Without full summer seasons and without meaningful activity in the winter, it is impossible to maintain these properties and retain staff. Currently, we are looking at two restricted summer seasons and three very difficult winters until what we hope will be a normal tourism season in 2022.

Our industry is made up of hundreds of operators, and our destination experience is dependent upon the whole industry, not one specific operator or one operation. How do we ensure that we not only survive but thrive as we come out of this pandemic? We have to be ready and able to participate in the recovery, and this takes liquidity and resources.

Many businesses now are concerned with the 2021 season and how it will play out. Today, many tourism operators are contemplating whether they can afford to open or not. The planning starts now for getting these operations ready. This is particularly challenging for those operators that have been closed since September 2019.

We believe that government assistance is still needed for the most severely impacted in the tourism and hospitality industry. We would ask that the federal government extend the Canada wage subsidy and Canada rent subsidy programs until April 2022 for the most severely impacted businesses, particularly those in the tourism-related industries that continue to be down over 30%.

Without continuing assistance, many of them will not survive, and therein starts the negative domino impact on our industry. Our industry has borne the brunt of public health measures such as capacity, travel and operating conditions, and it will be the last to recover as our country comes out of this pandemic.

● (1600)

It is also worth noting that the cost of the extension to government will be much less in 2021 due to many operations performing better as the industry does rebound. There is a plan to open the Atlantic bubble on April 19, which is fantastic news. We've been waiting for this all winter. It will enable a lot of seasonal operators to believe that in 2021 they can open.

We also now need to start talking about the provincial borders for Canadians travelling east to west, as well as the international borders. It is crucial for us that the airlines begin to rebuild their routes, to enable people to travel to our lovely island.

With the vaccinations being distributed to a majority of the population over the coming months, this is the time to plan for this eventuality. When you look at the tourism industry in Atlantic Canada, you'll see that in 2020 and 2021 the motorcoach traveller, the meetings and conventions business, the corporate traveller and even the cruise traveller were non-existent; there were zero. There is a lot of work to do to get back to 2019. We believe and we are resilient and optimistic, but we are also very realistic in what we are facing over the coming months and years.

Now is not the time to end support. This is an investment in our economy, in jobs, in our people and—a lot of the time—in rural Canada. This pandemic is a once-in-a-lifetime event for our country, our businesses and all Canadians. It has been challenging, but together we can get through it, and not only survive but thrive.

In conclusion, certain sectors within our industry will need continued support to survive, and we request the wage and rent subsidy programs to continue. As well, we need the full tourism plant operating, which requires our air access to be open this summer.

Thank you, Chairman Easter and committee members, for your time.

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

Before I turn to our last panellist, just for committee members, the question lineup is Mr. Fast first, and then Ms. Dzerowicz, Mr. Ste-Marie and Mr. Julian.

We're turning, then, to the Retail Council of Canada, no stranger before the finance committee.

Mr. Littler, the floor is yours.

Mr. Karl Littler (Senior Vice-President, Public Affairs, Retail Council of Canada): Thank you, Mr. Chairman.

I want to thank the committee for the opportunity to present today.

For those unfamiliar with the Retail Council of Canada, we represent over 70% of core retail sales nationwide. Our members are drawn from grocery, pharmacy, general merchandise and specialty retailers, both in bricks-and-mortar stores and online.

Normally, retail is Canada's largest private sector employer, albeit one that has been battered by three waves of COVID. When it is fully operational, more than two million Canadians work in our sector.

We've noted from these hearings, and prior iterations of these hearings, that several witnesses have treated the meetings as an opportunity to advance their budget recommendations. I hope to be able to address some of that during the Q and A and know that members were presented with a written copy of our submission a few weeks ago.

I want to focus my remarks on the stated topic, which is the federal government's programs to deal with the economic impact of the COVID pandemic.

Briefly stated, these programs have been the main lifeline for our industry. While we've suffered a significant number of closings and job losses—some never to return—those impacts would have been far worse but for the roles played by CEWS, CERS and CEBA, among other initiatives. We want to express our appreciation both to the government for its leadership and to the opposition parties for working collaboratively in a minority Parliament to ensure that support was provided in a timely and generous way.

We also acknowledge that the policy-makers have listened closely to industry and to the Retail Council specifically as to how the programs work in practice, refining them and, at least on CEWS and CERS, fundamentally redesigning them through several iterations.

No one had experience with these types of sweeping measures prior to COVID. Consequently, the early stage versions were rapidly designed and, with that, rather blunt instruments—generous if you qualified, but with an all-or-nothing aspect to them.

The addition of sliding scales and the elimination of some of the arbitrary thresholds were huge improvements to CEWS, as was the addition of measures to deal with businesses that were most heavily affected or in lockdown. The change from CECRA to CERS was a complete rethink of the rent subsidy, and a vastly improved one as to who qualified and the removal of the landlord approval hurdle. RCC also appreciates that the government listened to our suggestion to allow for up to $1,000 a month of earnings for CERB recipients, boosting the incomes of Canadian families and avoiding the problem of outbidding retailers for some of our own part-time employees.

That's not to say that the current generation of these programs is perfect. For example, recent changes to shift reference months to 2019 have been very helpful overall, but they don't work well for new businesses that were nascent or not yet under way in 2019. Presumably, we want to encourage these new businesses, not exclude them from support.

Similarly, we continue to question whether it's fair that a single location with a $100,000 rent bill should be treated differently than another entity with two $50,000 locations even though the two enterprises may be of a similar size. There are also issues with the lockdown provisions requirement to demonstrate revenue loss enterprise-wide.

The list could go on, but it's probably best to say that the programs should be subject to constant reassessment as to how they are working in practice and when and how to ramp them down in a way that is sensitive to the cumulative impact of the pandemic.

On this last point, we believe there is an imperative for Statistics Canada and for government generally to gather better real-time data on our industry and, we presume, on like industries.

Thank you again for the opportunity today and for the hard work that parliamentarians are doing on programs to help citizens and businesses cope with the economic effects of the pandemic.

● (1605)

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

Turning to a round of questions, Mr. Fast will start with a six-minute round.

The floor is yours, Ed.

Hon. Ed Fast (Abbotsford, CPC): Thank you to all of our witnesses, especially First West from my neck of the woods in British Columbia and the beautiful Fraser Valley.

My questions are focused primarily on Mr. Wilson. I want to begin by asking you about some of the border measures and how those restrictions have impacted your members, if at all.

Mr. Mathew Wilson: Thank you for the question, Mr. Fast.

Yes, it's been a huge problem. We've been working with the federal government for a number of months now on a number of the border measures. We have been very supportive of the overall approach the government has taken. However, a lot of the things that were supposed to be deemed essential, like the manufacturing sector and related critical infrastructure parts of the economy, are still falling into a lot of the quarantine measures.

What has ended up happening is that companies are having a hard time getting people into the country to do work on their ongoing operations and they're having a hard time sending people into the United States. There are problems going in both directions across the border, but mostly for Canadians coming back into Canada. It's making it very difficult.

We haven't had any major plant closures or anything to date, but, frankly, it's just a matter of time before they exist.

We believe that, as the government has stated, we're an essential industry. We should not have to go through quarantine and all the rest of those things, but that's not what's actually being applied at the border today.

Hon. Ed Fast: Can you comment specifically on the hotel quarantine program? Has that impacted your members?

Mr. Mathew Wilson: I think the issue has been more the uncertainty when they come to the border. We're not really seeing a lot of people. Our sector has been pretty cautious in terms of sending too many people across the border. They're only really sending what they need to, and a lot of people are moving across land borders, so the issue has been more the land border and uncertainty when they arrive at the border and what the requirements might be. They tend to change depending on which part of the country it is and which day they show up at the border, frankly.

● (1610)

Hon. Ed Fast: You've called for additional funding for the women in manufacturing programs, more specifically for tax incentives to help employers create more child care options. On that point, you appear to have focused on empowering employers themselves, rather than the government, to create these child care options. Why is the emphasis on employer-driven, rather than government-driven, child care?

Mr. Mathew Wilson: Well, maybe I'd even say it's more individual-driven, because I think everyone's in a different situation, Mr. Fast. What worries us is that if you try to create one type of an approach on anything, you're going to miss out or limit opportunities for other people to participate.

We've had major problems attracting women into the workforce in our sector. Only about 23% of the manufacturing workforce is women. Part of the reason for that struggle has to do with day care and other things, but there are also institutionalized issues that we're trying to work on and address. We need to support day care and child care options for all families, regardless of their makeup, and the more flexibility we can put into that system, the better. That's why we have supported more individual-oriented approaches, as well as corporate ones.

Hon. Ed Fast: Do you have any idea how many women could be drawn into the labour force if there were a comprehensive child care support in Canada?

Mr. Mathew Wilson: That would be a big guess. Our goal is to add 100,000 more women to the workforce in manufacturing. There are 1.7 million in the workforce, and roughly 25% are women, so we'd like to add another 100,000 on top of that. We were making great progress before COVID. Unfortunately COVID, as is the case in a lot of places, caused a setback.

Hon. Ed Fast: Perhaps I could ask a question of Mr. Littler of the Retail Council of Canada.

There's a liquidity issue with your industry as well, is there not?

Mr. Karl Littler: Yes, but it's variable across the industry, because some entities have done relatively well because they were deemed necessities through this piece. It has been particularly challenging for what you might call discretionary retail, unlike things like food and pharmacy. At its deepest, it has especially hit those in apparel and footwear, and you can imagine what it's like being a luggage vendor at this point in time. Some of them are certainly running on fumes at this point, notwithstanding all of the support, whether that's through liquidity programs or otherwise.

Hon. Ed Fast: How many more bankruptcies and insolvencies do you expect this year, in 2021?

Mr. Karl Littler: It's hard to tell. What we did see was that retail had 40% more proposals at the close of last year than it had the prior year. That was atypical, actually, across Canadian industry. With the exception of arts, tourism and activities, basically, the number of bankruptcy proposals was dropping, but it did shoot up in retail.

You have to disaggregate from that those that might have been in perilous shape to begin with. I don't feel that we've felt the full knock-on effects yet. We're going to require a consumer confidence vote, both in the public health environment and in their own financial circumstances, so I'm not sure that, in a sense, the other shoe has dropped for those who may be struggling with their current capital position, because of course they're presuming there will be a rebound. Whether it's behavioural change or otherwise, some of them may not see it.

The Chair: This is your last question, Ed.

Hon. Ed Fast: Ms. Besse, I have a question for you.

If I may be so bold as to ask you, has the pandemic impacted your bottom line, your profitability, at all?

Ms. Shelley Besse: We actually had a very strong year last year, but certainly, as did other financial institutions, we did see an increase in our estimated credit losses. That's the ECL that we provision potential credit losses on for the future.

Hon. Ed Fast: However, it wasn't as bad as you might have expected it would be.

Ms. Shelley Besse: No, we've seen it improve since Q3 of last year.

Hon. Ed Fast: Well, that's great news.

Thank you, Mr. Chair.

The Chair: Thank you, all, and I might say to you before I turn to the next questioner that, if any witnesses have something that's pertinent to add to the discussion on a question, you can raise your hand and hopefully I'll see you. If I don't see you, just yell.

Ms. Dzerowicz, you have six minutes.

● (1615)

Ms. Julie Dzerowicz (Davenport, Lib.): Thank you so much, Mr. Chair.

I want to thank all the presenters for their excellent presentations. Lots of information was covered.

I'm also going to start off with Mr. Wilson.

Mr. Wilson, you were very clear about what you felt needed to be done in terms of emergency programs moving forward, so thank you for that. In terms of the Canadian industrial strategy, if I recall correctly, the federal government invested quite a bit in trying to beef up our industrial capacity and our strategy over the last year. Can you maybe speak to that? Has that been beneficial to Canadian Manufacturers & Exporters?

Mr. Mathew Wilson: Yes, and I think the government has done quite a bit over the last number of years, but it tends to not be focused on all the right areas all the time, and that's fine; everyone has different priorities. There are really three challenges that the sector faces, and some of the programs help, but they don't help holistically.

I'll give you an example. The government has invested in a strategic innovation fund. It's a hugely important fund to drive investment in Canada, but it really only addresses the large investments of large multinational companies. That was the original design of it. There is no investment support program for everyone else, as a very specific example.

If you're looking to do half-a-million-dollar investment in manufacturing capacity in Saskatchewan, in southern Ontario or in New Brunswick, there really isn't much in the way of programs. There are some through the regional economic funds, but not at the same type of level and direct investment supports that the strategic innovation fund would see, so there are some really good programs out there, but they're not as comprehensive as they need to be to make the impact that we need to see.

That would be one very specific example. Other things like the training and skills issues, which are huge.... Mr. Fast asked about women. We've been doing a lot of work around that, like tax credits, and have called for things like tax credits and training. The federal government has put in place and has had for a number of years employer-driven training programs, but a lot of the more recent programs have gone directly to employees. The problem is that, if you're not supporting the investment through supporting training through the companies, it's very hard for the companies to invest in the technologies and do the training at the same time. We need much better direct support programs to get the training, and we need to continue and expand some of the ones that are there, including some of the excellent apprenticeship programs that have been put in place over the last couple of years.

There have been some good things. I'm certainly not going to sit here and say nothing's been good. There have been some very good things, but often it just kind of falls a little short.

The biggest thing, though, overall, is that we firmly believe Canada needs to set in place targets for growth. We should be setting, as we've seen in other parts of the world, specific targets for growth of what we want our sector to do and how we want to grow it and then measure change over time and address those changes. Just saying we want to do something, without measuring the change, tends to just leave the programs that maybe aren't meeting the end results that Canadians want or that the government itself wants.

Ms. Julie Dzerowicz: Mr. Wilson, thank you so much for that. I'm glad you got into a little bit more of the details around the Canadian industrial strategy that you indicated we really need to focus attention on. As you know, we are trying to take a whole number of steps that will help us more successfully restart our economy and address a lot of the structural issues we had before.

If you have some very specific recommendations—because I know you mentioned the three areas, the IT, the skills and labour, as well as your communications in that last section—if you could send them along to us and be as specific as possible, I think that would be really helpful to us.

My next question is for Ms. Besse. I want to say huge thanks to you for your approach in terms of being flexible in the support that you provided to small businesses. I really appreciate your sharing your story. In my neck of the woods, we have heard of different financial institutions not being as flexible in approaches, and that has been really problematic.

You indicated that there's not one business that has failed due to the pandemic, and I know you've attributed it to your approach. My question for you is this: To what extent do you feel that federal government supports also helped to ensure that these businesses didn't fail?

Ms. Shelley Besse: Yes, that's a great question, and I would say, hands down, the government programs certainly assisted our members. If I look at the number of members who take advantage of our CEBA program, we have completed, up to today, just under 3,600 CEBA loans, so we've been helping our members that way.

In our hospitality sector—which was, as Mr. Murphy shared, very hard hit—they had to make some really tough decisions in their operations, looking at closing down some properties in order to focus on others and scaling back operations, but we worked really closely with them and used the co-lending program to also assist them.

I am aware that some of our members have also used the wage subsidy. That has been helpful for them, but we've had no members use the BCAP, which is a program in partnership with EDC. I suspect that, as we come over the next few months, we will have some members take up the HASCAP, the highly affected sector financing as well.

● (1620)

The Chair: You have one last question, Julie.

Ms. Julie Dzerowicz: My last question is for Mr. Littler.

Mr. Fast went exactly where I wanted to go, which was around insolvency. We're actually hoping not to see a lot of insolvency. My question for you—because we haven't had that much discussion on the finance committee on this—is around.... Is there a policy change or an adjustment that we could make to ensure that we are as supportive as we can be for those who are falling along that line, so that maybe we can help them sustain themselves a little longer so they actually don't fall below the line?

If you have any thoughts on that, I'd be grateful.

Mr. Karl Littler: Sure. I have all kinds of thoughts on input costs and how that could be affected. Some of that is probably not within the purview of the finance committee, but obviously you have a broad brief, so I could come back to that.

One of the areas of challenge, actually, is in HASCAP. HASCAP requires basically that you be down 50% for three consecutive months in the last eight, but the challenge was that retail has waxed and waned. There was a very big hit in March, April and May of 2020, and then there was some recovery up until the fall, and then of course we hit the second wave of this, and there were a bunch of shutdowns again.

Unfortunately for a lot of retail members, they don't actually get the three months in the last eight the way that it counts. It actually excludes them by about a month. We've raised that issue, obviously, with the Department of Finance. We recognize there are even more deeply affected sectors, but it is an oddity of the design that the way the three in eight works just squeezes most retailers out of eligibility.

Ms. Julie Dzerowicz: Thank you.

The Chair: Thank you, all.

We're turning to Mr. Ste-Marie, followed by Mr. Julian.

Gabriel, go ahead.

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): Thank you, Mr. Chair.

I'd like to begin by welcoming and thanking all the witnesses for their presentations and answers to questions. We have a really interesting panel. I sincerely hope that the solutions put forward will be taken up by the government to better respond to the measures generated by the pandemic.

I'd like to welcome my colleague Pam Damoff, who is with us today.

Since my time is limited, my questions will be for the representatives of the Association des stations de ski du Québec and Mr. Ross, from the Collectif Échec aux paradis fiscaux. I also have a second round. I hope to be able to ask the essential questions during this precious time.

Mr. Juneau, thank you for your presentation. I clearly understood the importance of extending the Canada emergency wage subsidy. I also learned that loans are accumulating and that, although they are useful, the level of debt is becoming unsustainable. So there have to be other measures besides loans. I also learned of the difficulty that ski resorts are experiencing because they are affiliated with municipalities and therefore don't have access to these subsidies because of an unfortunate rule. This should be changed.

I'll ask you to go back to your requests in general, but I would first like to know something. You said that there was a ski season. How did that work out this year, given the health restrictions? Was it profitable, or was it more about not losing business? The restaurants at the ski resorts were closed and there was no access inside. What did it look like?

Mr. Yves Juneau: Thank you very much for your question, Mr. Ste-Marie.

Let's just say that we were constantly changing gears this year. Of course, we had health measures in place. We were the first sector in the province of Quebec that had to introduce alert levels. Some resorts were in orange zones, others in red zones. For most of the season, Mr. Ryan operated in a red zone. That meant that the restaurants were closed, as were ski schools for the major part of the season. As a result, sales of ski lessons dropped by 42% in Quebec. That's significant for us because those lessons represent an introduction to the sport and to the way to practice it safely. So we certainly had losses.

The situation varied with the nature of the resorts. Small resorts were the most affected and we are actually asking for resorts in that category to be able to use the Canada Emergency Wage Subsidy. Large resorts are the ones like Tremblant and Bromont. As you know, Tremblant's clients come from Ontario, the United States, Latin America and the United Kingdom. There, we are talking about a 50% drop in revenue this year. Bromont sold 100,000 fewer ski passes. So the large resorts were certainly affected.

We were saying earlier that the program administered by the Alliance de l'industrie touristique du Quebec could help companies establish systems to look after their clients. Those larger resorts were not able to take advantage of it because, before the pandemic, their bottom line was higher than $10 million. That ceiling was a criterion that meant that the program was not accessible to companies with more than $10 million in revenue. For example, Mr. Ryan was able to take advantage of it but the resorts that I've just named were not eligible. In our opinion, just out of fairness, and considering the impact of the pandemic, compensation measures should be available to those resorts.

I hope that this outlines and clarifies the situation for you.

Do you have anything to add, Mr. Ryan.?

● (1625)

Mr. Jean-Michel Ryan (Chairman of the Board and Chief Executive Officer of Mont Sutton, Association des stations de ski du Québec): No, Mr. Juneau.

Mr. Gabriel Ste-Marie: Thank you, duly noted. Let's hope that that will be changed.

There are several ski hills in my constituency, like Ski Montcalm, Rawdon, Val Saint-Côme, Saint-Côme, Mont-Garceau and La Réserve at Saint-Donat-de-Montcalm. I say that with some pride, although I have no longer had the time to take advantage of them since I have been in politics. The representatives of those companies say that profitability varies greatly from year to year, because it depends on the weather.

Do the variations in annual income and the need to show a decrease in income over the previous year pose a problem in qualifying for the emergency wage subsidy and other similar programs?

Do you have any other comments about the existing programs?

Mr. Yves Juneau: It is a little difficult for us at the moment, because some ski resorts have sold season passes. Essentially, this year's income comes from day passes, which were very limited—and Mr. Ryan will be able to tell us about his experience—and from season passes. In some resorts, 22% of the purchasers have not used their product. That means that the products will be deferred for a year, meaning no sales next year. The calculation method is more difficult for seasonal concerns like ours, given the restrictions of having income spread out monthly and because our companies pre-sell. That is one of our difficulties.

Certainly, this year, we can clearly measure the effect of the pandemic on the sales of day passes and ski schools. Some aspects of the companies have been very affected and others have had better results. In general, this year, sales of passes increased by 3% in Quebec overall, which is very positive. However, we have not yet had to deal with any requests for reimbursement.

[*English*]

The Chair: Mr. Ryan, did you want to add something?

[*Translation*]

Mr. Jean-Michel Ryan: Yes, here is what I would like to add.

Let me give you the example of Mont Sutton, where restaurant income dropped by 75%. In addition to that variation in income, and given that all resorts closed in March last year, there were huge losses in income in the last part of the ski season. Then the summer season began. For most resorts, that is really a time when money is spent and no income generally comes in. This year's ski season is over, and, once again, our expenses have reached a certain level.

For a number of resorts, the 22% of unused, deferred income, as Mr. Juneau mentioned, represents expenses that they cannot make. They have to protect that income for next season. That once more weakens a company's ability to do upgrades or to reinvest and continue its progress into the future. These are also important arguments for maintaining the emergency wage subsidy beyond June. It's very important for ski resorts and tourist businesses.

● (1630)

Mr. Gabriel Ste-Marie: Thank you,

Mr. Roche, I am not forgetting you. We will talk on my second round.

[*English*]

The Chair: Thank you, all.

If either of you sees a fellow skiing on your slopes who is wearing a bow tie, it's probably Gabriel.

Mr. Julian, go ahead.

[*Translation*]

Mr. Peter Julian (New Westminster—Burnaby, NDP): Thank you very much, Mr. Chair.

My thanks to our witnesses for joining us today.

We hope that your families and yourselves will remain healthy and safe during this difficult period, in which the third wave of the pandemic has unfortunately already begun.

I have a lot of questions for you and I would like to start with Mr. Ross.

Mr. Ross, thank you for joining us today

You talked about putting an end to tax havens and making the tech giants pay. You even talked about a wealth tax. Until now, the government simply decided to impose a minimal sales tax on the tech giants.

How important is it to put measures like these in place?

We have a pandemic raging and a government preparing to make 50% cuts in the programs, starting on April 1 and continuing into the next financial year.

However, how much could we raise with good financial management and a fair tax system?

Mr. William Ross: Thank you for the question, Mr. Julian.

With respect to your question about how much money we could go after, the answer is really not easy to provide insofar as multinationals are generally not at all transparent, and there is a lack of country-by-country profit reporting.

Canada participates in country-by-country profit reporting programs, which we can basically use to find out the actual economic activity of a company like Amazon on Canadian soil. But that data is not made public. That makes it hard for researchers and economists to know what to focus on.

Estimates show us that a lot of profits are made by companies like Facebook on advertising or Google and Amazon on web hosting services, and they don't pay their fair share of tax.

So, first, these giants are competing unfairly with Canadian businesses. Second, in an economy that has basically gone digital over the course of the year, as most people have turned to giants like Amazon to be able to shop when the stores are closed, money and economic activity is flying under the Canadian taxman's radar. That is extremely problematic, especially in a situation where public spending is exploding for entirely legitimate reasons.

It has often been said that we had a war economy of sorts during the pandemic. In a war economy, it's only right that everyone should put in their fair share of effort and that some sectors are harder hit than others for a time, since activity is concentrated in certain sectors only.

With this in mind, I think it's a crying shame that they didn't go ahead with the original plan to introduce a diverted profits tax on April 1, 2020. We missed out on the worst year to be able to do it. The OECD is still negotiating on it, and there is no guarantee that we will have an international policy until 2022. So—

Mr. Peter Julian: I am going to interrupt you so that I can ask a second question. Then I would like to turn to Mr. Littler.

You mentioned the public beneficial ownership registry. That is missing in Canada and we had proposed it. Yet the majority of the Standing Committee on Finance rejected our proposal.

Why is it important to know who the beneficiaries of these companies are?

Mr. William Ross: Actually, first of all, it's a question of traceability. Whenever the Canada Revenue Agency, for instance, tries to find out who is being delinquent on their taxes and it runs into a shell company based in the Bahamas or Bermuda, it hits a wall at a certain point as it hunts for information and it's unable to trace the people responsible for those tax crimes.

That's a problem in terms of tax evasion and tax avoidance, but also in terms of money laundering. Organized crime does a lot of that, particularly in real estate investments across Canada as well.

For all these reasons, it's absolutely crucial that we know who the beneficiaries of these companies are.

● (1635)

Mr. Peter Julian: Thank you very much.

[*English*]

Mr. Littler, I'm going to go to you. If you could tell us a bit about the impact.... We've just spoken about web giants not paying any income tax at all. What is the impact on retail merchants across this country when you have a whole sector that isn't even paying taxes but competing with members of your association? What would you like to see done so that there isn't that unfair competition anymore?

Mr. Karl Littler: The first thing I would say is that the government, of course, is making some moves with respect to the platform sellers with respect to tax collection there. Certainly one of the challenges that Canadian retail merchants have faced was the situation where a marketplace seller was not collecting provincial taxes and therefore their all-in price was inevitably going to be lower than the price that was tax-inclusive. The federal government can make some moves in that area because of GST, and obviously HST in harmonized provinces, but it doesn't have the capacity currently to move with respect to the provincial taxes. So that's going to be a partial solution to that problem.

There's also a move afoot to make sure that the landed price, which is the price on importation in bulk, is not the basis of taxation, and that the basis of taxation is that which is charged to the end-user, being an individual consumer.

We are in somewhat better shape than we were perhaps worried about being prior to the renegotiation of NAFTA, because there was a significant push from the U.S. to gain access at very high levels of de minimis thresholds for its members.

I think it's probably beyond us to understand the full corporate tax implications and the sort of domicile and declaration of profitability. Our primary push has been to make sure, at least on a sales tax basis and also with respect to things like environmental stewardship fees and those sorts of issues, that they're even-handed and that they apply equally to an online vendor, whether domestic or a Canadian resident, and to somebody operating in a bricks and mortar store.

The Chair: We are going to end it there and go to Mr. Kelly, followed by Mr. Fragiskatos for five-minute rounds.

Pat, you're up.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Thank you, Mr. Chair.

My first question, to Mr. Littler, is about the rent subsidy.

In your remarks, you pointed out the transition from the CECRA program—which, with all due respect to the necessity of designing programs quickly on the fly, just didn't make a lot of sense. It was, I think, an example of Parliament working together to create better programs. The opposition offered many suggestions for improvement that were included in the ultimate current rent subsidy. However, there are still issues with that program, and I'd like your comments on them.

For one thing, can you comment on the prohibition around related parties and how this works itself out among small businesses that may be, for example, required by their bank to have a separate holding company and a separate operating company? Now the landlord and the tenant are not at arm's length, and yet the operating company is the one that can apply for the rent subsidy—or even related parties where members of the family would own the building and the younger generation is operating the company.

Mr. Karl Littler: Yes. To be honest with you, I'm not sufficiently familiar with the related party rules. We did look at that at the time the rules were put into place, but I wouldn't know how widespread that problem is or the different configurations that might be reasonable in business terms but would offend against the CERS rules. I'm sorry that I can't be much help in that regard.

Mr. Pat Kelly: Okay.

You actually very briefly mentioned something that's a bit of a sensitive topic, but you brought it up, and that is the competition with the CERB benefit for employees. Would you mind commenting a little bit more on that? This is something that at the constituency level small business owners have mentioned.

● (1640)

Mr. Karl Littler: Sure. There was a significant move to address that.

When the CERB was first introduced, it was a flat $2,000-a-month benefit. It precluded any income from employment. Therefore, we had the odd situation, especially with respect to part-time employees, where the government was offering more money than they would gain through employment, so there was this forced choice that was presented between whether you go to work amidst a pandemic and take that on, or whether you are better off under the program.

Given that part-time workers are, obviously, a very central element within the retail workforce, our request, which was ultimately accepted by government, was that $1,000 in monthly income be permitted. Obviously, that has evolved over the course of time.

That didn't solve every problem, because, again, it was a binary situation. If you made $1,001, you lost your entire CERB benefit. Therefore, we had the oddball situation of people saying, “I will take some hours, but make very sure that I'm not going to make over $1,000 a month because there is this really hard notch or cliff where I lose all of my CERB benefit.”

It not only created some prospective hardships for the employees individually, but for the HR people in companies it became this huge juggling act of having some people who might be willing to work some hours in order to add to their family income, but who are also worried about butting up against this consequence that would cost them their CERB benefit.

That has never been completely sorted out. It has become a little less material in our space, as there has been a significant return of the workforce. We're now down about 100,000 jobs, so it's not insignificant.

Mr. Pat Kelly: So the improvements that were made on recommendations from stakeholders such as yourselves and from opposition parties that had made this argument.... That was helpful, but there is still a lingering issue around that.

Mr. Karl Littler: Yes. It's a lesser issue, certainly, than the first challenge.

The Chair: I think Mr. Wilson and Mr. Ryan were shaking their heads, too. I don't know if they want in. We will not take time from you, Pat.

Did you want in, Mr. Wilson? Okay.

Go ahead, Pat.

Mr. Pat Kelly: I am going to switch and ask Ms. Besse about both the HASCAP and the BCAP programs.

First of all, I want to make sure that I understood correctly your response to Ms. Dzerowicz's question. Did you say that none of your members have even made application under the BCAP program?

Ms. Shelley Besse: That's correct.

Mr. Pat Kelly: Wow. This was announced as a.... This is not a small program. It's quite a significant one.

It's not just a question of non-approval; it's that nobody has even applied. Is that correct?

Ms. Shelley Besse: That's correct. I believe we have done five or six facilities of the co-lending program.

The Chair: You can ask a fairly quick question, Pat. You're a little over time, but go ahead.

Mr. Pat Kelly: I will just let you comment on HASCAP. Have you had any traction with that?

Ms. Shelley Besse: We have not launched HASCAP as of yet. We are in the final couple of days or perhaps week before we launch it to our members.

Mr. Pat Kelly: All right. Thank you.

The Chair: Thank you.

Mr. Fragiskatos is next, followed by Mr. Ste-Marie.

Peter, go ahead.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you very much, Mr. Chair.

Thank you, especially, to the witnesses—really thoughtful presentations today and a lot of insight for the committee.

I want to start with Mr. Wilson.

You said in your presentation that 53% of your members received the wage subsidy support throughout the pandemic. Is that correct?

Mr. Mathew Wilson: Yes. We did a survey of the manufacturing community in the fall, and 53% of the respondents to that survey said they had used the wage subsidy program.

Mr. Peter Fragiskatos: Okay, so that was in the fall. Do you happen to know where that figure is right now?

Mr. Mathew Wilson: We haven't done an updated survey since the fall, unfortunately.

Mr. Peter Fragiskatos: I understand the challenges very well. We have many manufacturers here in London, where I am, and I can understand the call for continued support.

If you'll allow me, I'll play devil's advocate for a moment, because you also said in the presentation that you would advise the government to continue the wage subsidy for sectors like yours.

Just a few days ago, the following was said in The Globe and Mail, and I will quote directly. It's summarizing the recent findings of a StatsCan report:

> The manufacturing sector, meanwhile, barely skipped a beat in the second wave. Manufacturing sales jumped 3.1 per cent in January—again, exceeding StatsCan's preliminary estimate—delivering the strongest growth since last July.

I want to see my manufacturers down here supported, but I'm also mindful of the fact that emergency programs, at some point, need to be tailored especially to those who are in special need. I'm very sympathetic to restaurants—Mr. Murphy's comments really stood out for me. However, for sectors that may not need continued support because they have seen a rebound, I worry that continued government support will lead to an unsustainable situation, if you know where I'm coming from.

Again, I'm just trying to play devil's advocate here.

What is your perspective on that?

● (1645)

Mr. Mathew Wilson: That's a great question. In fact, we've been working with the Department of Finance, Industry Canada and others in Ottawa for seven or eight months on exactly this scenario. We want to see the wage subsidy program wound down. We want to see all the programs wound down—I don't think anyone in the business community should say otherwise, anyway—but this has to be done in a way that is reflective of the economic growth of an individual company and not just broad-based data.

There are a couple of things in the data that always get problematic when you start looking at general data. First, there's no regional variation or sector variation in that, so there are very big swings in different parts of the manufacturing economy that are performing in different ways. Second, last year was not a good year and a lot of companies are building up inventory. In fact, about half of the growth is actually inventory buildup, which in manufacturing is not positive news. That means they're not selling it; they're just making it. We need to see sales increase, not just factory output increase.

I absolutely agree with everything you're saying, but let's not say across the board that everything is fine now and we cut it. I think we need to scale it appropriately to the companies that need the help, as you suggested, and remove those that are doing better. Frankly, it can't be a permanent crutch either. This shouldn't be a national program to sustain businesses that don't belong in business.

Mr. Peter Fragiskatos: That provides some clarification. Thank you very much.

Mr. Murphy, we heard—I think it was two weeks ago—from the Canadian Federation of Independent Business. Dan Kelly presented here and brought forth a really startling figure: In Canada, the average small business has taken on 170,000 dollars' worth of debt in the pandemic. That is even higher for sectors that have been especially impacted, like the restaurant sector, the tourism sector and the hospitality sector writ large. I know you're from the east coast, but we have restaurants throughout the country, and in London they're struggling as well.

On debt levels taken on during the pandemic, can you speak to what you've seen in the hospitality sector since the onset of the pandemic? Does the figure resonate as even worse in your case? I'm certainly not looking for anything in particular. I wouldn't expect you to have data with you, for example, but what are you hearing? What are the stories? Is it exceeding $170,000? Is it in and around there?

I think it's good for the committee to know where the hospitality sector is in your part of the country. It probably mirrors where the rest of the country is.

Mr. Kevin Murphy: Thank you. It's a good question.

When you look at the Maritimes, we're similar when we look at Nova Scotia, New Brunswick and P.E.I., and even with Charlottetown, Halifax and Moncton. I would not want to be in downtown Toronto running a restaurant. I fully appreciate that they've been going about a year....

When I look at what's going on here, a lot of restaurants in Atlantic Canada are single-operator, owned by a husband and wife who run them. Everybody was very worried. They didn't want to take on more debt, because they couldn't afford to pay it back.

When a few programs came out, I think everybody in our world was looking at the programs and how you can take care of yourself first. When you say $170,000 in debt, I would think that the very small operator in Atlantic Canada will be looking at that $40,000 to $60,000 federal loan first. They would capitalize on that and use that.

Definitely the wage program was a big one. In Prince Edward Island, we had another program that the provincial government put out on interest relief on your debt. That was another piece. Everybody looked at the different options they had to help them get through it. With 2020, I think everybody was able to find a way to get through to now.

We're in our second winter with this. When you look at a seasonal operation, they lose their money, and in June they hope.... We're coming into this year. We don't predict this year. We're looking ourselves at about 70% to 75% of 2019's volume. That's what we predicted. Now, is it going to be better or worse? Who knows. However, you can't operate a business at that level.

With us personally, when you look at our company, absolutely we've taken on more debt. We used whatever programs we could to say to ourselves that it is sustainable and that we can pay it back.

When I look at the group around the table, the 25 business people and what they're doing, $100,000 to $150,000 would not be out of line. What they're asking themselves now is whether they would be better staying closed in 2021 than opening. They're planning hiring right now. Well, the next month they either have to hire or they don't hire. To ramp up most of these businesses, they're going to invest $25,000 to $50,000 to do that.

I know one our colleagues, Shaw's Hotel—one of the oldest hotels in the country, out of Brackley Beach—figured it would cost $125,000 to $150,000 to stay shut: Don't open. Don't employ a person. You know what? He opened last year because of the programs.

That's why I think that, for us, it's to get the message to seasonal operators sooner rather than later of what the answer is. If it's no, then they can at least plan. If it's yes, they're going to say let's get at it. We all want to be in business. We all want to open.

Another fact is that last year, when we shut down, we laid off 500 employees in three days. We did not do a summer hire last year. That's sad, because it was students who were getting affected there. Now, hopefully, we'll be back next year.

● (1650)

The Chair: We'll have to move on.

We will go to one question from Mr. Ste-Marie, one from Mr. Julian, one from Ms. Jansen and one from Mr. McLeod, and then I believe Pam wanted in.

Mr. Ste-Marie, go ahead.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair.

Mr. Ross, thank you for your presentation and the work you and the Collectif are doing. Your work is essential to achieving greater fairness in society.

I really enjoyed your testimony about the importance of taxing the tech giants and receiving royalties. Frankly, as you rightly said, the government missed an opportunity when they announced that they were going to do it after the pandemic. It should have been done before the pandemic, to level the playing field between the tech giants and other businesses.

I know that Quebec has already started collecting tax. Can you tell us about that?

Also, in your presentation, you had some criticism of the OECD. What is that criticism? Was it Canada's inaction on tax havens or on the tech giants?

Mr. William Ross: Thank you, Mr. Ste-Marie.

With respect to the OECD, the first criticism I had in mind in my presentation is mostly about negotiations going back and forth. It means that the international community never reaches a consensus and all countries, including Canada, lose out independently of one another. If Canada had followed the lead of France and Spain, we could have passed a tax bill on our own, indicating what measures we intended to take. Then, if an international consensus had been reached, Canada would have joined in. Nothing was stopping us from doing so.

The United States retaliated against France and Spain, but if 20 countries had each done the same on their own, the United States would have ended up as unilateral. The international community has already reached a consensus on the need to tax these activities based on where they take place, not where the companies are registered. So that's one thing regarding the OECD.

Second, we know that the OECD grew out of the American Marshall Plan and has always tended to see itself on the progressive side of history when implementing its policies. However, it has consistently turned a blind eye where it really matters over the years. In the fight against tax havens, our objectives of being transparency and sharing data are always half measures.

That's the case for Canada, which participates in country-by-country reporting. It's actually hard for researchers, activists and journalists to gain access to that data. The transparency issue has been raised, but as long as civil society has no access to the data, then transparency is not enough. The government can always keep its own cards close to its chest.

But this isn't a poker game. We want the straight goods, and we want to know what's really happening out there.

● (1655)

Mr. Gabriel Ste-Marie: Thank you, Mr. Ross.

[*English*]

The Chair: Okay, we'll have to move on to Mr. Julian for one question.

Mr. Peter Julian: Thanks to our witnesses. It's very interesting.

Ms. Besse, I'd like to ask you about the difference credit unions make. You've given us some very impressive figures. Of course, I'm a member of a number of local credit unions. Our Vancity Savings dropped its credit card interest rate to 0%. Community Savings dropped its line of credit to 0%. What difference does it make when credit unions step up like this?

I also have an associated question. Credit unions initially had difficulty accessing the liquidity supports that were offered through federal institutions. How much of an impact did that have on the response of your credit union on behalf of its members during this pandemic?

Ms. Shelley Besse: I'm going to pass the first question to Kendall, my colleague, to answer. He's the president of our Island Savings region, and I think he can give a good perspective.

The Chair: Kendall, go ahead.

Mr. Kendall Gross (President, Island Savings, First West Credit Union): Sure. Thank you for the question.

Certainly as a credit union, our whole reason for being is not only to serve our members but to support our communities and the communities we do business in. We do that in many different ways. Our profits go back to our members or our communities in varying ways, but we've also certainly spent a lot of time and effort and rapidly responded at the outset of COVID-19 with specific funding and support for our various communities. We've done that in different ways. I look back and I can give you example after example of how that support has made a difference, not only for our specific members, but for our communities.

One good example of a creative way we've done that is that we had a very specific program called "Get a Meal Give a Meal" that focused on our business members, on shop local and our various communities, and on our food bank, where we subsidized meals and provided a donation. Those are various ways that we support, and it's made an incredible difference in our community.

I hope that answered the question.

The Chair: Okay.

Was there a second question, Ms. Besse?

Ms. Shelley Besse: Yes, I believe you were asking about access to liquidity.

I can only comment based on First West. Certainly we were in a very strong liquidity position prior to the pandemic, so I'm not aware of the delay. I know we did access the programs for assistance as we moved forward in the pandemic, and our treasury team worked through that.

The Chair: Okay.

We'll move on to Mrs. Jansen and then to Mr. McLeod, and we'll soon have to wrap it up.

Mrs. Jansen, could we have a single question, please?

Mrs. Tamara Jansen (Cloverdale—Langley City, CPC): Yes. Thank you.

Mr. Littler, we've heard from previous testimony here at the finance committee that the average small business has taken on $170,000 in non-bank debt during the pandemic. We also heard at our last meeting that small businesses are being denied HASCAP loans because they can't provide a revenue projection.

Unfortunately, the government has absolutely no concrete plan with any sort of benchmarks for a safe reopening, making it impossible for these businesses to be able to project revenue. That means banks are refusing to approve loans for highly affected sector credit availability because—surprise, surprise—these businesses are too high-risk.

It appears to me that this program, HASCAP, is about to join the growing list as yet one more Liberal program failure.

What sorts of safe reopening benchmarks do your retailers need to be able to see to secure their future? Also, would you agree that the 4% interest rate being charged by the HASCAP loan program is unreasonably higher than what the Bank of Canada and every other Canadian is able to access?

● (1700)

Mr. Karl Littler: I am not deeply familiar with HASCAP, in large measure because, as I've noted, most retailers would not qualify for it as they wouldn't meet the three months of sub-50% revenue within the prior eight months. Therefore, we have not delved into it as deeply as others have.

Certainly that is a challenge in our space, because there are certain forms of retail that are obviously running on fumes. I think particularly of the apparel and footwear businesses, and so on. They might not quite, in all instances, meet the HASCAP criteria as they are. Therefore, thinking about the ambit of those criteria is certainly something that could be done.

In terms of a 4% interest rate, I'm not sure I'm qualified to judge what market rates would be. I suspect that for retailers saddled with a bunch of seasonal inventory, whose prospects might be challenging depending on their environment, that might be deemed to be priced relatively reasonably, given that the assumption of risk is on the government side, so I don't think I could speak to that.

I do believe a couple of the programs do not allow inventory into the mix of their assessment of what can be funded, and obviously that is a significant challenge in the retail space.

Those would be a couple of areas that I would look at.

The Chair: Mr. McLeod, go ahead.

Mr. Michael McLeod (Northwest Territories, Lib.): Thank you, Mr. Chair. I have just a couple of short questions.

First of all, thank you to the presenters today for the very good information.

One question is for the First West Credit Union. For Canadian credit unions, how much of an increase have you seen in the number of individuals or businesses defaulting on their loan payments relative to 2019?

The second question is, have the credit unions been affected differently than the larger financial institutions, and how did the credit unions address these differences, if they were there?

Ms. Shelley Besse: Thank you, MP McLeod.

On the first question, I think you were saying default or delinquency. I can only comment on First West's experience. What I would share with you is that we are seeing historically low delinquency rates, significantly below what we've seen in the past.

As it relates to how credit unions are performing, again I can only speak to First West, but I would just say that we have a very strong liquidity capital and capital position, and certainly have had a good fiscal year this past year.

Other than that, I can't really comment on the performance of others.

The Chair: Okay. Thank you.

I know Ms. Damoff came to ask a question.

Pam, I'll give you a minute.

Ms. Pam Damoff (Oakville North—Burlington, Lib.): Thanks, Chair.

Mr. Wilson, I was really fascinated by what you were talking about, getting more women in manufacturing.

I run a program here called "Young Women in Leadership", and I had Jean Lucas, from Eco Waste Solutions, offer to take young women into her business. We had a hard time getting these high school students to go to Eco Waste Solutions. When they went, they actually loved it.

Is there anything the government could do to support your program to get more women in manufacturing, recognizing that women have been disproportionately impacted by the pandemic?

Mr. Mathew Wilson: Yes, we've been working for a couple of years now with WAGE and the minister there, doing some really good work.

One thing exactly like that is that we're trying to get young women and girls to experience what manufacturing is—not just shop-floor welding, but all the various positions, from the CEO right down. We actually have a program called “see me, be me”, which was founded, as part of this, by our former chairman of the board Rhonda Barnet, out of AVIT Manufacturing in Peterborough.

It's really important that we do this. I have a young daughter in grade 10 myself, and I'm hearing from her what she's exposed to in the school system, which is not very much.

There are a lot of things the federal government can do to support this happening. There's a huge amount of interest in the manufacturing community to do it. There may be something we can speak about offline specifically on what we're trying to do with the federal government, as well as the manufacturing community in general, because it's really important.

Ms. Pam Damoff: Thank you.

The Chair: Thank you.

I know we always run out of time.

I have one question. A number of people talked about the wage subsidy, number one, and how important it was, and some about how important it is that it be continued. I know from talking to the tourism industry here that they appreciated its extension to June, but if they don't know soon whether it will be extended further, there's going to be a problem opening. This was mentioned by the ski group and by Mr. Murphy.

Mr. Murphy, how important is it that, if the wage subsidy is going to be extended, it be announced soon?

● (1705)

Mr. Kevin Murphy: Thanks, Chairman.

Just before I quickly answer that, I want to give kudos to the credit union. We were on the charter banks' backs with Mr. Easter way back, and they weren't participating and didn't participate. Kudos to the credit union.

Regarding the wage subsidy, Chairman, we had a meeting last week, and they knew I was speaking here. They were all sitting there asking, “When can we hear?” I think that's the biggest thing right now. We fully appreciate that they have it until June 5, but some of these tourism operators don't open until June 15, yet they start in May and they have a staffing issue.

If you're asking me how critical it is, the answer is that timing is as critical as the amount, because right now they're going to make a decision.

I'll give you an example: Fisherman's Wharf Lobster Supper, in your district, a huge restaurant that caters to lobster supper business. Last year it didn't open. Right now, they're having that discussion.

Now, having a business close for two years is not good. We have to get everybody open, because our physical plant.... As I said before, it's not one operation; it's everybody who makes up the reason why people come to P.E.I. When one closes, it's just a little chip off the iceberg.

The Chair: Mr. Ryan, you mentioned the same thing.

Go ahead.

[*Translation*]

Mr. Jean-Michel Ryan: In response to Mr. Murphy, I want to specify that I also sit on a Canadian committee where I represent the Quebec tourism industry. We're really talking about predictability. In addition to preparing to hire people, we need to prepare the equipment and the infrastructure that must be set up before we open. If that predictability can't be ensured and it's impossible to know whether financial support will be extended, businesses will have to make a critical choice between opening up and closing down for good.

I could not agree with Mr. Murphy more.

[*English*]

The Chair: “Foreseeability” is an interesting word.

I'm sorry, folks. We always run out of time, but we are going to have to end the panel, because we start on committee business right away. We have a number of motions to discuss.

With that, we will allow our witnesses to go. On behalf of the committee, I thank you very much. Everybody had very interesting presentations, and we hope we can move forward together. Thank you, all.

We said we would discuss several motions. I don't know, with the vote coming up, how much time we'll have.

Do we want to start with yours, Mr. Ste-Marie? I know you had three. I have four in front of me; I'm not sure whether I have the right three.

[*Translation*]

Mr. Gabriel Ste-Marie: Yes, thank you, Mr. Chair.

I have four motions, three of which were introduced a long time ago.

[*English*]

The Chair: Well, I have the right number.

[*Translation*]

Mr. Gabriel Ste-Marie: The fourth one is about information being requested from the government and organizations like the Bank of Canada. Because this last motion was introduced later and a lot of things will need to be discussed, I have discussed it with Sean Fraser.

In the interest of fairness in the time spent debating this, I move that we consider the first three motions, then go to the motions from Mr. Julian and Ms. Dzerowicz, and finally return to my fourth motion.

[*English*]

The Chair: Okay.

[*Translation*]

Mr. Gabriel Ste-Marie: All right, thank you. If that's okay with you...

[*English*]

The Chair: Perhaps you could start with whichever one you're on, because I have four too, but I'm not sure which one....

[*Translation*]

Mr. Gabriel Ste-Marie: The three motions that I'm going to present one after the other are about the ways in which the committee deals with respect for French. I can tell you that, from my perspective, the committee's procedures are impeccable. I have no complaints about them. The Chair, all members and the Clerk are very concerned with ensuring respect for both official languages, and therefore with the importance of French.

These three motions are from my whip's office, which suggests that they be adopted by all committees to establish standards in the way things are done. Again, I would say that this committee's procedures are at least equal, if not superior, to what is in these motions. However, adopting them here would send a message and help counter discrimination against unilingual francophone members of other committees.

If it's okay with you, I could start with the first motion, which has been translated and distributed and reads as follows:

> That the clerk inform each witness who is to appear before the Committee that the House Administration support team must conduct technical tests to check the connectivity and the equipment used to ensure the best possible sound quality; and that the Chair advises the Committee, at the start of each meeting, of any witness who did not perform the required technical tests.

As I said, I don't see any problem with the way the committee is doing things. So the purpose of this motion is simply to endorse what I feel is already being done. So I move to adopt this motion.

● (1710)

[*English*]

The Chair: Okay, so that is moved. It's up for discussion.

I did note today that every witness had Parliament headphones on—there might have been one without—and that makes such a difference, if they can be mailed out in time.

Mr. Julian, go ahead.

[*Translation*]

Mr. Peter Julian: Thank you, Mr. Chair.

I will support this motion by Mr. Ste-Marie. I should mention that Parliament's Board of Internal Economy discussed this today. In the past few months, the frequency of injuries among interpreters has been rapidly decreasing due to the fact that more and more technical testing is being done and that our sound quality is good as a result. We need to keep working on it, but I think it's important to make progress and we need to continue in that direction.

[*English*]

The Chair: Is there any further discussion on the motion?

(Motion agreed to)

The Chair: Go ahead with the second one, Gabriel.

[*Translation*]

Mr. Gabriel Ste-Marie: I thank all my colleagues, I am very grateful.

The second motion involves substantive motions and substantive amendments in written form in both official languages. It says:

> That the text of any substantive motion or any motion in the amendment of a substantive motion be distributed in writing in both official languages to all Committee members before the Committee begins debate on such a motion.

Again, this is already how we do things on the committee, and I am introducing this motion to anchor this standard so that unilingual French speakers are not penalized.

Thank you, Mr. Chair.

[*English*]

The Chair: Okay, that's moved.

I believe your hand is up, Mr. Julian, and then we'll have Mr. Kelly.

[*Translation*]

Mr. Peter Julian: Thank you, Mr. Chair.

I very much appreciate my colleague Mr. Ste-Marie's contribution. I think the principle behind these issues is extremely important, but it would be very difficult for us to do what is being asked.

I completely agree that substantive motions should be translated before they are distributed to everyone. However, our day-to-day work makes it difficult to do the same for amendments to substantive motions. Our discussions may also result in a motion being passed unanimously or by majority. For this reason, I will not be able to support this second motion.

[*English*]

The Chair: Mr. Kelly, go ahead.

Mr. Pat Kelly: Thanks, Mr. Chair.

I'm sorry, but at the very beginning, I missed which of the two we are discussing. These are similar.

The Chair: The one we're discussing now, Pat, is about the text of any substantive motion or any amendment.

Mr. Pat Kelly: Okay. I guess I have to agree with Mr. Julian, then.

There is a difference when a motion is put on notice and will be distributed to committee members. I think it goes without saying that it must be done in both official languages, and I would agree in principle wholeheartedly that any written material of any kind at the committee must be available in both languages.

However, I think members have to have the ability to make a motion at the table, and each language is of equivalent use. That's why we have translation. To say that it must be in writing before it can be debated would really cause difficulty for the practical functioning of the committee. That's my reaction, if I understand this motion correctly.

● (1715)

The Chair: Okay.

I'll go to Mr. Ste-Marie and end with Mrs. Jansen, and then we'll have to go to a vote.

Mr. Ste-Marie, go ahead.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair.

I appreciate Mr. Kelly's and Mr. Julian's points. However, I would like to remind them that, to date, the committee has operated in the manner the motion describes. When someone proposes an amendment, we stop for two minutes while it is written up and sent to us, and we make sure that it's translated at the same time so that we can discuss it properly. I understand and respect their concerns, even though, again, in my view, it could put unilingual French speakers at a disadvantage.

There go the bells, Mr. Chair. I will just finish what I was saying.

[*English*]

The Chair: Mr. Clerk, where are we at in the time frame on the bells?

The Clerk of the Committee (Mr. Alexandre Roger): The committee has to agree to continue by—

The Chair: Yes, I know that. How much time is left on the clock?

The Clerk: They're 30-minute bells, and they just started.

The Chair: All right.

Is there unanimous consent to continue?

Some hon. members: Agreed.

The Chair: Give me a signal when we're at 10 minutes, if you could, Mr. Clerk.

Go ahead, Gabriel.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you.

I understand the points that have been made, although to date we have done it this way. If that is okay and if all committee members agree, we could take out the part of the motion that deals with amendments. So it would read:

> That the text of any substantive motion be distributed in writing in both official languages to all Committee members before the Committee begins debate on such a motion.

The words "or any motion in amendment of a substantive motion" are therefore removed entirely.

[*English*]

The Chair: Is that a friendly amendment? Are people comfortable with that? Do I hear any opposition?

[*Translation*]

Mr. Peter Julian: Could we read the amendment again?

[*English*]

The Chair: It says:

> That the text of any substantive motion be distributed in writing in both official languages to all Committee members before the Committee begins debate on such a motion.

In other words, deleted is "or any motion in amendment of a substantive motion".

Are we okay? That's accepted as a friendly amendment.

We have Mrs. Jensen, and then Mr. Fragiskatos.

Mrs. Tamara Jansen: I'm just trying to understand. Is that not what we already do?

The Chair: That is what we do.

Mrs. Tamara Jansen: No, but I mean if something happens and it comes up in the meeting, will this make it impossible for us to finish a meeting? If someone throws in a really big motion or something like that and it's going to take us 20 or 30 minutes to actually translate it, is that not going to gum up the wheels? I mean, since we've been doing such a good job, why are we fixing something that's not broken?

The Chair: If I could, Mrs. Jansen, with the amendment that Gabriel proposed, I think that does solve that problem, because we're talking about a substantive motion in the first instance.

Mr. Fragiskatos.

● (1720)

Mr. Peter Fragiskatos: Thank you, Chair.

Even still, I have concerns. Gabriel will know that I'm more than happy to hear him out. I supported the first motion he introduced today without hesitation, as all Liberal members did.

I still have remaining concerns, so I will not be able to support it.

The Chair: Mr. Kelly.

Mr. Pat Kelly: From a practical point of view, I almost want to ask the clerk for an opinion or perhaps to comment on the practicality here. I guess to Mrs. Jansen's point about how fast the turnaround is, I don't feel that this is necessarily how we have operated so far. I think the clerks do their best to quickly get out the translated written texts as soon as possible, but I feel as though we actually have debated motions on the basis of motions delivered orally at committee.

I don't know; maybe we should adopt this motion if we have assurance that there's enough infrastructure in place to do it quickly and not delay debate. Maybe we can ask the clerk about that.

The Chair: Mr. Clerk, can you respond?

The Clerk: The reality is that the interpreters are not translators. Those are two different work types, if you will. Our translation service is an outside.... They can translate, but it depends on how big the motion is that's on the floor, and I don't know when we're going to be able to get it.

As well, I am not a translator. I can easily make mistakes. The interpreters can also make mistakes when they are translating a document. It's not really what we are meant to do. I would caution you that we could try, but there would be possible mistakes in the product we would deliver to the committee.

Second, if we get the motions in both official languages before we even start the debate, as has been the case with finance—since I've been here, anyway—of course there's no problem, but then the onus falls on the members. I don't know whether or not the committee is ready to accept that.

Mr. Pat Kelly: It's never been a problem when they've been submitted ahead of time. It's when the motion is spontaneously table-dropped that I would see this as a problem.

The Chair: I have Mr. Falk to perhaps close this debate, and then Ms. Dzerowicz.

Mr. Ted Falk (Provencher, CPC): Thank you, Mr. Chair.

The point I was going to make is the one that Mr. Kelly just made. It really ties our hands at committee from making spontaneous motions.

I don't think I'll be able to support this.

The Chair: Ms. Dzerowicz.

Ms. Julie Dzerowicz: The only point I would add, Mr. Chair, would go to where I think most of the committee members are going—namely, that it will take up some more time, and I think we are trying to get through as much as we can.

From that perspective, I also won't be able to support the motion, although I do appreciate the principle behind it.

Thank you.

The Chair: Okay.

We will have to go to a vote. I don't know that we need to record it. I can count the hands, I think.

Do you want to go to a recorded vote, Gabriel?

[*Translation*]

Mr. Gabriel Ste-Marie: Yes, please.

[*English*]

The Chair: Mr. Clerk, we will have a recorded vote.

(Motion negatived: nays 9; yeas 2 [*See Minutes of Proceedings*])

The Chair: Gabriel, do you want to go to your third one?

● (1725)

[*Translation*]

Mr. Gabriel Ste-Marie: Mr. Chair, I would like to make a brief comment.

I understand that it takes away a little freedom when you have to have a translation of a motion that is being debated, but it has to be done so that unilingual francophones understand it.

So I completely understand that my colleagues' rights are limited. Again, we have never had this sort of problem on the committee yet. That said, we are limiting something right now: the rights of unilingual francophone, who will not be sure of what they are debating An example is the topic of the previous motion, the one we have just voted on.

With respect to the third motion that I am putting forward, it is about the Translation Bureau translating documents. It reads:

> That all documents submitted for Committee business that do not come from a federal department or that have not been translated by the Translation Bureau be sent for prior linguistic review by the Translation Bureau before being distributed to members.

The aim of the motion is to ensure that, when a witness is appearing and wants to give us a document, a linguistic review has been done. On other committees, documents have sometimes been translated willy-nilly, and even Google Translate would have done a better job than what was provided. The motion is simply to ensure better quality standards. In our offices, as members of Parliament, we have access to House of Commons translation services.

So that is the third motion I am bringing forward.

[*English*]

The Chair: All right, it's up for discussion.

Do I see Ms. Damoff's hand up?

Ms. Pam Damoff: You do, Chair.

I'm going to jump in here as a newbie on the committee, but earlier this week we debated it at another committee, and we excluded MPs' offices. We're using the same translation services that departments are. I just wonder if the honourable member would be agreeable to amending his motion to exclude members' offices as well.

[*Translation*]

Mr. Gabriel Ste-Marie: Yes, absolutely.

Ms. Pam Damoff: Thank you very much.

[*English*]

The Chair: Where's that? Maybe I'm looking at the wrong motion.

Ms. Pam Damoff: Where it says "excluding departments", Wayne, you would just add "and members' offices".

The Chair: Okay, thank you.

Does anybody else want to speak on this motion?

Hon. Ed Fast: Mr. Chair, just for clarification, this would of course not preclude a witness from appearing before committee; it would just preclude untranslated documents from being circulated until translation is complete. Is that correct?

The Chair: Gabriel is nodding yes. I believe that's what it would be.

Mr. Julian.

[*Translation*]

Mr. Peter Julian: Thank you, Mr. Chair.

As I see it, linguistic review means the quality of the translation, right? I would like Mr. Ste-Marie to clarify that.

It is possible that other organizations and other witnesses have their documents translated, but we certainly know that it is not always done well. The translations are inconsistent. From time to time, an organization does a translation using Google Translate. It's gibberish, it's neither French nor English, it's translated any which way. It seems to me that the main purpose of this is to have translation quality that is really up to the standard of a parliamentary committee, that we are able to have equal quality in both official languages. Isn't that right?

Mr. Gabriel Ste-Marie: Yes, absolutely, that is the purpose of this motion.

[*English*]

The Chair: Are we ready for the question?

(Motion agreed to [*See Minutes of Proceedings*])

The Chair: Ms. Dzerowicz, go ahead with your motion.

● (1730)

Ms. Julie Dzerowicz: Okay, I put notice of motion on the topic for our committee to look at eliminating interprovincial and territorial trade barriers. I think everybody has it in front of them.

It's fairly general in terms of consisting of at least four meetings. It suggests a couple of witnesses, but it's very open to whom it could include. It also invites the Minister of Intergovernmental Affairs and relevant department officials, and the chair would be empowered to set timelines for witness recommendations. Also the committee would present a report to the House when it's ready.

I have a couple of comments I would make, Mr. Chair. We all know that, for as long as I possibly can remember, we have been attempting to try to eliminate interprovincial trade barriers to have free movement of goods and people. Now is the moment when we have a really great opportunity to tackle this once again and be successful.

Part of the reason I put this one forward is that I truly believe not only that it would be of interest to every single political party, but also that it would be of great interest to every single province and territory.

I don't think we need to eliminate all of the barriers at once for every single thing. We could do it step by step, and we could get a lot of advice about how we can finally break the logjam and be successful on eliminating these interprovincial trade barriers.

We know there have been some successes in the east-west partnership. There has been some success out in the west between B.C., Alberta and Saskatchewan. I am wondering if we could have some learnings from there. Maybe we could also get some advice about how we could do things differently so that we don't get into the logjam that we have had in the past.

With that, Mr. Chair, I'd like to move that we consider this as one of the next topics of discussion for our finance committee.

The Chair: I have your remarks, and I have four hands up, starting with Mr. Julian.

I have to look to the clerk. How are we on time? We do have to click out of this system and into another one; that's my worry.

Mr. Julian, you're on.

Mr. Peter Julian: Mr. Chair, just to cut to the chase, it is a good study for us at the wrong time. To talk about unrestricted movement of goods and people at a time when we are hitting the third wave of the pandemic doesn't make a lot of sense.

What I would propose is that we undertake the study in September 2021—I offer that first amendment as a friendly amendment—and that we report on the study with recommendations to the House by fall 2021.

If those are acceptable as friendly amendments.... I see they are not. I will move both of them as amendments, then, and I will speak to the amendments.

The idea is that we are at a time of restrictions with the third wave coming. I don't feel this is something we need to undertake urgently. The government is committed to having everybody vaccinated by September, which would mean, hopefully at that point, if the government keeps its commitment, that we should be fully open in the fall of 2021. That is a good time to talk about this issue for building back better.

That's why I'm proposing these two amendments, so that we do it at the right time, if the government meets its commitment.

There are rumours that the government wants to call an election. If the government doesn't call an election, if the Prime Minister doesn't go to the chief justice of the Supreme Court, the acting governor general, to drop the writ, this would be a very good piece of work for the committee to do in the fall.

The Chair: Give me those amendments that you're moving.

Mr. Peter Julian: It's that the Standing Committee on Finance undertake the study in September 2021, and then the final sentence will be “The committee present a report on this study with its recommendations to the House by the end of fall 2021.”

The Chair: The amendments are on the floor. The amendments are up for debate, and you have two minutes and 18 seconds to debate them.

We have Mrs. Jansen and then Mr. Ste-Marie.

● (1735)

Mrs. Tamara Jansen: Thank you so much.

Interprovincial trade barriers have been studied to death. This would be a complete waste of time, whether we do it now or whether we do it then. We need to get rid of them.

We need to study COVID-19 spending. We have seen billions of dollars being spent, and we need to do what's right for Canadians right now.

The Chair: Mr. Ste-Marie.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair.

I agree with my colleague Tamara Jansen.

Personally, I agree that there should be no limitations on trade. When we have good agreements and the people involved are equals, I am in favour of free trade.

However, as I see it, this is about the provinces, and they can negotiate amongst themselves. I am against Ottawa stepping in and telling the provinces what to do. I am in favour of the principle, but I don't think that Parliament or the Standing Committee on Finance should debate it.

I'm not against Mr. Julian's amendment, but I will vote against the final motion, because I don't feel the Standing Committee on Finance should be debating it.

[*English*]

The Chair: Okay. We're on the amendment.

We have Mr. Fast, and then Ms. Dzerowicz.

Hon. Ed Fast: What I would say to Ms. Dzerowicz is that I think this kind of study is probably warranted. It would bring us up to date on the barriers to interprovincial trade within Canada.

The problem is that you've included the words “urgent study”, and this is not urgent. It is very important. A number of our national business associations have highlighted that this is important. We do not in any way minimize the importance of this kind of work. However, to suggest that it is urgent also raises the concern that this would displace other work we would be doing at this committee over the next month or two. For example, we have to complete the work we have before us right now, the study on the COVID response. We will likely have a budget coming down the pipe, if we don't get into an election before then.

So, Mr. Chair, for those reasons, I do support Mr. Julian's amendment—because that's what we're debating—because it sets a fixed time in the fall when this would be considered. That's eminently reasonable.

The Chair: Okay. We will have to take up this discussion at a future date. We are a little less than nine minutes and 19 seconds away from a vote. I'll have to adjourn the meeting at that, and we'll have to pick it up another day.

Thank you all for the discussion.

The meeting is adjourned.